

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

For the periods ended  
March 31, 2021 and 2020

**NOTICE TO READER OF THE  
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim financial statements for the period ended March 31, 2021.

The Management of Taiga Gold Corp. is responsible for the preparation of the accompanying condensed interim financial statements as at March 31, 2021.

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

*“Timothy J Termuende”*

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

*“Glen J Diduck”*

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Glen J. Diduck  
Chief Financial Officer

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

	<b>March 31</b>	December 31
	<b>2021</b>	2020
	<b>(unaudited)</b>	(audited)
<b>Assets</b>		
<b>Current</b>		
Cash	<b>\$3,375,673</b>	\$ 558,269
Accounts receivable	<b>314,878</b>	132,052
Prepaid expenses	<b>1,317</b>	30,285
Investments (Note 4)	<b>107,500</b>	68,750
	<b>3,799,368</b>	789,356
<b>Exploration and evaluation assets (Note 5)</b>	<b>388,476</b>	463,047
	<b>\$4,187,844</b>	\$1,252,403
<b>Liabilities and Shareholders' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	<b>\$ 97,806</b>	\$ 51,090
Project prepayments	<b>50,000</b>	-
	<b>147,806</b>	51,090
<b>Shareholders' equity</b>		
Share capital (Note 10)	<b>8,923,262</b>	8,884,622
Contributed surplus	<b>822,156</b>	817,213
Deficit	<b>(5,705,380)</b>	(8,500,522)
	<b>4,040,038</b>	1,201,313
	<b>\$4,187,844</b>	\$1,252,403

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

**Commitments and contingencies** (Note 8)

**Subsequent events** (Note 12)

**On behalf of the Board:**

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

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

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

**TAIGA GOLD CORP.**  
**(An Exploration Stage Corporation)**  
**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Expressed in Canadian dollars)

	<b>Three months ended Mar 31 2021</b>	Three months ended Mar 31 2020
<b>Revenue</b>	<b>\$ 32,515</b>	\$ 2,961
<b>Operating expenses</b>		
Administration costs (Note 7)	70,643	71,062
Professional fees (Note 7)	12,570	12,426
Public company costs	4,230	4,474
Trade shows, travel and promotion	96,000	162,872
	<b>183,443</b>	250,833
<b>Operating loss before other items</b>	<b>(150,928)</b>	(247,872)
<b>Other items</b>		
Other income	866	263
Other expenses	-	(3,183)
Option proceeds in excess of carrying value	2,973,897	-
Unrealized loss on investments	(23,750)	-
Share-based payments (Note 10)	(4,943)	-
	<b>2,946,070</b>	(2,920)
<b>Comprehensive income (loss) for the period</b>	<b>\$2,795,142</b>	\$(250,792)
<b>Earnings (loss) per share – basic and diluted (Note 11)</b>	<b>\$0.03</b>	(\$0.00)
<b>Weighted average number of shares – basic and diluted (Note 11)</b>	<b>81,848,345</b>	72,260,812

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

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

<b>For the three months ended March 31,</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Income (loss) for the period	<b>\$2,795,142</b>	\$(250,792)
Adjustment for:		
Share-based payments	<b>4,943</b>	-
Option proceeds in excess of carrying value	<b>(2,973,897)</b>	-
Unrealized loss on investments	<b>23,750</b>	-
	<b>(150,062)</b>	(250,792)
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	<b>(182,826)</b>	2,501
Decrease in prepaid expenses	<b>28,968</b>	-
Increase in accounts payable and accrued liabilities	<b>46,716</b>	4,488
Increase in prepaid deposits	<b>50,000</b>	-
	<b>(207,204)</b>	(243,803)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	1,399,615
Share issuance costs	-	(30,293)
Proceeds from exercise of warrants	<b>38,640</b>	-
	<b>38,640</b>	1,369,322
<b>Cash flows from investing activities</b>		
Exploration and evaluation assets expenditures	<b>(59,014)</b>	(5,787)
Cash received for option payments	<b>3,044,982</b>	-
	<b>2,985,968</b>	(5,787)
<b>Increase in cash and cash equivalents</b>	<b>2,817,404</b>	1,119,732
Cash and cash equivalents, beginning of period	<b>558,269</b>	31,817
<b>Cash and cash equivalents, end of period</b>	<b>\$3,375,673</b>	\$ 1,151,549
<b>Cash and cash equivalents comprise:</b>		
Bank deposits	<b>\$ 171,503</b>	\$ 451,286
Term deposits	<b>3,204,170</b>	700,263
	<b>\$3,375,673</b>	\$1,151,549

The Company made no cash payments for interest or income taxes in the period.  
The Company received cash payments of \$866 (2020 - \$263) for interest in the period.

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

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

	Share Capital		Contributed		
	Shares	Amount	Surplus	Deficit	Total
Balance, December 31, 2019	63,887,050	\$7,271,993	\$ 560,207	\$(7,230,371)	\$ 601,829
Shares issued for private placement	15,551,273	1,399,615	-	-	1,399,615
Share issue costs	-	(30,293)	-	-	(30,293)
Loss for the period	-	-	-	(250,792)	(250,792)
<b>Balance, March 31, 2020</b>	<b>79,438,323</b>	<b>\$8,641,315</b>	<b>\$ 560,207</b>	<b>\$(7,481,163)</b>	<b>\$1,720,359</b>
Balance, December 31, 2020	81,745,823	\$8,884,622	\$ 817,213	\$(8,500,522)	\$ 1,201,313
Shares issued for private placement	292,000	38,640	-	-	38,640
Share-based payments	-	-	4,943	-	4,943
Income for the period	-	-	-	2,795,142	2,795,142
<b>Balance, March 31, 2021</b>	<b>82,037,823</b>	<b>\$8,923,262</b>	<b>\$ 822,156</b>	<b>\$(5,705,380)</b>	<b>\$4,040,038</b>

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

**March 31, 2021 and 2020**

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

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

The Company is 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 Company acts as the operator on certain option agreements and derives revenue from this.

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

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

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

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## **2. Basis of Preparation**

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### (a) Statement of Compliance

The condensed interim financial statements for the Company for the periods ending March 31, 2021 and 2020 are prepared in accordance with International Financial Reporting Standard 34 ("IAS 34"), Interim Financial Reporting, using accounting policies which are consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

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

### (b) Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL") which are stated at their fair value. These condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

### (c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial 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

**March 31, 2021 and 2020**

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

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under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further years if the revision affects both current and future years.

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

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

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## **3. Significant Accounting Policies**

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

### New accounting pronouncements

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

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

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

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

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

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

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## **4. Investments**

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

**Taiga Gold Corp.**  
**(An Exploration Stage Corporation)**  
**Notes to Condensed Interim Financial Statements**  
(Expressed in Canadian dollars)

**March 31, 2021 and 2020**

**4. Investments - continued**

	March 31, 2021		December 31, 2020	
	Market Value	Cost	Market Value	Cost
Current:				
Common shares in public companies	<b>\$ 107,500</b>	<b>\$ 135,000</b>	\$ 68,750	\$ 72,500

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at March 31, 2021. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

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

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

**5. Exploration and Evaluation Assets**

During the period ended March 31, 2021, the Company made acquisition and exploration expenditures of \$59,015 (2020 - \$5,787) and received options payments of \$3,107,483 (2020 - \$nil). As a result of option payments received, the Company recorded in income, option proceeds in excess of carrying value of \$2,973,897 (2020 - \$nil). Exploration and evaluation assets totaled \$388,476 at March 31, 2021, down from \$463,047 at December 31, 2020.

	Dec 31 2020	Acquisition and Exploration	Option Payments	Option proceeds in excess of carrying value	Mar 31 2021
Chico	\$ -	\$ -	\$ -	\$ -	\$ -
Fisher	25,000	1,087	(2,999,983)	2,973,897	1
Leland	186,367	31,149	(87,500)	-	130,016
Orchid	125,877	23,624	-	-	149,501
SAM	122,112	(5,710)	(20,000)	-	96,402
Mari Lake	1,816	8,865	-	-	10,681
Other	1,875	-	-	-	1,875
	<b>\$463,047</b>	<b>\$59,015</b>	<b>\$(3,107,483)</b>	<b>\$2,973,897</b>	<b>\$388,476</b>

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

**March 31, 2021 and 2020**

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

Summary of acquisition and exploration expenditures:

	3 months 2021	YTD 2020
Analytical	\$ 752	\$ 6,155
Environmental & consultations	88	2,800
Drilling	4,128	-
Equipment rental	2,797	27,203
Geological and geochemical	4,054	3,195
Geophysical	-	35,624
Labour	33,368	21,674
Transportation	5,394	31,478
Travel and camp	14,613	22,182
Tenure and acquisitions	(6,179)	330
	<u>\$59,015</u>	<u>\$56,060</u>

The Company has interests in a number of optioned exploration projects. As at March 31, 2021, the Company has executed option agreements with third parties on the following projects:

**Chico Project:** On December 9, 2016, Eagle Plains entered into an option agreement (subsequently transferred to Taiga per the Plan of Arrangement) with Aben Resources Ltd. ("Aben") whereby Aben has the exclusive right to earn an undivided 80% interest in the Chico Gold Project located in Saskatchewan. Aben may earn an initial 60% interest by incurring \$1,500,000 in exploration expenditures, issuing 1,500,000 common shares and making cash payments totalling \$100,000 over 4 years. Upon earning this 60% interest, Aben may elect to exercise a second option to earn a further 20% interest by incurring an additional \$2,000,000 in exploration expenditures, issuing 1,000,000 common shares, and making \$50,000 cash payment within two years of the date of election. Payments for the initial 60% interest are due as follows:

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

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

**Fisher Gold Project:** On October 5, 2016, Eagle Plains entered into an option agreement (subsequently transferred to Taiga per the Plan of Arrangement) with Silver Standard Resources Inc. (subsequently renamed SSR Mining Inc.) (subsequently transferred to SGO Mining Inc., a wholly-owned subsidiary) ("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.

**March 31, 2021 and 2020**

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

**Fisher Project - continued**

Payments are due as follows:

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

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

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

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

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

Cash Payments	Share Payments	Exploration Expenditures	Due Date
\$ 10,000	-	\$ -	Letter of intent (August 17, 2020) (received)
20,000	-	-	On the effective date (August 26, 2020) (received)
20,000	150,000	-	Earlier of date of going public and 120 days following the effective date. (received cash)
20,000	50,000	100,000	June 30, 2021
-	200,000	-	12 months after going public
60,000	200,000	600,000	18 months after going public
100,000	200,000	800,000	30 months after going public
270,000	200,000	1,000,000	42 months after going public
-	-	1,500,000	54 months after going public
<u>\$ 500,000</u>	<u>1,000,000</u>	<u>\$ 4,000,000</u>	

**March 31, 2021 and 2020**

**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.

March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<b>Cash and cash equivalents</b>	\$ 3,375,673	\$ -	\$ -	\$ 3,375,673
<b>Investments</b>	\$ 107,500	\$ -	\$ -	\$ 107,500
<hr/>				
December 31, 2020	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 558,269	\$ -	\$ -	\$ 558,269
Investments	\$ 68,750	\$ -	\$ -	\$ 68,750

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

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

a) Concentration risk

At March 31, 2021 and 2020, substantially all of the Company's cash and cash equivalents were held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions.

b) Credit risk

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

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 March 31, 2021, the Company held cash of \$4,309 (2020 - \$5,401) in US\$. The Company is not exposed to significant currency risk.

d) Price risk

The Company's investments designated as FVTPL are traded on the TSX Venture, TSE and CSE. A 10% change in the cumulative quoted share price would change the fair value of the investments by approximately \$11,000 (2020 - \$nil). The change would be recorded in the statements of comprehensive income (loss).

e) Commodity price risk

The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside

**March 31, 2021 and 2020**

**6. Financial Instruments - continued**

of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of March 31, 2021 equal \$97,806. Of the liabilities presented as accounts payable and accrued liabilities, \$91,163 are due within 30 days of March 31, 2021.

**7. Related Party Transactions**

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

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

	2021	2020
Administrative services provided by EPL	\$ 14,418	\$ 14,418
Costs reimbursed to EPL	\$ 2,741	\$ 26,244
Exploration services provided by EPL	\$ 715,021	\$ 11,109

At March 31, 2021, \$51,509 (2020 - \$23,440) is included in accounts payable and accrued liabilities.

- (b) Included in professional fees is \$2,071 (2020 - \$2,401) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner. At March 31, 2021, \$368 (2020 - \$nil) is included in accounts payable and accrued liabilities.

Compensation to key management

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

	2021	2020
Administration costs		
Consulting fees		
to a company owned by a director and officer of Taiga	\$ 24,000	\$ 23,000
Director fees		
to directors of Taiga	-	5,000
Wages and benefits		
to directors and officers of Taiga	25,346	25,345
Professional fees		
to a director and officer of Taiga	10,500	10,500
	\$ 59,846	\$ 63,845

- (c) Included in administration costs is \$24,000 (2020 - \$23,000) paid or accrued for management services to a company owned by a director and officer of the Company.
- (d) Included in administration costs is \$25,346 (2020 - \$25,345) paid or accrued for wages and benefits to directors and officers of the Company.
- (e) Included in professional fees is \$10,500 (2020 - \$10,500) paid or accrued for accounting services to a director and officer of the Company.
- (f) Director fees of \$nil (2020 - \$5,000) were paid to two directors of the Company.

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

**March 31, 2021 and 2020**

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## **8. Commitments and Contingencies**

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

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

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## **9. Capital Management**

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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 periods ended March 31, 2021 and 2020. The Company is not subject to externally imposed capital requirements.

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## **10. Equity Instruments**

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### **(a) Authorized**

Unlimited number of common shares without nominal or par value.

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

### **(b) Issued and outstanding**

At March 31, 2021, there were 82,037,823 (2020 – 79,438,323) shares outstanding.

- In the first quarter 2021, the Company issued 292,000 shares from the exercise of share purchase warrants and received proceeds of \$38,640.
- In the fourth quarter 2020, the Company issued 100,000 shares from the exercise of share purchase warrants and received proceeds of \$18,000.
- In the fourth quarter 2020, the Company issued 220,000 shares from the exercise of Eagle Plains' options and received proceeds of \$14,667.
- In the third quarter 2020, the Company issued 100,000 shares from the exercise of share purchase warrants and received proceeds of \$18,000.

**March 31, 2021 and 2020**

**10. Equity Instruments - continued**

- In the third quarter 2020, the Company issued 430,000 shares from the exercise of Eagle Plains' options and received proceeds of \$28,640.
- In the second quarter 2020, the Company issued 1,020,000 shares from the exercise of Eagle Plains' options and received proceeds of \$99,500.
- In the second quarter 2020, the Company issued 437,500 shares from the exercise of share purchase warrants and received proceeds of \$64,500.
- On February 6, 2020, the Company completed a non-flow-through financing, issuing 15,551,273 shares for proceeds of \$1,399,615. The Company incurred share issue costs of \$30,293.

Financings

On February 6, 2020, the Company closed a non-brokered private placement to arms-length and non-arms-length investors which comprised of 15,551,273 non-flow-through units for gross proceeds of \$1,399,615. Non-flow-through units were sold at a price of \$0.09 per unit, with each unit consisting of one non-flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at \$0.18 for a 24-month period.

(c) Stock Option Plan

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

During the periods ended March 31, 2021 and 2020, the Company had the following stock option activities:

	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Total issued and outstanding			
Balance, December 31, 2019	5,105,000	\$ 0.20	\$ 0.20
Cancelled	(170,000)	(0.20)	(0.20)
Balance March 31, 2020	4,935,000	\$ 0.20	\$ 0.20
Balance, December 31, 2020 and <b>March 31, 2021</b>	<b>7,600,000</b>	<b>\$ 0.20</b>	<b>\$ 0.20</b>

At March 31, 2021, the following table summarized information about stock options outstanding:

Options Outstanding March 31, 2021	Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
4,615,000	\$0.20	July 20, 2023	4,615,000	2.30 years
300,000	\$0.20	August 15, 2024	300,000	3.38 years
2,685,000	\$0.20	April 28, 2025	2,635,000	4.08 years
<b>7,600,000</b>			<b>7,550,000</b>	<b>2.97 years</b>

(d) Share-based payments for share options

During the period ended March 31, 2021, \$4,493 (2020 – \$nil) was recorded as share-based payments related to options vested during the period. Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period. The Company valued the options using the Black Scholes model.

The Company valued the options vested in the period using the Black-Scholes model and the following weighted

**March 31, 2021 and 2020**

average assumptions:

**10. Equity Instruments - continued**

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

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

(e) Warrants outstanding

At March 31, 2021, the Company had 19,865,773 (2020 – 20,157,773) warrants outstanding exercisable from \$0.12 to \$0.40 (2020 - \$0.12 - \$0.40) and expiring from June 6, 2021 to February 7, 2022.

	Number of Warrants	Option Price per Share Range	Weighted Average Exercise Price
Total issued and outstanding			
Balance, December 31, 2019	5,244,000	\$0.12 - 0.40	\$ 0.18
Issued	15,551,273	0.18	0.18
<b>Balance, March 31, 2020</b>	<b>20,795,273</b>	<b>\$0.12 - 0.40</b>	<b>\$ 0.18</b>
Balance, December 31, 2020	20,157,773	\$0.12 - 0.40	\$ 0.22
Exercised	(292,000)	\$0.12 - 0.18	0.18
<b>Balance, March 31, 2021</b>	<b>19,865,773</b>	<b>\$0.12 - 0.40</b>	<b>\$ 0.22</b>

At March 31, 2021, the following table summarizes information about warrants outstanding:

Warrants Outstanding March 31, 2021	Exercise Price	Expiry Date	Weighted Average Remaining Life
3,937,500	\$0.40	June 6, 2021*	0.18 years
827,000	\$0.12	April 15, 2021	0.04 years
10,000	\$0.12	May 3, 2021	0.09 years
15,091,273	\$0.18	February 7, 2022	0.86 years
<b>19,865,773</b>			<b>0.69 years</b>

\* On May 26, 2020, the Company extended the expiry date one year to June 6, 2021.  
All other terms remain unchanged.

**11. Per Share Amounts**

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended March 31, 2021 of 81,848,345 shares (2020 – 72,260,812). The net effect of applying the treasury-stock method to the weighted average number of shares outstanding did not impact EPS significantly for 2021, and had an anti-dilutive effect for the period ended March 31, 2020.

**March 31, 2021 and 2020**

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## **12. Subsequent Events**

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Subsequent to the quarter, the Company issued 795,000 common shares for the exercise of warrants, receiving proceeds of \$95,400.

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

On May 12, 2021, the Company extended the expiry date of 3,937,500 warrants from June 6, 2021 to June 6, 2022. All other terms remain the same.