EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

For the years ended
December 31, 2017 and 2016

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Independent Auditor's Report

To the Shareholders of
Eagle Plains Resources Ltd.

We have audited the accompanying consolidated financial statements of Eagle Plains Resources Ltd. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, and the consolidated statements of comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Eagle Plains Resources Ltd. and its subsidiaries as at December 31, 2017 and December 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, British Columbia
April 23, 2018

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at December 31	**2017**	2016
Assets		
Current		
Cash and cash equivalents	**$3,199,060**	$3,215,507
Accounts receivable (Notes 4 and 10)	**256,060**	214,653
Prepaid expenses	**18,450**	27,557
Investments (Note 5)	**939,533**	910,246
Mineral exploration tax credits recoverable	**104,461**	22,974
	4,517,564	4,390,937
Investment in and advances to related company (Note 10)	**20,020**	20,020
Reclamation bonds (Note 11)	**59,736**	69,460
Property and equipment (Note 6)	**1,264,146**	1,283,838
Exploration and evaluation assets (Note 7)	**1,040,871**	709,893
	$6,902,337	$6,474,148
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (Note 10)	**$ 365,328**	$ 138,980
Prepaid deposits	**79,793**	46,125
	445,121	185,105
Shareholders' equity		
Share capital (Note 8)	**21,933,313**	21,896,813
Contributed surplus (Note 8)	**4,376,545**	4,194,430
Accumulated other comprehensive income (Notes 5 and 15)	**380,782**	391,774
Deficit	**(20,233,424)**	(20,193,974)
	6,457,216	6,289,043
	$6,902,337	$6,474,148

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 11)
Subsequent events (Note 18)

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 consolidated financial statements.

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian dollars)

For the years ended December 31	2017	2016
Revenue		
Geological services	**$3,107,521**	$2,119,731
Cost and Expenses of Operations		
Geological expenses		
Services	**1,253,480**	1,033,223
Depreciation	**67,463**	69,306
Salaries and subcontractors	**1,213,549**	703,243
	(2,534,492)	(1,805,772)
Gross profit	**573,029**	313,959
Operating expenses		
Administration costs (Note 10)	**901,112**	737,643
Professional fees (Note 10)	**132,404**	83,846
Public company costs	**32,196**	24,966
Trade shows, travel and promotion (Note 10)	**131,450**	82,474
	1,197,162	928,929
Other expenses		
Bad debts	**26,512**	81,113
Depreciation	**23,384**	23,672
Share-based payments (Notes 8 and 10)	**182,115**	6,660
Write down of exploration and evaluation assets (Note 7)	**14,298**	242,245
	(1,443,471)	(1,282,619)
Loss before other items	**(870,442)**	(968,660)
Other items		
Option proceeds in excess of carrying value (Note 7)	**220,000**	110,826
Other income (Note 10)	**60,456**	55,677
Investment income	**24,532**	22,173
Gain on disposal of equipment	**1,143**	31
Gain on sale of investments	**492,833**	338,091
Recovery of bad debts	**32,028**	-
Reclassification of impairment charges on investments (Note 5)	**-**	(20,000)
	830,992	506,798
Net income (loss) for the year	**(39,450)**	(461,862)
Other comprehensive income (loss)		
Unrealized gain on investments (Note 5)	**481,841**	845,530
Reclassification on disposition of investments	**(492,833)**	(338,091)
Reclassification of impairment charges on investments (Note 5)	**-**	20,000
	(10,992)	527,439
Comprehensive income (loss) for the year	**$(50,442)**	$65,577
Net income (loss) per share - basic and diluted (Note 9)	**$0.00**	$(0.01)
Weighted average number of shares outstanding - basic and diluted (Note 9)	**84,323,806**	84,146,592

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

For the years ended December 31	**2017**	2016
Cash flows from operating activities		
Income (loss) for the year	**$ (39,450)**	$ (461,862)
Adjustment for:		
Bad debts	**26,512**	81,113
Depreciation	**90,847**	92,978
Share-based payments	**182,115**	6,660
Gain on sale of investments	**(492,833)**	(338,091)
Gain on disposal of equipment	**(1,143)**	(31)
Recovery of bad debts	**(15,750)**	-
Investment income	**(276)**	(449)
Option proceeds in excess of carrying value	**(220,000)**	(110,826)
Write down of exploration and evaluation assets	**14,298**	242,245
Reclassification of impairment charges on investments	**-**	20,000
	(455,680)	(468,263)
Changes in non-cash working capital items		
Increase in accounts receivable	**(67,919)**	(111,577)
(Increase) decrease in prepaid expenses	**9,107**	(9,293)
Increase in accounts payable and accrued liabilities	**223,479**	2,307
Increase in prepaid deposits	**33,668**	-
	(257,345)	(586,826)
Cash flows from financing activity		
Proceeds from exercise of stock options	**-**	7,500
Cash flows from investing activities		
Proceeds from sale of investments	**716,804**	515,968
Cash received from reclamation bonds refunded	**10,000**	17,216
Purchase of investments	**(36,000)**	-
Purchase of reclamation bonds	**-**	(17,000)
Cash received for option payments	**160,000**	123,500
Exploration and evaluation assets expenditures	**(562,868)**	(175,535)
Mineral exploration tax credits recovered	**22,974**	18,487
Proceeds from sale of property and equipment	**5,238**	1,619
Purchase of property and equipment	**(75,250)**	(57,146)
	240,898	427,109
Decrease in cash and cash equivalents	**(16,447)**	(152,217)
Cash and cash equivalents, beginning of year	**3,215,507**	3,367,724
Cash and cash equivalents, end of year	**$3,199,060**	$ 3,215,507
Cash and cash equivalents comprise:		
Bank deposits	**$ 970,153**	$ 455,614
Term deposits	**2,228,907**	2,759,893
	$3,199,060	$ 3,215,507

The Company made no cash payments for income taxes.
The Company received cash payments of $23,980 (2016 - $21,724) for interest.
Supplemental Cash Flow Information (Note 13)

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital		Contributed	Accumulated Other Comprehensive		
	Shares	Amount	Surplus	Income (loss)	Deficit	Total
Balance, December 31, 2015	83,738,669	$21,856,813	$4,187,770	$(135,665)	$(19,732,112)	$6,176,806
Shares issued to acquire mineral property	500,000	32,500	-	-	-	32,500
Shares issued on exercise of options	75,000	7,500	-	-	-	7,500
Share-based payments	-	-	6,660	-	-	6,660
Loss for the year	-	-	-	-	(461,862)	(461,862)
Other comprehensive income for the year	-	-	-	527,439	-	527,439
Balance, December 31, 2016	84,313,669	21,896,813	4,194,430	391,774	(20,193,974)	6,289,043
Shares issued to acquire mineral property	200,000	36,500	-	-	-	36,500
Share-based payments	-	-	182,115	-	-	182,115
Loss for the year	-	-	-	-	(39,450)	(39,450)
Other comprehensive loss for the year	-	-	-	(10,992)	-	(10,992)
Balance, December 31, 2017	**84,513,669**	**$21,933,313**	**$4,376,545**	**$380,782**	**$(20,233,424)**	**$6,457,216**

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

1. Nature and continuance of operations

Eagle Plains Resources Ltd. (the "Company" or "Eagle Plains" or "EPL") was incorporated on March 30, 1994, pursuant to the Alberta Business Corporation Act (Alberta), and is extra provincially registered in the Yukon, British Columbia, the Northwest Territories and Saskatchewan. The Company is a junior resource company holding properties located in British Columbia, Yukon, the Northwest Territories and Saskatchewan for the purpose of exploring for, and the development of mineral resources and it is considered to be in the exploration stage.

The Company also provides geological services on its properties optioned to others and properties owned by others through its subsidiary, TerraLogic Exploration Inc. (incorporated pursuant to the British Columbia Corporation Act). The gross margin reported on the consolidated statements of comprehensive income (loss) relates solely to geological services provided to third parties. The Company has created a subsidiary, Taiga Gold Corp. (incorporated in the province of Alberta), in anticipation of completing a Plan of Arrangement in 2018.

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

These consolidated 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. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements for the Company for the years ending December 31, 2017 and 2016 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 consolidated financial statements were authorized for issue by the Board of Directors on April 23, 2018.

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as Fair Value Through Profit or Loss ("FVTPL") and available-for-sale which are stated at their fair value. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated 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

2. Basis of Preparation - continued

(c) Use of Estimates and Judgments - continued

period or in the period of the revision and further periods if the revision affects both current and future periods.

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

Areas of significant judgment include the classification of financial instruments; recognition of deferred income taxes and contingencies reported in the notes to the consolidated financial statements; determining when the decline in fair value of investments is considered to be prolonged or significant; and the classification of exploration and evaluation expenditures, which requires judgment in determining whether it is likely that future economic benefits will flow to the Company as this would result in the properties being shown as mines under construction instead of exploration and evaluation assets.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The accounting policies have been applied consistently by the Company and its wholly owned subsidiaries. The consolidated 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) Principles of consolidation
Subsidiaries

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, TerraLogic Exploration Inc. (“TL”) and Taiga Gold Corp. All significant intercompany balances and transactions have been eliminated.

b) Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, bank balances, term deposits and investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

c) Financial instruments
Financial instruments recognized in the consolidated statements of financial position include cash and cash equivalents, accounts receivables, investments, investment in and advances to related company, reclamation bonds and accounts payable and accrued liabilities.

Financial assets

Financial assets at fair value through profit or loss (“FVTPL”)
Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The Company has classified cash and cash equivalents as FVTPL.

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

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

Investments in entities in which the Company does not have control or significant influence are designated as available-for-sale. The fair value for investments designated as available-for-sale is recorded on the

3. Significant Accounting Policies - continued

c) Financial instruments - continued

consolidated statements of financial position, with unrealized gains and losses, net of related income taxes, recorded in accumulated other comprehensive income ("AOCI"). The cost of securities sold is based on the specific identification method.

Realized gains and losses, and impairment losses, on these equity securities are removed from AOCI and recorded in profit or loss.

Loans and receivables

Accounts receivable, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

The Company has classified accounts receivable, reclamation bonds and investment in and advances to related company as loans and receivables.

Transaction costs associated with FVTPL and available-for-sale financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Impairment of financial assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset is impaired. Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For accounts receivable the Company determines an allowance for doubtful accounts on a customer specific basis.

Where impairment has occurred, the cumulative loss is recognized in profit or loss.

Financial liabilities

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. The Company has not classified any financial liabilities as FVTPL.

The Company holds various financial instruments. Unless otherwise indicated, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial

3. Significant Accounting Policies - continued

c) Financial instruments - continued

instruments. The carrying values of these financial instruments approximate their fair values, unless otherwise noted.

d) 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.

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.

e) 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

(Expressed in Canadian dollars)

3. Significant Accounting Policies - continued

e) Mineral tax credit - continued

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.

f) 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 consolidated 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 periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

g) Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items. The depreciation method, useful life and residual values are assessed annually.

Depreciation is determined using the declining balance method, using the rates below which approximate the estimated useful life of the asset:

Automotive	30% per annum
Building	4% per annum
Computer equipment	30%, 45%, 55% or 100% per annum
Computer software	100% per annum
Fence	10% per annum
Furniture and equipment	20% per annum

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income (loss).

h) Investment property

The Company's real estate holdings, which include the head office building, do not meet the definition of an investment property under IAS 40 and are therefore included in property and equipment. Although a portion of the head office building is rented to third parties, under IAS 40, a portion of dual-use property is classified as investment property only if the portion could be sold or leased out separately under a finance lease. Otherwise,

3. Significant Accounting Policies - continued

h) Investment property - continued

the entire property is classified as property and equipment unless only an "insignificant" portion is held for own use. Rental income is recorded as other income.

i) Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss in the consolidated 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.

j) 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.

k) Revenue recognition

Revenue associated with the geological services provided by the Company is recognized when services are performed under an agreement with a customer, amount is known and collection of any resulting receivable is reasonably assured.

l) 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.

m) 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.

3. Significant Accounting Policies - continued

m) Share capital - continued

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.

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 11, 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.

n) Per share amounts

Basic earnings per common share are computed by dividing the net income for the year by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

o) 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 consolidated 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.

3. Significant Accounting Policies - continued

o) Share-based payments - continued

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 consolidated 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 consolidated 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 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.

p) New accounting pronouncements

Certain new accounting standards and interpretations have been published that are mandatory for the December 31, 2017 reporting period. The adoption of the following standards effective January 1, 2017 had no impact on the Company's consolidated financial statements.

IAS 7 – Statement of Cash Flows

Amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The amendments require disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to IAS 12 Income Taxes

These amendments, Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12), clarify how to account for deferred tax assets related to debt instruments measured at fair value.

Amendments to IFRS 12 Disclosure of Interests in Other Entities

These amendments clarify the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10 - B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

(Expressed in Canadian dollars)

3. Significant Accounting Policies - continued

p) New accounting pronouncements - continued

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2017 reporting period. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new standards:

IFRS 9 – Financial instruments

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The application of this standard is effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 Share-based Payment

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions.

These amendments are effective for reporting periods beginning on or after January 1, 2018.

IFRS 15 – Revenue from contracts with customers

IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. The application of this standard is effective for annual periods beginning on or after January 1, 2018.

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.

4. Accounts Receivable

Accounts receivable are comprised of:

	December 31 2017	December 31 2016
Trade receivables before allowance	**$ 493,729**	$ 555,582
Less: allowance for doubtful accounts	**(279,526)**	(345,417)
Trade receivables, net	**214,203**	210,165
GST	**7,072**	3,492
Other	**34,785**	996
	$ 256,060	$ 214,653

The Company has provided an allowance for doubtful accounts based on the non-ability of certain customers to meet their obligations. The Company does not hold any collateral as security.

(Expressed in Canadian dollars)

5. Investments

The Company holds investments that have been designated as available-for-sale as follows:

	December 31, 2017		December 31, 2016	
	Market Value	**Cost**	Market Value	Cost
Current:				
Common shares in public companies	**$ 939,533**	**$ 558,751**	$ 910,246	$ 518,472

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at December 31, 2017. The fair value of these securities may differ from the quoted trading price due to the effect of market fluctuations and adjustment for quantities traded. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

Current term deposits are held for terms less than 90 days and are cashable on demand, as long as credit cards are cancelled, so they are classified as cash and cash equivalents.

The Company recorded unrealized gains of $481,841 (2016 – $845,530) in the year, resulting in Accumulated Other Comprehensive Income of $380,782 (2016 - $391,774) at December 31, 2017.

IAS 39 states that a significant or prolonged decline in the fair value of an investment below its cost is objective evidence of impairment. Accordingly, the Company reclassified $nil (2016 - $20,000) of fair value adjustments on investments during the year from Accumulated Other Comprehensive Income (loss) to profit or loss.

(Expressed in Canadian dollars)

6. Property and Equipment

Cost	Land	Building	Automotive	Computer Equipment & Software	Furniture and Equipment	Fence	Total
Balance at December 31, 2015	$298,856	$981,086	$242,864	$293,615	$440,246	$13,360	$2,270,027
Additions	-	20,244	9,538	3,445	23,919	-	57,146
Disposals	-	-	-	-	(6,103)	-	(6,103)
Balance at December 31, 2016	298,856	1,001,330	252,402	297,060	458,062	13,360	2,321,070
Additions	-	21,858	21,753	27,304	4,335	-	75,250
Disposals	-	-	-	-	(11,692)	-	(11,692)
Balance at December 31, 2017	**$298,856**	**$1,023,188**	**$274,155**	**$324,364**	**$450,705**	**$13,360**	**$2,384,628**

Accumulated Depreciation	Building	Automotive	Computer Equipment & Software	Furniture and Equipment	Fence	Total
Balance at December 31, 2015	$191,119	$189,564	$280,789	$282,265	$5,032	$948,769
Depreciation	32,003	17,421	9,343	33,378	833	92,978
Disposals	-	-	-	(4,515)	-	(4,515)
Balance at December 31, 2016	223,122	206,985	290,132	311,128	5,865	1,037,232
Depreciation	32,612	16,888	11,946	28,652	749	90,847
Disposals	-	-	-	(7,597)	-	(7,597)
Balance at December 31, 2017	**$255,734**	**$223,873**	**$302,078**	**$332,183**	**$6,614**	**$1,120,482**

Carrying Value	Land	Building	Automotive	Computer Equipment & Software	Furniture and Equipment	Fence	Total
At December 31, 2016	$298,856	$778,208	$45,417	$6,928	$146,934	$7,495	$1,283,838
At December 31, 2017	**$298,856**	**$767,454**	**$50,282**	**$22,286**	**$118,522**	**$6,746**	**$1,264,146**

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets

During the year ended December 31, 2017, the Company made acquisition and exploration expenditures of $577,237 (2016 - $209,041) and received option payments of $347,500 (2016 - $213,500). As a result of option payments received, the Company recorded in income, option proceeds in excess of carrying value of $220,000 (2016 - $110,826). The Company wrote down exploration and evaluation assets of $14,298 (2016 - $242,245) as, per IFRS 6, there were no substantive expenditures on further exploration for and evaluation of mineral resources planned on certain properties at this time. A BCMETC claim of $104,461 (2016 - $22,974) is being claimed for the year. As a result of the foregoing, exploration and evaluation assets totaled $1,040,871 at December 31, 2017, up from $709,893 at December 31, 2016. See Schedule 1 – Exploration and evaluation and Schedule 2 – Acquisition and exploration additions.

The Company has interests in a number of optioned exploration projects. As at December 31, 2017, the Company has executed option agreements with third parties on the following projects:

Option Agreements - Third party earn in
British Columbia

(a) **Coyote Creek Project:** On July 1, 2014, the Company entered into an agreement with Secure Minerals Inc. ("Secure") (subsequently amalgamated with Secure Energy (Drilling Services) Inc.), whereby Secure will reserve the exclusive option over a five year period to purchase the Coyote Creek mineral tenures. In order to exercise the option and acquire a 100% interest in the property Secure is required to make cash payments totaling $250,000 plus a production royalty on material extracted. The payments are due as follows:

Cash Payments	Due Date
$ 10,000	July 1, 2014 (received)
10,000	July 1, 2015 (received)
10,000	July 1, 2016 (received)
10,000	July 1, 2017 (received)
10,000	July 1, 2018
200,000	June 30, 2019
$ 250,000	

(b) **Hall Lake Project:** On September 12, 2011, Eagle Plains entered into an agreement with Bethpage Capital Corp. ("Bethpage"), whereby Bethpage may earn an undivided 60% interest in Eagle Plains' Hall Lake Property located west of Kimberley, British Columbia. Under amended terms of the agreement, Bethpage will complete exploration expenditures of $3,000,000, make cash payments of $600,000 and issue 1,100,000 common shares to EPL. On November 13, 2015 the agreement was amended to defer the due dates. In consideration, the Company received $5,000. Claims comprising the Hall Lake property lapsed during the year, rendering the agreement null and void.

Saskatchewan

(c) **Chico Project:** On December 9, 2016, the Company entered into an option agreement with Aben Resources Ltd. ("Aben") whereby Aben has the exclusive right to earn an undivided 80% interest in the Chico Gold Project located in Saskatchewan. 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% within 90 days interest by making a $50,000 cash payment and issuing 1,000,000 common shares to EPL, and incurring an additional $2,000,000 in exploration expenditures within two years of the date of election. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 25,000	250,000	$ -	January 6, 2017 (received)
25,000	250,000	150,000	January 5, 2018 (received subsequent to the year-end)

(Expressed in Canadian dollars)

7. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

(c) Chico Project - continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
25,000	500,000	250,000	January 5, 2019
25,000	500,000	450,000	January 5, 2020
-	-	650,000	January 5, 2021
$ 100,000	1,500,000	$ 1,500,000	

(d) **Fisher Gold Project:** On October 5, 2016, the Company entered into an option agreement with Silver Standard Resources Inc. (subsequently renamed SSR Mining Inc.)("SSR") whereby SSR could earn up to a 80% interest in the property, located in Saskatchewan. To earn a 60% interest over four years, SSR agreed to complete $4,000,000 in exploration expenditures, make an initial cash payment to Eagle Plains of $100,000 and make annual cash payments of $75,000 (the October 2017 payment has been received). SSR also agreed to fund the $400,000 2016 exploration program completed by Eagle Plains, which will be included in the required $4,000,000 exploration expenditures. Once the 60% earn-in has been completed, SSR has a 90-day, one-time option to earn an additional 20% interest (for a total of 80%) by making a cash payment of $3,000,000 to Eagle Plains, at which time an 80/20 joint-venture will be formed to further advance the property. Eagle Plains will retain a Net Smelter Return ("NSR") ranging from 0.5% to 2.0%, depending on the location of the claims as set out in the agreement, subject to reduction on certain claims by underlying NSR agreements. Eagle Plains' NSR may be reduced by 1% at any time upon payment of $1,000,000 by the joint venture. In addition, Eagle Plains will receive advance royalty payments of $100,000 annually from the joint venture until commencement of commercial production.

Property Agreements – Other

Saskatchewan

(e) **Shea Creek:** On July 17, 2017, the Company completed a tri-party agreement with Shea Creek Joint Venture partners AREVA Resources Canada Inc. ("AREVA") and UEX Corporation ("UEX") whereby the companies will acquire certain mineral dispositions in the Shea Creek area of northeastern Saskatchewan from Eagle Plains. AREVA and UEX will reserve in Eagle Plain's favour a 2% Net Smelter Royalty ("NSR") on all future production relating to the dispositions. This royalty can be reduced at any time by paying Eagle Plains $1,000,000.

(f) **Wollaston:** On March 5, 2017, the Company executed a property purchase agreement with Burkehill Uranium Corp. ("Burkehill") whereby Burkehill has the exclusive right to purchase a 100% undivided interest in the Property. Under the terms of the agreement Burkehill can acquire a 100% interest in the Property by making aggregate cash payments of $100,000 to Eagle Plains, $25,000 upon closing (received) and $75,000 over 3 years. In the event that the Property is placed into Commercial Production, Eagle Plains shall be entitled to a royalty of 2% of net smelter returns with a 1% buyback to 1% upon payment of $1,000,000 to Eagle Plains.

Northwest Territories

(g) **AB Zinc Property:** On July 26, 2017, the Company and Blind Creek Resources Ltd**.** ("Blind Creek") executed a purchase agreement whereby Blind Creek has the exclusive right to purchase a 100% undivided interest in the AB Zinc Property. Under the terms of the agreement Blind Creek can acquire a 100% interest in the Property by issuing to Eagle Plains a total of 2,000,000 common shares of Blind Creek, with an initial tranche of 1,000,000 common shares due upon TSX-Venture acceptance of the agreement and the final tranche of 1,000,000 common shares 30 months later. The agreement was accepted by the TSX on August 17, 2017 and the first tranche of shares were received by the Company concurrently. In the event that the Property is placed into Commercial Production, Eagle Plains shall be entitled to a royalty of 2% of net smelter returns with a 1% buyback to 1% upon payment of $1,000,000 to Eagle Plains, and a second option to purchase the remaining 1% NSR upon payment of $ 7,000,000.

(Expressed in Canadian dollars)

8. Equity Instruments

(a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

(b) Issued and outstanding

At December 31, 2017, there were 84,513,669 (2016 – 84,313,669) shares outstanding.

- On March 24, 2016, the Company issued 500,000 shares to acquire mineral claims in Saskatchewan.
- On June 14, 2016, 75,000 shares were issued for 75,000 options exercised, receiving proceeds of $7,500. The share price on the date of exercise was $0.16.
- On November 14, 2017, the Company issued 100,000 shares to acquire mineral claims in Saskatchewan.
- On December 29, 2017, the Company issued 100,000 shares to acquire mineral claims in Saskatchewan.

(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 TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

During the years ended December 31, 2017 and 2016, 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, 2015	7,710,000	$0.10 - $0.15	$0.13
Cancelled	(435,000)	(0.10 - 0.15)	(0.14)
Exercised	(75,000)	0.10	0.10
Balance, December 31, 2016	7,200,000	0.10 - 0.15	0.13
Expired	(1,225,000)	(0.15)	(0.15)
Granted	2,150,000	0.20 – 0.30	0.28
Balance, December 31, 2017	**8,125,000**	**$0.10 - 0.30**	**$0.17**

At December 31, 2017, the following table summarizes information about stock options outstanding**:**

Options Outstanding December 31, 2017	Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
1,055,000	$ 0.15	July 12, 2018	1,055,000	0.53 years
2,400,000	$ 0.15	June 5, 2020	2,400,000	2.43 years
2,520,000	$ 0.10	December 29, 2020	2,520,000	3.00 years
1,650,000	$ 0.30	March 13, 2022	1,625,000	4.20 years
500,000	$ 0.20	June 15, 2022	500,000	4.46 years
8,125,000			**8,100,000**	**2.84 years**

The weighted average remaining life of the outstanding stock options at December 31, 2017 is 2.84 years (2016 – 2.76 years)

(Expressed in Canadian dollars)

8. Equity Instruments - continued

(d) Share-based payments for share options

During the year ended December 31, 2017, $182,115 (2016 – $6,660) 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:

	2017	2016
Expected annual volatility	**65.86%**	-
Expected risk free rate	**1.24%**	-
Expected term	**5 years**	-
Expected dividends	**-**	-
Share price at date of grant	**$0.18**	-
Exercise price	**$0.28**	-

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

(e) Warrants outstanding

At December 31, 2017 and 2016, the Company had no share purchase warrants outstanding.

(f) Shareholder rights protection plan

The shareholders have approved a plan which the directors intend to implement at their discretion to provide adequate time for the shareholders and the directors to seek alternatives to, and to assess the merits of, bids for the shares of the Company. This plan attaches special rights to the issued shares of the Company. These special rights are void to a bidder who seeks to acquire more than 19.99% of the voting shares of the Company.

9. 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, 2017 of 84,323,806 shares (2016 – 84,146,592). 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, 2017 and 2016.

10. Related Party Transactions

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

(a) The Company is related to Apex Diamond Drilling Ltd. ("Apex") through ownership of 10% of the shares of Apex. At December 31, 2017 and 2016 Eagle Plains' interest in Apex was as follows:

	2017	2016
Shareholder loan, interest free, no specific terms of repayment	**$ 20,000**	$ 20,000
Shares in Apex	**20**	20
	$ 20,020	$ 20,020

During the year the Company had no transactions with the related company.

(Expressed in Canadian dollars)

10. Related Party Transactions - continued

(b) The Company was related to Omineca Mining and Metals Ltd. ("OMM") through common directors until May 11, 2017. During the year the Company had the following transactions with the related company:

	2017	2016
Administrative services provided by EPL	**$ 9,833**	$ 58,048
Investor relation services provided by EPL	**$ 9,400**	$ 24,732
Geological services provided by TL	**$ -**	$ 4,376

At December 31, 2017, $148,887 (2016 - $121,983) is included in accounts receivable. The Company recorded an impairment allowance of $147,130 (2016 - $119,368) in respect of the amount receivable from OMM.

(c) Included in professional fees is $38,267 (2016 - $10,313) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner. At December 31, 2017, $9,141 (2016 - $nil) is included in accounts payable and accrued liabilities.

(d) Compensation to key management

Compensation to key management personnel in the year:

	2017	2016
Administration costs		
Management fees	**$ 142,167**	$ 120,000
Wages and benefits	**102,878**	65,187
Professional fees	**44,400**	34,100
Share-based payments	**114,166**	-
	$ 406,611	$ 219,287

(e) Included in administration costs is $142,167 (2016 - $120,000) paid or accrued for management services to a company owned by a director and officer of the Company.

(f) Included in administration costs is $102,878 (2016 - $65,187) paid or accrued for wages and benefits to a director and officer of the Company.

(g) Included in professional fees is $44,400 (2016 - $34,100) paid or accrued for accounting services to a director and officer of the Company.

(h) The Company granted 1,250,000 (2016 – nil) options, with exercise prices of $0.20 and $0.30 (2016 - nil) and expiry dates of March 13, 2022 and June 15, 2022 (2016 - nil), to directors of the Company and recorded share-based payments of $114,166 (2016 - $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.

11. Commitments and Contingencies

The Company has $59,736 (2016 - $69,460) held as project reclamation deposits in favor of regulatory authorities. The amount of the deposit is determined at the time the exploration program is planned and a notice of work is submitted to the regulatory authority. If the work is more extensive than previously planned, the amount of the deposit will be increased. When reclamation work is completed on a project to the satisfaction of the regulatory authority, the deposit is released to the Company.

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 twelve (12) months' salary should such an event occur.

(Expressed in Canadian dollars)

12. Financial Instruments

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

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

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

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

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

December 31, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	**$ 3,199,060**	**$ -**	**$ -**	**$ 3,199,060**
Investments	**$ 939,533**	**$ -**	**$ -**	**$ 939,533**

December 31, 2016	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 3,215,507	$ -	$ -	$ 3,215,507
Investments	$ 910,246	$ -	$ -	$ 910,246

As disclosed in Note 3(c), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk, price risk and commodity price risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) <u>Concentration risk</u>
At December 31, 2017 and 2016, substantially all of the Company's cash was held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions. Concentration risk also exists in marketable securities (investments) because the Company's investments are primarily in shares of junior resource companies involved in gold exploration.

b) <u>Credit risk</u>
The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with accounts receivable is the carrying value.

c) <u>Currency risk</u>
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, 2017, the Company had cash of $16,339 (2016 - $21,389) in US$. The Company is not exposed to significant currency risk.

d) <u>Price risk</u>
The Company's investments designated as available-for-sale are traded on the TSX Venture, TSE and CSE. A 1% change in the cumulative quoted share price would change the fair value of the investments by approximately $9,400 (2016 - $9,100). The change would be recorded in Accumulated Other Comprehensive Income (Loss).

(Expressed in Canadian dollars)

12. Financial Instruments - continued

e) Commodity price risk

The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

13. Supplemental Cash Flow Information

Non-cash investing and financing activities:

(a) Pursuant to certain mineral property option agreements, the Company received 1,250,000 (2016 – 2,000,000) shares with an attributed value of $212,500 (2016 - $90,000).

(b) The Company issued 200,000 (2016 – 500,000) shares with an attributed value of $36,500 (2016 - $32,500) to acquire mineral properties.

(c) The Company received 262,500 (2016 – nil) shares with an attributed value of $15,750 (2016 - $nil) as settlement of accounts receivable for which an allowance was previously provided for.

(d) At December 31, 2017, the Company held cashable term deposits bearing interest rates of 1.00% to 1.10% (2016 – 0.80% to 0.85%) with maturity terms of January 3, 2018 to March 7, 2018 (2016 – January 10, 2017 to February 22, 2017). All of these investments are cashable before maturity and have been treated as cash equivalents.

(e) At December 31, 2017, accounts payable and accrued liabilities included $5,169 (2016 - $2,300) for investment in exploration and evaluation assets and expenditures.

14. Income Taxes

As of December 31, 2017 and 2016, the effective tax rate of income varies from the statutory rate as follows:

	2017	2016
Loss before income taxes	$ (39,450)	$ (461,862)
Statutory tax rates	26.0%	26.0%
Tax recovery at statutory rate	(10,300)	(120,000)
Non-deductible expenses	(13,300)	(36,900)
Effect on tax rate change	(85,600)	-
Tax benefits unrecognized	109,200	156,900
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	2017	2016
Property and equipment	$ 22,000	$ 15,000
Exploration and evaluation assets	920,000	876,000
Investments	220,000	382,000
Non-capital tax losses	941,000	567,000
Capital tax losses	212,000	96,000
Deferred income tax assets	2,315,000	1,936,000
Unrecognized deferred tax assets	(2,315,000)	(1,936,000)
Deferred income tax liability	$ -	$ -

(Expressed in Canadian dollars)

14. Income Taxes - continued

As of December 31, 2017, 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:

	2017	2016
Undepreciated capital cost	$ 1,045,000	$ 1,041,000
Non-capital tax losses	3,483,000	2,179,000
Capital tax losses	1,568,000	738,000
Cumulative Canadian exploration and development expenses	4,552,000	4,157,000
	$ 10,648,000	$ 8,115,000

At December 31, 2017 the non-capital tax losses of $3,483,000 (2016 - $2,179,000) available for carry-forward to reduce future years' taxable income, expiring:

$1,604,000	expires 2033
523,000	expires 2034
525,000	expires 2035
479,000	Expires 2036
352,000	Expires 2037
$3,483,000	

15. Accumulated Other Comprehensive Income (Loss)

No future income tax asset has been recorded as a result of the accumulated other comprehensive income (loss). The balance of accumulated other comprehensive income (loss) is entirely comprised of unrealized gains and losses on available for sale investments.

16. Capital Management

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended December 31, 2017 and 2016. The Company is not subject to externally imposed capital requirements.

17. Proposed Spin-out of Taiga Gold Corp.

On February 2, 2018, the Company executed a formal arrangement agreement related to the proposed spin-out (the "Arrangement"). Pursuant to the Arrangement, Taiga will acquire Eagle Plains' interest in Fisher, Chico, Orchid, Leland and SAM properties, not including the NSR's which will remain with Eagle Plains, together with $300,000 in cash. Each Eagle Plains Shareholder, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold one new common share in the capital of Eagle Plains ("Eagle Plains New Share") and one-half of a common share in the capital of Taiga ("Taiga Share") for each Eagle Plains common share ("Eagle Plains Share") held immediately prior to the Arrangement, where the Eagle Plains New Shares will be identical in every respect to the present Eagle Plains Shares. Eagle Plains will own nineteen point nine percent (19.9%) of the issued and outstanding Taiga Shares upon completion of the Arrangement.

The reorganization was approved by shareholders at a special meeting on April 6, 2018 and received formal approval of the Court of Queen's Bench of Alberta on April 11, 2018. It is expected that Taiga securities will be listed for trading on the CSE on or around April 30, 2018.

18. Subsequent Events

On January 11, 2018, the Company received a $25,000 cash payment and 250,000 common shares from Aben Resources Ltd. pursuant to the option agreement on the Chico Gold Project.

On January 15, 2018, the Company executed an option agreement with CRC Minerals Inc. (a private B.C. company), ("CRC") whereby CRC may earn up to a 75% interest in the Acacia property in central British Columbia. Under the terms of the agreement, CRC may earn a 60% interest by making $10,000 cash payment on signing the agreement (received), and completing $2,500,000 in exploration expenditures, making cash payments totalling $240,000 and issuing 1,000,000 voting-class common shares to Eagle Plains over 5 years.

On February 8, 2018, the Company closed a brokered and non-brokered public offering. The financing was comprised of 2,084,000 non-flow-through units and 2,350,000 flow-through units for a total issuance of 4,434,000 shares and gross proceeds of $980,800. Non-flow-through units were sold at a price of $0.20 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 $0.24 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. All issued securities are subject to a hold period expiring June 8, 2018.

On February 16, 2018, 715,000 options were exercised at $0.15 and 75,000 options were exercised at $0.10 for proceeds of $114,750.

On February 16, 2018, the Company issued 125,000 shares to a third party for the acquisition of a mineral property.

On February 19, 2018, the Company granted 1,650,000 options to directors, employees and key consultants of the Company at an exercise price of $0.25 per share, expiring February 19, 2023.

On March 1, 2018, 100,000 options were exercised at $0.15 for proceeds of $15,000.

On April 16, 2018, 90,000 options were exercised at $0.10 for proceeds of $9,000.

(Expressed in Canadian dollars)

Schedule 1 - Exploration and evaluation

	December 31 2016	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Write down of mineral properties	**December 31 2017**
British Columbia	$455,085	$359,033	$(114,461)	$ 10,000	$(10,255)	**$ 699,402**
NW Territories	8	175	(185,000)	185,000	-	**183**
Saskatchewan	254,085	177,950	(152,500)	25,000	(3,385)	**301,150**
Yukon Territory	715	40,079	-	-	(658)	**40,136**
	$709,893	$577,237	$(451,961)	$220,000	$(14,298)	**$1,040,871**

	December 31 2015	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Write down of mineral properties	December 31 2016
British Columbia	$424,111	$ 85,459	$ (37,974)	$ 10,000	$ (26,511)	$455,085
NW Territories	8	-	-	-	-	8
Saskatchewan	444,338	122,968	(198,500)	100,826	(215,547)	254,085
Yukon Territory	288	614	-	-	(187)	715
	$868,745	$209,041	$(236,474)	$110,826	$(242,245)	$709,893

(Expressed in Canadian dollars)

Schedule 2 – Acquisition and exploration additions

2017	British Columbia	Saskatchewan	NWT	Yukon	Total
Analytical	$ 48,149	$ 22,216	$ -	$ 904	$ 71,269
Environmental	1,061	-	-	-	1,061
Equipment rental	398	1,287	-	152	1,837
Geological and Geochemical	3,365	1,647	-	4,420	9,432
Geophysical	118,189	7,895	-	-	126,084
Labour costs	137,841	46,041	-	21,270	205,152
Transportation	4,333	14,553	-	7,230	26,116
Travel and camp costs	18,529	11,065	-	6,103	35,697
Tenure and Acquisitions	27,168	73,246	175	-	100,589
	$359,033	**$177,950**	**$175**	**$40,079**	**$577,237**

2016	British Columbia	Saskatchewan	NWT	Yukon	Total
Analytical	$ 12,310	$ 13,448	$ -	$ -	$ 25,758
Drilling	-	$819	-	-	819
Equipment rental	(388)	569	-	-	181
Geological and Geochemical	448	480	-	614	1,542
Geophysical	1,161	6,067	-	-	7,228
Labour costs	46,023	43,399	-	-	89,422
Transportation	1,886	12,322	-	-	14,208
Travel	3,764	3,832	-	-	7,596
Tenure and Acquisitions	20,255	42,032	-	-	62,287
	$ 85,459	$122,968	$ -	$ 614	$209,041