TAIGA GOLD CORP.
(An Exploration Stage Corporation)
FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

For the years ended
December 31, 2018 and 2017

Crowe

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Independent Auditor's Report

To the Shareholders of Taiga Gold Corp

Opinion

We have audited the financial statements of Taiga Gold Corp ("the Company"), which comprise the statements of financial position as at December 31, 2018 and December 31, 2017 and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and December 31, 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

- Management's Discussion and Analysis

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

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

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

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

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

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

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

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
April 26, 2019

TAIGA GOLD CORP.
(An Exploration Stage Corporation)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at December 31	**2018**	2017
Assets		
Current		
Cash and cash equivalents	**$ 509,834**	$ 1
Accounts receivable	**6,833**	-
	516,667	1
Exploration and evaluation assets (Note 5)	**6,273,736**	-
	$6,790,403	$ 1
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	**$ 74,064**	$ -
Premium on flow-through shares	**26,759**	-
	100,823	-
Shareholders' equity		
Share capital (Note 10)	**7,063,546**	1
Contributed surplus	**538,957**	-
Deficit	**(912,923)**	-
	6,689,580	1
	$6,790,403	$ 1

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 8)
Subsequent event (Note 13)

On behalf of the Board:

"Timothy J Termuende" Director
Mr. Timothy J. Termuende (Signed)

"Glen J Diduck" Director
Mr. Glen J. Diduck (Signed)

STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

For the years ended December 31	2018	2017
Operating expenses		
Administration costs (Note 7)	**$184,733**	$ -
Professional fees (Note 7)	**61,864**	-
Public company costs	**44,244**	-
Trade shows, travel and promotion	**150,089**	-
Operating loss before other items	**440,930**	-
Other items		
Other income	**(4,198)**	-
Premium on flow-through shares	**(23,391)**	-
Share-based payments (Notes 7 and 10)	**499,582**	-
	471,993	-
Loss for the year	**$912,923**	$ -
Net loss per share – basic and diluted (Note 11)	**($0.02)**	($0.00)
Weighted average number of shares – basic and diluted (Note 11)	**42,551,723**	1

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

TAIGA GOLD CORP.
(An Exploration Stage Corporation)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

For the years ended December 31	**2018**	2017
Cash flows from operating activities		
Loss for the year	**$(912,923)**	$ -
Adjustment for:		
Share-based payments	**499,582**	-
Premium on flow-through shares	**(23,391)**	-
	(436,732)	-
Changes in non-cash working capital items		
Increase in accounts receivable	**(6,833)**	-
Increase in accounts payable and accrued liabilities	**50,214**	-
	(393,351)	-
Cash flows from financing activities		
Proceeds from issuance of shares	**1,058,900**	1
Share issuance costs	**(29,710)**	-
Proceeds from exercise of options	**13,881**	-
Share cancelled on spin out	**(1)**	-
	1,043,070	1
Cash flows from investing activities		
Cash received for option payments	**75,000**	-
Exploration and evaluation assets expenditures	**(214,886)**	-
	(139,886)	-
Increase in cash and cash equivalents	**509,833**	1
Cash and cash equivalents, beginning of year	**1**	-
Cash and cash equivalents, end of year	**$ 509,834**	$ 1
Cash and cash equivalents comprise:		
Bank deposits	**$ 80,171**	$ 1
Term deposits	**429,663**	-
	$ 509,834	$ 1

The Company made no cash payments for interest or income taxes in the year.
The company received cash payments of $4,047 (2017 - $nil) for interest in the year.

Non-cash investing and financing activities:		
Shares issued per Plan of Arrangement	**$ 6,000,000**	$ -
Shares issued for exploration and evaluation assets	**$ 110,000**	$ -
Accounts payable related to exploration and evaluation assets	**$ 23,850**	$ -

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

	Share Capital		Contributed		
	Shares	Amount	Surplus	Deficit	Total
Balance, December 31, 2016	-	$ -	$ -	$ -	$ -
Shares issued	1	1	-	-	1
Balance, December 31, 2017	1	$ 1	$ -	$ -	$ 1

Balance, December 31, 2017	1	$ 1	$ -	$ -	$ 1
Shares issued per Plan of Arrangement	56,144,050	6,300,000	-	-	6,300,000
Share cancelled on spin out	(1)	(1)	-	-	(1)
Shares issued for options exercised	192,500	13,881	-	-	13,881
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
Shares issued for exploration and evaluation assets	1,000,000	110,000	-	-	110,000
Flow-through premium liability	-	(50,150)	-	-	(50,150)
Residual value of warrants	-	(39,375)	39,375	-	-
Share issue costs	-	(29,710)	-	-	(29,710)
Share-based payment	-	-	499,582	-	499,582
Loss for the year	-	-	-	(912,923)	(912,923)
Balance, December 31, 2018	**61,274,050**	**$7,063,546**	**$538,957**	**$(912,923)**	**$6,689,580**

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

1. Nature and continuance of operations

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

2. Transfer of Business

On February 2, 2018, the Company executed a formal arrangement agreement related to the proposed spin-out. Pursuant to the Plan of Arrangement, Eagle Plains transferred its interest in the Fisher, Chico, Orchid, Leland and SAM properties, not including the net smelter returns (“NSR’s”) which will remain with Eagle Plains and $300,000 in cash to Taiga. Per the Plan of Arrangement, Eagle Plains will hold 11,162,716 shares of Taiga and the Eagle Plains shareholders at the date of the Plan of Arrangement will hold 44,981,334 shares of Taiga.

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.

On October 15, 2018, the Company entered into an agreement with Eagle Plains whereby Taiga agreed to purchase the conditional right to be granted in the future, a variable 0.5% to 2.5% net smelter returns royalty (“NSR”) relating to any future production at the Fisher gold property located in Saskatchewan, which rights were held by Eagle Plains. Eagle Plains received purchase consideration of $110,000, payable through the issuance of 1,000,000 common shares of Taiga at $0.11 per share.

3. Basis of Preparation

(a) Statement of Compliance

The financial statements for the Company for the years ending December 31, 2018 and 2017 are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were authorized for issue by the Board of Directors on April 26, 2019.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”) which are stated

3. Basis of Preparation - continued

at their fair value. These financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

(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 years if the revision affects both current and future years.

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

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

Application of accounting for Plan of Arrangement

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset requires the Company to make certain judgements as to whether the assets acquired, and liabilities assumed constitute a business as defined in IFRS 3 – Business Combinations. Management determined that the Spin-out Properties do not meet the definition of a business and the Plan of Arrangement (note 2) was considered an acquisition of assets. The fair value of the properties acquired was determined by the Company to be $6,000,000.

4. Significant Accounting Policies

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

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.

b) Financial instruments
The Company has adopted new accounting standard IFRS 9 - Financial Instruments, effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 9 did not result in any changes to the classification, measurement or carrying amounts of the Company's existing financial instruments on transition date.

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

- Those measured a fair value through profit and loss ("FVTPL");

4. Significant Accounting Policies - continued

b) Financial instruments - continued

- Those measured at fair value through other comprehensive income ("FVOCI"); and
- Those measured at amortized cost.

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

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The Company has assessed the classification and measurement of its financial assets and financial liabilities under IFRS 9 and have summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Category	
	Original (IAS39)	New (IFRS 9)
Financial Assets:		
Cash and cash equivalents	Amortized cost	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Financial Liabilities:		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

There have been no changes in the carrying value of the Company's financial instruments or to previously reported figures as a result of change to the measurement categories listed above.

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.

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.

4. Significant Accounting Policies - continued

c) Exploration and evaluation assets - continued

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.

d) 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.

e) 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 carve-out 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 years if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

f) Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset,

4. Significant Accounting Policies - continued

f) Impairment of non-financial assets - continued

the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss in the statement of comprehensive income (loss) for the period.

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

g) 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.

h) Income taxes

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

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

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

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

i) 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 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.

4. Significant Accounting Policies - continued

i) Share capital - continued

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.

j) Per share cost

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 and warrants are anti-dilutive for each period presented.

k) Share-based payments

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

Where the terms and conditions of options are modified 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 statement of comprehensive income (loss) over the remaining vesting period.

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

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

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

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

(Expressed in Canadian dollars)

4. Significant Accounting Policies - continued

k) Share-based payments - continued

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.

(l) New accounting pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2018 reporting year. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its 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 year ended December 31, 2018, the Company made acquisition and exploration expenditures of $348,736 (2017 - $nil), received option payments of $75,000 (2017 - $nil) and received properties valued at $6,000,000 pursuant to the Plan of Arrangement (note 2). As a result of the foregoing, exploration and evaluation assets totaled $6,273,736 at December 31, 2018.

	Dec 31 2017	Fair Value of Spin Out Properties	Acquisition and Exploration	Option Payments	Dec 31 2018
Chico	$ -	$ -	$ 7,415	$ -	$ 7,415
Fisher	-	1,892,967	110,000	(75,000)	1,927,967
Leland	-	1,195,894	5,998	-	1,201,892
Orchid	-	2,655,691	106,281	-	2,761,972
SAM	-	255,448	119,042	-	374,490
	$ -	$6,000,000	$348,736	$ (75,000)	$6,273,736

Summary of acquisition and exploration expenditures:

	2018	2017
Analytical	$ 30,540	$ -
Consultations	11,878	-
Equipment rental	12,833	-
Geological and Geochemical	2,287	-
Geophysical	54,050	-
Labour	95,483	-
Transportation	11,124	-
Travel and camp	15,720	-
Tenure and acquisitions	114,821	-
	$348,736	$ -

The Company has interests in a number of optioned exploration projects. As at December 31, 2018, the Company has executed option agreements with third parties on the following projects:

Saskatchewan

Chico Project: On December 9, 2016, Eagle Plains entered into an option agreement (subsequently transferred to Taiga per the Plan of Arrangement) with Aben Resources Ltd. ("Aben") whereby Aben has the exclusive right to earn an undivided 80% interest in the Chico Gold Project located in Saskatchewan. Aben may earn an initial 60% interest by

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets - continued

incurring $1,500,000 in exploration expenditures, issuing 1,500,000 common shares and making cash payments totalling $100,000 over 4 years. Upon earning this 60% interest, Aben may elect to exercise a second option to earn a further 20% interest by incurring an additional $2,000,000 in exploration expenditures, issuing 1,000,000 common shares, and making $50,000 cash payment within two years of the date of election. Payments for the initial 60% interest are due as follows:

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

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

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

6. Financial Instruments

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

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

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

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

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

(Expressed in Canadian dollars)

6. Financial Instruments - continued

December 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	**$ 509,834**	**$ -**	**$ -**	**$ 509,834**

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 1	$ -	$ -	$ 1

As disclosed in Note 4(b), 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 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 December 31, 2018 and 2017, substantially all of the Company's cash and cash equivalents were 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 on the statements of financial position.

c) Currency risk
Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At December 31, 2018, the Company held cash of $326 (2017 - $nil) in US$. The Company is not exposed to significant currency risk.

d) 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.

7. Related Party Transactions

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

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

	2018	2017
Administrative services provided by EPL	**$ 61,112**	$ -
Costs reimbursed to EPL	**$ 138,920**	$ -
Exploration services provided by EPL	**$ 236,933**	$ -
Share of proceeds from EPL options exercised	**$ (13,881)**	$ -

At December 31, 2018, $47,916 (2017 - $nil) is included in accounts payable and accrued liabilities.

(Expressed in Canadian dollars)

7. Related Party Transactions - continued

(b) Included in professional fees is $21,043 (2017 - $nil) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner. At December 31, 2018, $370 (2017 - $nil) is included in accounts payable and accrued liabilities.

Compensation to key management

Compensation to key management personnel was as follows:

		2018	2017
Consulting fees	to a company owned by a director and officer of Taiga	**$ 49,000**	$ -
Wages and benefits	to directors and officers of Taiga	**60,920**	-
Professional fees	to a director and officer of Taiga	**24,500**	-
Share-based payments	to directors and officers	**294,726**	-
		$ 429,146	$ -

(c) Included in administration costs is $49,000 (2017 - $nil) paid or accrued for management services to a company owned by a director and officer of the Company.

(d) Included in administration costs is $60,920 (2017 - $nil) paid or accrued for wages and benefits to directors and officers of the Company.

(e) Included in professional fees is $24,500 (2017 - $nil) paid or accrued for accounting services to a director and officer of the Company.

(f) The Company granted 3,000,000 (2017 – nil) options, with exercise prices of $0.20 (2017 - $nil) and expiry dates of July 20, 2023 (2017 - nil), to directors of the Company and recorded share-based payments of $294,726 (2017 - $nil).

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

8. Commitments and Contingencies

All expenses or costs of the Plan of Arrangement, including without limitation, financial, advisory, accounting, marketing, exchange review and listing, shareholder meeting and legal fees and costs, incurred were borne by Eagle Plains. Taiga agrees to reimburse Eagle Plains for all such fees and costs (totalling $310,929) 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 or greater; or
(b) SGO Mining Inc. exercising its option to acquire 80% of the Fisher project resulting in Taiga receiving a $3,000,000 purchase payment; or
(c) Immediately prior to completion of a corporate takeover, merger, amalgamation, capital reorganization or similar transaction resulting in a change of control of Taiga, or a sale of the property and assets of Taiga as or substantially as an entirety to any other party.

The Company is committed to incur exploration expenditures of $267,586 by December 31, 2019 to meet the renouncement requirements from the issuance of flow-through shares in June 2018.

Per the Plan of Arrangement, the Company has agreed to issue shares upon the exercise of options and /or warrants in Eagle Plains on the basis of one Taiga share for every 2 Eagle Plains shares issued. As at December 31, 2018 the total commitment is for 4,147,500 options exercisable at $0.10 - $0.30 with expiry dates of June 5, 2020 to February 19, 2023 and 2,217,000 warrants exercisable at $0.40 and expiring February 7, 2020. The Company will receive a pro-rata share of the exercise proceeds from Eagle Plains.

8. Commitments and Contingencies - continued

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

9. Capital Management

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

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended December 31, 2018 and 2017. The Company is not subject to externally imposed capital requirements.

10. Equity Instruments

(a) <u>Authorized</u>
Unlimited number of common shares without nominal or par value.

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

(b) <u>Issued and outstanding</u>
At December 31, 2018, there were 61,274,050 (2017 – 1) shares outstanding.

- On April 11, 2018, the Company completed the Plan of Arrangement (note 2) issuing 44,981,334 common shares to EPL shareholders and 11,162,716 common shares to EPL.
- On April 16, 2018, the Company issued 45,000 shares as per the Plan of Arrangement for 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 for the exercise of Eagle Plains options and received proceeds of $4,551.
- On July 4, 2018, the Company issued 72,500 shares as per the Plan of Arrangement for the exercise of Eagle Plains' options and received proceeds of $6,599.
- On October 18, 2018, the Company issued 1,000,000 shares for the purchase of an NSR with a fair value of $110,000.

(Expressed in Canadian dollars)

10. Equity Instruments - continued

(b) Issued and outstanding - continued

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 $0.18 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 $0.40 for a 24 month period. Flow-through units were sold at a price of $0.20 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 $0.40 for a 24 month period.

(c) Stock Option Plan

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

During the year ended December 31, 2018, the Company had the following stock option activities:

Total issued and outstanding	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Balance, December 31, 2017	-	$ -	$ -
Granted	5,200,000	0.20	0.20
Balance, December 31, 2018	5,200,000	$ 0.20	$ 0.20

On July 20, 2018, the Company granted 5,200,000 options to directors, employees and key consultants of the Company at an exercise price of $0.20 per share, expiring July 20, 2023.

At December 31, 2018, the following table summarizes information about stock options outstanding:

Options Outstanding Dec 31, 2018	Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
5,200,000	$0.20	July 20, 2023	4,975,000	4.55 years

(d) Share-based payments for share options

During the year ended December 31, 2018, $499,582 (2017 – $nil) was recorded as share-based payments related to options granted and vested during the year. Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period. The Company valued the options using the Black Scholes model.

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

	2018
Expected annual volatility	**100.00%**
Expected risk free rate	**2.05%**
Expected term	**5 years**
Expected dividends	**-**
Share price at date of grant	**$0.14**
Exercise price	**$0.20**

The Company is a newly listed public company so there is not enough history for a volatility calculation so 100% was determined to be reasonable for a junior mining company.

(Expressed in Canadian dollars)

10. Equity Instruments - continued

(e) Warrants outstanding

At December 31, 2018, the Company had outstanding, 3,937,500 (2017 – nil) share purchase warrants exercisable at $0.40 (2017 – $nil) and expiring June 8, 2020 (2017 - nil). These warrants were issued in conjunction with the financing in June 2018. Their remaining life is 1.44 years.

11. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the year ended December 31, 2018 of 42,551,723 shares (2017 – 1). The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had anti-dilutive effect for the years ended December 31, 2018 and 2017.

12. Income Taxes

As of December 31, 2018 and 2017, the effective tax rate of income varies from the statutory rate as follows:

	2018	2017
Loss before income taxes	$ (912,923)	$ -
Statutory tax rates	27.0%	26.0%
Tax recovery at statutory rate	(246,000)	-
Non-deductible items	129,000	-
Tax benefits unrecognized	117,000	-
Deferred income tax recovery	$ -	$ -

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

Nature of deferred income tax asset	2018	2017
Exploration and evaluation assets	$ (59,000)	$ -
Non-capital tax losses	119,000	-
Share issue costs	6,000	-
Deferred income tax assets	66,000	-
Unrecognized deferred tax assets	(66,000)	-
Deferred income tax liability	$ -	$ -

As of December 31, 2018, subject to confirmation by income tax authorities, the Company has approximately the following available tax pools, deductible from future taxable income at rates prescribed by the Canadian Income Tax Act:

	2018	2017
Non-capital tax losses expiring in 2038	$ 441,000	$ -

As at December 31, 2018, the Company has unrecognized deferred tax liabilities of approximately $1,620,000 due to temporary differences arising on the initial recognition of the acquisition of the Spin-out Properties.

13. Subsequent Event

On April 16, 2019, the Company closed the first tranche of a non-brokered private placement to arms-length and non-arms-length investors which was comprised of 2,560,000 non-flow-through units for gross proceeds of $204,800. Non-flow-through units were sold at a price of $0.08 per unit, each unit consisting of a non-flow-through common share and one-half (1/2) non-flow-through common share purchase warrant, each whole warrant exercisable at $0.12 for a 24-month period. The common share purchase warrants are subject to an accelerated expiry at the option of the Company if the published closing trade price of the common shares on the Canadian Securities Exchange ("CSE") is greater than or equal to $0.50 for any 10 consecutive trading days, in which event the holder may be given notice that the warrants will expire 30 days following the date of such notice. The common share purchase warrants may be exercised by the holder during the 30 day period between the notice and the expiration of the common share purchase warrants.