**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED**
**INTERIM FINANCIAL STATEMENTS**
For the period ended
June 30, 2019

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED**
**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 consolidated interim financial statements for the period ended June 30, 2019.

## NOTICE TO READER OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Management of Eagle Plains Resources Ltd. is responsible for the preparation of the accompanying condensed consolidated interim financial statements as at June 30, 2019.

These condensed consolidated interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Crowe MacKay LLP.

The condensed consolidated 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"* | *"Glen J Diduck"* |
| Timothy J. Termuende, P. Geo | Glen J. Diduck |
| President and Chief Executive Officer | Chief Financial Officer |

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

| | **Jun 30 2019** (unaudited) | Dec 31 2018 (audited) |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash and cash equivalents | **$3,497,761** | $2,931,285 |
| Accounts receivable (Notes 4 and 10) | **226,493** | 415,188 |
| Prepaid expenses | **39,883** | 28,176 |
| Investments (Note 5) | **1,824,408** | 1,506,948 |
| Mineral exploration tax credits recoverable | **2,215** | 9,226 |
| | **5,590,760** | 4,890,823 |
| **Reclamation bonds** (Note 11) | **72,645** | 60,100 |
| **Property and equipment** (Note 6) | **1,321,624** | 1,367,708 |
| **Exploration and evaluation assets** (Note 7) | **1,028,088** | 1,163,746 |
| | **$8,013,117** | $7,482,377 |
| **Liabilities and Shareholders' Equity** | | |
| **Current** | | |
| Accounts payable and accrued liabilities (Note 10) | **$542,383** | $127,852 |
| Prepaid deposits | **154,069** | 89,959 |
| Premium on flow-through shares | **-** | 1,132 |
| | **696,452** | 218,943 |
| **Shareholders' equity** | | |
| Share capital (Note 8) | **23,063,657** | 23,075,407 |
| Contributed surplus (Note 8) | **4,481,168** | 4,478,073 |
| Deficit | **(20,228,160)** | (20,290,046) |
| | **7,316,665** | 7,263,434 |
| | **$8,013,117** | $7,482,377 |

**Nature and continuance of operations** (Note 1)
**Commitments and contingencies** (Note 11)
**Subsequent events** (Note 16)

**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 consolidated interim financial statements.**

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
(Unaudited – prepared by management)
Expressed in Canadian dollars

| | Three Months Ended Jun 30 | | Six Months Ended Jun 30 | |
|---|---|---|---|---|
| | **2019** | 2018 | **2019** | 2018 |
| **Revenue** | | | | |
| Geological services | **$1,521,793** | $ 279,970 | **$2,578,418** | $603,342 |
| **Cost and Expenses of Operations** | | | | |
| **Geological expenses** | | | | |
| Services | **1,150,753** | 57,820 | **1,952,014** | 244,073 |
| Depreciation | **27,206** | 24,863 | **53,941** | 43,816 |
| Salaries and subcontractors | **202,175** | 140,633 | **333,429** | 222,545 |
| | **1,380,134** | 223,316 | **2,339,384** | 510,434 |
| **Gross income** | **141,659** | 56,654 | **239,034** | 92,908 |
| **Operating expenses** | | | | |
| Administration costs (Note 10) | **212,190** | 332,714 | **415,844** | 615,149 |
| Professional fees (Note 10) | **24,155** | 136,343 | **36,611** | 188,866 |
| Public company costs | **3,439** | 7,063 | **10,629** | 43,147 |
| Trade shows, travel and promotion | **9,468** | (40,273) | **31,432** | 83,402 |
| | **(249,252)** | (435,847) | **(494,516)** | (930,564) |
| **Operating loss before other items** | **(107,593)** | (379,193) | **(255,482)** | (837,656) |
| **Other items** | | | | |
| Bad debts | **(300)** | (7,225) | **(600)** | (7,226) |
| Depreciation | **(4,713)** | (5,972) | **(9,256)** | (11,944) |
| Share-based payments (Note 8) | **-** | (3,095) | **(3,095)** | (156,090) |
| Other income | **9,080** | 55,818 | **18,130** | 83,685 |
| Investment income | **11,068** | 6,375 | **18,575** | 13,022 |
| Premium on flow-through shares | **1,692** | 61,326 | **12,882** | 66,085 |
| Unrealized gain (loss) on investments | **26,327** | 1,322,078 | **(142,540)** | 1,276,675 |
| Option proceeds in excess of carrying value | **-** | - | **408,259** | - |
| Gain on disposal of equipment | **1,748** | 24,279 | **15,013** | 24,279 |
| Gain on sale of investments | **-** | 16,230 | **-** | 93,750 |
| | **44,902** | 1,469,814 | **317,368** | 1,382,501 |
| **Net income (loss) for the period** | **$ (62,691)** | $1,090,621 | **$ 61,886** | $544,845 |
| **Net loss per share** – basic and diluted (Note 9) | **$(0.00)** | $(0.00) | **$(0.01)** | $(0.01) |
| **Weighted average number of shares** – basic and diluted (Note 9) | **90,347,669** | 90,031,778 | **90,347,669** | 88,835,918 |

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

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

| | **Six Months Ended June 30 2019** | Six Months Ended June 30 2018 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Income for the period | **$ 61,886** | $ 544,845 |
| Adjustment for: | | |
| Depreciation | **63,197** | 55,760 |
| Bad debts | **600** | 7,226 |
| Share-based payments | **3,095** | 156,090 |
| Gain on sale of investments | **-** | (93,750) |
| Fair value adjustment for investments | **142,540** | (1,276,675) |
| Investment income | **(45)** | - |
| Option proceeds in excess of carrying value | **(408,259)** | - |
| Premium on flow-through shares | **(12,882)** | (66,085) |
| Gain on disposal of equipment | **(15,013)** | (24,279) |
| | **(164,881)** | (696,868) |
| Changes in non-cash working capital items | | |
| Increase (decrease) in accounts receivable | **188,095** | (135,250) |
| Increase in prepaid expenses | **(11,707)** | (101,271) |
| Increase (decrease) in accounts payable and accrued liabilities | **414,532** | (190,543) |
| Increase in prepaid deposits | **64,110** | 252,426 |
| | **490,149** | (871,506) |
| **Cash flows from financing activities** | | |
| Proceeds from shares issued in financing | **-** | 980,800 |
| Proceeds from exercise of options | **-** | 146,468 |
| Share issue costs | **-** | (3,830) |
| | **-** | 1,123,438 |
| **Cash flows from investing activities** | | |
| Proceeds from sale of investments | **-** | 117,350 |
| Purchase of investments | **-** | (300,000) |
| Purchase of reclamation bond | **(12,500)** | - |
| Cash received for option payments | **179,982** | 59,982 |
| Exploration of mineral exploration properties | **(89,055)** | (479,055) |
| Proceeds from sale of equipment | **18,590** | 32,000 |
| Purchase of property and equipment | **(20,690)** | (229,284) |
| | **76,327** | (799,007) |
| **Increase (decrease) in cash and cash equivalents** | **566,476** | (547,075) |
| Cash and cash equivalents, beginning of period | **2,931,285** | 3,199,060 |
| **Cash and cash equivalents, end of period** | **$3,497,761** | $2,651,985 |
| **Cash and cash equivalents comprise:** | | |
| Bank deposits | **$841,979** | $1,449,355 |
| Term deposits | **2,655,782** | 1,202,630 |
| | **$3,497,761** | $2,651,985 |

The Company made no cash payments for interest or income taxes.
The Company received cash payments of $18,575 (2018 - $13,022) for interest.
Supplemental Cash Flow Information (Note 13)

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

**EAGLE PLAINS RESOURCES LTD.**
**(An Exploration Stage Corporation)**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

| | Share Capital | | Contributed | | |
|---|---|---|---|---|---|
| | Shares | Amount | Surplus | Deficit | Total |
| Balance, December 31, 2017 | 84,513,669 | $21,933,313 | $4,376,545 | $(19,852,642) | $6,457,216 |
| Shares issued for private placement | 2,084,000 | 416,800 | - | - | 416,800 |
| Shares issued for flow-through financing | 2,350,000 | 564,000 | - | - | 564,000 |
| Shares issued on exercise of options | 1,130,000 | 146,469 | - | - | 146,469 |
| Shares issued to acquire mineral property | 125,000 | 25,000 | - | - | 25,000 |
| Share issue costs | - | (3,829) | - | - | (3,829) |
| Premium on flow-through shares | - | (82,250) | - | - | (82,250) |
| Transfer of assets per Plan of Arrangement | - | (400,585) | - | - | (400,585) |
| Share-based payments | - | - | 156,090 | - | 156,090 |
| Income for the period | - | - | - | 544,845 | 544,845 |
| Balance, June 30, 2018 | 90,202,669 | $22,598,918 | $4,532,635 | $(19,307,797) | $7,823,756 |
| | | | | | |
| Balance, December 31, 2018 | 90,347,669 | $23,075,407 | $4,478,073 | $(20,290,046) | $7,263,434 |
| Premium on flow-through shares | - | (11,750) | - | - | (11,750) |
| Share-based payments | - | - | 3,095 | - | 3,095 |
| Income for the period | - | - | - | 61,886 | 61,886 |
| **Balance, June 30, 2019** | **90,347,669** | **$23,063,657** | **$4,481,168** | **$(20,228,160)** | **$7,316,665** |

**The accompanying notes are an integral part of these condensed consolidated interim 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 condensed consolidated interim statements of comprehensive income (loss) relates solely to geological services provided to third parties.

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

These condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements for the Company for the periods ending June 30, 2019 and 2018 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 condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 26, 2019.

(b) Basis of Measurement

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

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

(c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

**(Expressed in Canadian dollars)**

## 2. Basis of Preparation - continued

(c) Use of Estimates and Judgments - continued

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

Significant areas requiring the use of management estimates include 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; 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 condensed consolidated 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 consolidated financial statements for the year ended December 31, 2018.

New accounting pronouncements

Certain new accounting standards and interpretations have been published that are mandatory for the June 30, 2019 reporting period. The adoption of the following standards effective January 1, 2019 had no impact on the Company's condensed consolidated interim financial statements.

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:

| | **June 30 2019** | December 31 2018 |
|---|---|---|
| Trade receivables before allowance | **$ 488,478** | $ 688,158 |
| Less: allowance for doubtful accounts | **(283,566)** | (282,937) |
| Trade receivables, net | **204,912** | 405,221 |
| GST | **4,144** | - |
| Other | **17,437** | 9,967 |
| | **$ 226,493** | $ 415,188 |

The Company has provided an allowance for lifetime expected credit losses 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 FVTPL as follows:

| | **June 30, 2019** | | December 31, 2018 | |
|---|---|---|---|---|
| | **Market Value** | **Cost** | Market Value | Cost |
| Current: | | | | |
| Common shares in public companies | **$ 1,824,408** | **$ 1,359,604** | $ 1,506,948 | $ 899,608 |

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at June 30, 2019. 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.

During the period, the Company received 2,000,000 (2018 – 11,913,966) shares for the various option and property purchase agreements in effect with an attributed value of $460,000 (2018 - $336,250). Of the 11,913,966 shares received in 2018, 11,162,716 were from the Plan of Arrangement spinout of Taiga Gold Corp. and had an attributed value of $300,000.

The Company recorded unrealized gains (losses) on investments of $(142,540) (2018 – $1,276,675) in the period which is included in the condensed consolidated interim statements of comprehensive income (loss).

During the period, the Company sold investments and received proceeds of $nil (2018 - $77,460), resulting in a gain on sale of $nil (2018 - $93,750).

(Expressed in Canadian dollars)

## 6. Property and Equipment

| Cost | Land | Automotive | Building | Computer Equipment & Software | Furniture & Equipment | Fence | Total |
|---|---|---|---|---|---|---|---|
| Balance at December 31, 2017 | $298,856 | $274,155 | $1,023,188 | $324,364 | $450,705 | $13,360 | $2,384,628 |
| Additions | - | 206,821 | - | 14,124 | 13,422 | - | 234,367 |
| Disposals | - | (71,924) | - | - | (7,804) | - | (79,728) |
| Balance at December 31, 2018 | 298,856 | 409,052 | 1,023,188 | 338,488 | 456,323 | 13,360 | 2,539,268 |
| Additions | - | - | 7,463 | 6,811 | 6,416 | - | 20,690 |
| Disposals | - | (22,231) | (1) | - | (7,373) | - | (29,605) |
| **Balance at June 30, 2019** | **$298,856** | **$386,821** | **$1,030,650** | **$345,299** | **$455,366** | **$13,360** | **$2,530,352** |

| Accumulated Depreciation | Automotive | Building | Computer Equipment & Software | Furniture & Equipment | Fence | Total |
|---|---|---|---|---|---|---|
| Balance at December 31, 2017 | $223,873 | $255,734 | $302,078 | $332,183 | $6,614 | $1,120,482 |
| Depreciation | 47,310 | 32,296 | 16,760 | 25,047 | 675 | 122,088 |
| Disposals | (64,202) | - | - | (6,809) | - | (71,011) |
| Balance at December 31, 2018 | 206,981 | 288,030 | 318,838 | 350,421 | 7,289 | 1,171,559 |
| Depreciation | 30,195 | 15,459 | 6,612 | 10,627 | 304 | 63,197 |
| Disposals | (20,306) | - | - | (5,722) | - | (26,028) |
| **Balance at June 30, 2019** | **$216,870** | **$303,489** | **$325,450** | **$355,328** | **$7,593** | **$1,208,728** |

| Carrying Value | Land | Automotive | Building | Computer Equipment & Software | Furniture & Equipment | Fence | Total |
|---|---|---|---|---|---|---|---|
| At December 31, 2018 | $298,856 | $202,071 | $735,158 | $19,650 | $105,902 | $6,071 | $1,367,708 |
| **At June 30, 2019** | **$298,856** | **$169,951** | **$727,162** | **$19,848** | **$100,040** | **$5,767** | **$1,321,624** |

**(Expressed in Canadian dollars)**

## 7. Exploration and Evaluation Assets

During the periods ended June 30, 2019 and 2018, the Company made acquisition and exploration expenditures of $89,055 (2018 - $613,191) and received option payments of $639,983 (2018 - $105,233). As a result of option payments received, the Company recorded in income, option proceeds in excess of carrying value of $408,259 (2018 - $nil). The Company recorded a BCMETC adjustment for the 2018 year of $(7,011). As a result of the foregoing, exploration and evaluation assets totaled $1,028,088 at June 30, 2019, down from $1,163,746 at December 31, 2018. 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 June 30, 2019, 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 (received) |
| 200,000 | June 30, 2019 |
| $ 250,000 | |

(b) **Acacia Project:** On January 11, 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 located in central British Columbia. The property area has been held by Eagle Plains since 2001 and carries no underlying royalties or encumbrances. Under terms of the agreement, CRC may earn a 60% interest by completing $2,500,000 in exploration expenditures, make cash payments totalling $250,000 and issue 1,000,000 voting-class common shares to Eagle Plains over 5 years. To increase its earn-in interest to 75%, CRC agrees to make a one-time election within 90 days of exercising the First Option in full, by committing to the completion of a bankable feasibility study within a 5-year period following this election. On August 7, 2018, the agreement was amended whereby the dates that exploration expenditures were required were extended by one year in exchange for an additional 100,000 shares of CRC once listed. Payments are due as follows:

| Cash Payments | Share Payments | Exploration Expenditures | Due Date |
|---|---|---|---|
| $ 10,000 | - | $ - | On signing of agreement (received) |
| 20,000 | 200,000 | - | Within 30 days of listing on Exchange |
| 25,000 | 100,000 | 100,000 | The earlier of the 1st anniversary of listing date or Dec 31, 2019 |
| 25,000 | 100,000 | 200,000 | The earlier of the 2nd anniversary of listing date or Dec 31, 2020 |
| 50,000 | 200,000 | 500,000 | The earlier of the 3rd anniversary of listing date or Dec 31, 2021 |
| 50,000 | 200,000 | 700,000 | The earlier of the 4th anniversary of listing date or Dec 31, 2022 |
| 70,000 | 300,000 | 1,000,000 | The earlier of the 5th anniversary of listing date or Dec 31, 2023 |
| $ 250,000 | 1,100,000 | $ 2,500,000 | |

**(Expressed in Canadian dollars)**

## 7. Exploration and Evaluation Assets

**Option Agreements - Third party earn in - continued**
**British Columbia – continued**

(c) **Donna Project:** On October 1, 2018, 1149781 BC Ltd. signed a letter of intent ("LOI") to enter into an option agreement wherein they would purchase a 60% interest in the Donna property. Under the terms of the LOI, Eagle Plains will grant 1149781 BC Ltd. the right to acquire up to a 60% interest in and to Donna by making aggregate cash payments of up to $250,000, issuing 1,000,000 shares and incurring exploration expenditures of up to $3,000,000 over a period of up to five years. This agreement was subsequently assigned to Cure Capital Corp. ("Cure"), which will be assuming obligations of the agreement. In exchange for facilitating the assignment, Eagle Plains will receive an 100,000 additional shares of Cure.

**Saskatchewan**

(d) **Knife Lake Project:** On October 31, 2018, Eagle Plains and Rockridge Resources Ltd. ("Rockridge") entered into an option agreement whereby Rockridge may earn a 100% interest in Eagle Plains' 100%-owned Knife Lake Project, located northwest of the community of Sandy Bay, Saskatchewan. To earn a 100% interest, Rockridge has agreed to make a cash payment to Eagle Plains of $150,000, issue up to 5,250,000 common shares of Rockridge and complete $3,250,000 in exploration expenditures over four years. Eagle Plains will retain a 2.5% net smelter royalty ("NSR") on certain claims which comprise the project (a third party holds a 1% NSR on certain claims on the project). Rockridge may purchase 1.5% of the NSR for $2,000,000. Payments are as follows:

| Cash Payments | Share Payments | Exploration Expenditures | Due Date |
|---|---|---|---|
| $ 150,000 | 2,000,000 | $ - | On Exchange acceptance (received) |
| | 750,000 | 750,000 | December 20, 2019 |
| | 750,000 | 750,000 | December 20, 2020 |
| | 750,000 | 750,000 | December 20, 2021 |
| | 1,000,000 | 1,000,000 | December 20, 2022 |
| $ 150,000 | 5,250,000 | $ 3,250,000 | |

(e) **Wollaston:** On March 5, 2017, Eagle Plains and Burkehill Uranium Corp. ("Burkehill") entered into a property purchase agreement whereby Burkehill may earn a 100% interest in Eagle Plains' 100%-owned Wollaston Lake Project, located in northwest Saskatchewan. To earn a 100% interest, Burkehill has agreed to make aggregate cash payments to Eagle Plains of $100,000, over four years. Eagle Plains will retain a 2% net smelter royalty ("NSR"). Burkehill may purchase 1% of the NSR for $1,000,000. Payments are as follows:

| Cash Payments | Due Date |
|---|---|
| $ 25,000 | March 5, 2017 (received) |
| 25,000 | March 5, 2018 (received) |
| 25,000 | March 5, 2019 (received) |
| 25,000 | March 5, 2020 |
| $ 100,000 | |

## 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 June 30, 2019, there were 90,347,669 (2018 – 90,202,669) shares outstanding.

**(Expressed in Canadian dollars)**

**8. Equity Instruments - continued**

(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 periods ended June 30, 2019 and 2018, the Company had the following stock option activities:

| Total issued and outstanding | Number of Options | Option Price per Share Range | Weighted Average Exercise Price |
|---|---|---|---|
| Balance, December 31, 2017 | 8,125,000 | $0.10 - $0.30 | $0.17 |
| Exercised | (1,130,000) | (0.10 - 0.15) | (0.14) |
| Granted | 1,650,000 | 0.25 | 0.25 |
| **Balance, June 30, 2018** | **8,645,000** | **$0.10 - 0.30** | **$0.19** |
| | | | |
| Balance, December 31, 2018 | 8,295,000 | $0.10 - $0.30 | $0.19 |
| Cancelled | (485,000) | (0.25) | (0.21) |
| **Balance, June 30, 2019** | **7,810,000** | **$0.10 - 0.30** | **$0.19** |

At June 30, 2019, the following table summarizes information about stock options outstanding**:**

| Options Outstanding June 30, 2019 | Exercise Price | Expiry Date | Number of Options Exercisable | Weighted Average Remaining Life |
|---|---|---|---|---|
| 2,200,000 | $ 0.15 | June 5, 2020 | 2,200,000 | 0.93 years |
| 2,095,000 | $ 0.10 | December 29, 2020 | 2,095,000 | 1.50 years |
| 1,525,000 | $ 0.30(1) | March 13, 2022 | 1,525,000 | 2.70 years |
| 500,000 | $ 0.20(1) | June 15, 2022 | 500,000 | 2.96 years |
| 1,490,000 | $ 0.25(1) | February 19, 2023 | 1,490,000 | 3.64 years |
| **7,810,000** | | | **7,810,000** | **1.47 years** |

(1) These options were re-priced to $0.15 on July 4, 2019 (subject to shareholder ratification and regulatory acceptance). All other terms remained unchanged.

The weighted average remaining life of the outstanding stock options at June 30, 2019 is 1.47 years (2018 – 2.30 years)

(d) Share-based payments for share options

During the period ended June 30, 2019, $3,095 (2018 – $156,090) was recorded as share-based payments related to options granted and 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 issued in the period using the Black-Scholes model and the following weighted average assumptions:

| | **2019** | 2018 |
|---|---|---|
| Expected annual volatility | **-** | 63.73% |
| Expected risk free rate | **-** | 2.08% |
| Expected term | **-** | 5 years |
| Expected dividends | **-** | - |
| Share price at date of grant | **-** | $0.20 |
| Exercise price | **-** | $0.25 |

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

**(Expressed in Canadian dollars)**

## 8. Equity Instruments - continued

(e) Warrants outstanding

At June 30, 2019 and 2018, the Company had outstanding, 4,434,000 (2018 – 4,434,000) share purchase warrants exercisable at $0.40 (2018 – $0.40) and expiring February 7, 2020 (2018 - February 7, 2020).

(f) Financing

On February 8, 2018, the Company closed a brokered and non-brokered public offering. The financing was offered to arms-length and non-arm's length investors and was comprised of 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 $.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 $.40 for a 24 month period. Flow-through units were sold at a price of $.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 $.40 for a 24 month period. All issued securities were subject to a hold period expiring June 8, 2018.

## 9. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended June 30, 2019 of shares 90,347,669 (2018 – 88,835,918). The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had anti-dilutive effect for the periods ended June 30, 2019 and 2018.

## 10. Related Party Transactions

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

(a) The Company is related to Taiga Gold Corp. ("Taiga") through common directors. During the period the Company had the following transactions with the related company:

| | **2019** | 2018 |
|---|---|---|
| Administrative services provided by EPL | **$ 28,836** | $ 5,900 |
| Costs reimbursed to EPL | **20,289** | 116,663 |
| Proceeds to Taiga from exercise of EPL options | **-** | (7,282) |
| Exploration services provided by EPL | **6,764** | 10,980 |

At June 30, 2019, $12,678 (2018 - $125,556) is included in accounts receivable.

(b) Included in professional fees is $5,154 (2018 - $103,141) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner. At June 30, 2019, $5,295 (2018 - $20,940) is included in accounts payable and accrued liabilities.

Compensation to key management

Compensation to key management personnel in the period:

| | **2019** | 2018 |
|---|---|---|
| Administration costs | | |
| Management fees | **$ 42,000** | $ 64,500 |
| Wages and benefits | **39,760** | 67,223 |
| Professional fees | **21,000** | 21,000 |
| Share-based payments | **-** | 52,113 |
| | **$ 102,760** | $ 204,836 |

**(Expressed in Canadian dollars)**

## 10. Related Party Transactions - continued

(c) Included in administration costs is $42,000 (2018 - $64,500) paid or accrued for management services to a company owned by a director and officer of the Company.

(d) Included in administration costs is $39,760 (2018 - $67,223) paid or accrued for wages and benefits to a director and officer of the Company.

(e) Included in professional fees is $21,000 (2018 - $21,000) paid or accrued for accounting services to a director and officer of the Company.

(f) The Company granted nil (2018 – 570,000) options, with exercise prices of $nil (2018 - $0.25) and expiry dates of nil (2018 - February 19, 2023), to directors of the Company and recorded share-based payments of $nil (2018 - $52,113).

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 $72,645 (2018 - $59,736) 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.

## 12. Financial Instruments

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

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

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

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

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

| June 30, 2019 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Assets:** | | | | |
| **Cash and cash equivalents** | **$ 3,497,761** | **$ -** | **$ -** | **$ 3,497,761** |
| **Investments** | **$ 1,824,408** | **$ -** | **$ -** | **$ 1,824,408** |

**(Expressed in Canadian dollars)**

## 12. Financial Instruments - continued

| June 30, 2018 | | Level 1 | | Level 2 | | Level 3 | | Total |
|---|---|---|---|---|---|---|---|---|
| Assets: | | | | | | | | |
| Cash and cash equivalents | $ | 2,651,985 | $ | - | $ | - | $ | 2,651,985 |
| Investments | $ | 2,528,858 | $ | - | $ | - | $ | 2,528,858 |

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) Concentration risk

At June 30, 2019 and 2018, 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) Credit risk

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

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the counterparty to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

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 June 30, 2019, the Company had cash of $3,308 (2018 - $13,697) in US$. The Company is not exposed to significant currency risk.

d) Price risk

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 $18,200 (2018 - $25,300). 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 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 2,000,000 (2018 – 11,913,966) shares with an attributed value of $460,000 (2018 - $336,250).

## 13. Supplemental Cash Flow Information - continued

(b) The Company issued nil (2018 – 125,000) shares with an attributed value of $nil (2018 - $25,000) to acquire mineral properties.

(c) At June 30, 2019 the Company held cashable term deposits bearing interest rates of 1.25% to 1. 50% (2018 – 1.25%) with maturity terms of July 18, 2019 to September 18, 2019 (2018 – August 2, 2018 to August 5, 2018). All of these investments are cashable before maturity and have been treated as cash equivalents.

(d) At June 30, 2019, accounts payable and accrued liabilities included $3,170 (2018 - $94,703) for investment in exploration and evaluation assets.

## 14. Disaggregation of revenue

The Company earns revenue from the performance of one type of service, being geological and exploration services. Further, its customers are exploration companies based in Canada.

## 15. 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 periods ended June 30, 2019 and 2018. The Company is not subject to externally imposed capital requirements.

## 16. Subsequent Events

On July 4, 2019, Eagle Plains granted 800,000 incentive stock options to directors, officers, employees and key consultants of the Company at an exercise price of $0.15 per share, expiring July, 2024. In addition, the Company re-priced to $0.15, 3,515,000 options from exercise prices ranging from $0.20 - $0.30 and currently expiring from March 13, 2022 to February 19, 2023 (subject to shareholder ratification and regulatory approval).

On August 12, 2019, the Company closed a non-brokered private placement to an arms-length institutional investor, subject to regulatory approvals. The Company issued 3,000,000 non-flow-through common shares at a price of $0.105 per share for gross proceeds of $315,000. Shares issued in the financing are subject to a four-month hold period. No warrants were attached and no finder's fees or commissions were paid in association with the financing.

**(Expressed in Canadian dollars)**

**Schedule 1 - Exploration and evaluation assets**

| | December 31 2018 | Acquisition and Exploration | Grants, Option Payments & Mineral Tax Credits | Option proceeds in excess of carrying value | **June 30 2019** |
|---|---|---|---|---|---|
| British Columbia | $882,926 | $45,919 | 2,028 | - | **$930,873** |
| NW Territories | 183 | - | - | - | **183** |
| Saskatchewan | 280,637 | 41,341 | (635,000) | 408,259 | **95,237** |
| Yukon Territory | - | 1,795 | - | - | **1,795** |
| | $1,163,746 | $89,055 | ($632,972) | $408,259 | **$1,028,088** |

| | December 31 2017 | Acquisition and Exploration | Grants, Option Payments & Mineral Tax Credits | Option proceeds in excess of carrying value | Write down of mineral properties | Spin out of mineral properties | **December 31 2018** |
|---|---|---|---|---|---|---|---|
| British Columbia | $699,402 | $419,663 | $ (39,208) | $10,000 | $(206,931) | $ - | **$ 882,926** |
| NW Territories | 183 | - | - | - | - | - | **183** |
| Saskatchewan | 301,150 | 285,905 | (86,250) | 71,491 | (74,511) | (217,148) | **280,637** |
| Yukon Territory | 40,136 | 801 | (312) | 312 | (40,937) | - | **-** |
| | $1,040,871 | $706,369 | $(125,770) | $81,803 | $(322,379) | $(217,148) | **$1,163,746** |

**Schedule 2 – Acquisition and exploration additions**

| January – June 2019 | British Columbia | Saskatchewan | Yukon & NWT | Total |
|---|---|---|---|---|
| Consultations | $ - | $ 2,824 | $ - | $ 2,824 |
| Equipment rental | 3,049 | (382) | - | 2,667 |
| Geophysical | 34,000 | 5,400 | - | 39,400 |
| Labour | 10,246 | 17,264 | - | 27,510 |
| Transportation | 3,281 | 4,759 | 650 | 8,690 |
| Travel and camp | 736 | 4,649 | 1,145 | 6,530 |
| Tenure and acquisitions | (5,393) | 6,827 | - | 1,434 |
| | $45,919 | $41,341 | $1,795 | $89,055 |

| January – December 2018 | British Columbia | Saskatchewan | Yukon & NWT | Total |
|---|---|---|---|---|
| Analytical | $ 13,840 | $ 11,267 | $ - | $ 25,107 |
| Consultations | $1,575 | 12,217 | - | 13,792 |
| Drilling | 236,304 | - | - | 236,304 |
| Equipment rental | 7,107 | 2,240 | - | 9,347 |
| Geological and Geochemical | 954 | 1,658 | - | 2,612 |
| Labour | 80,635 | 104,501 | 101 | 185,237 |
| Transportation | 45,650 | 9,120 | - | 54,770 |
| Travel and camp | 8,211 | 4,081 | - | 12,292 |
| Tenure and acquisitions | 25,387 | 140,821 | 700 | 166,908 |
| | $419,663 | $285,905 | $801 | $706,369 |