

Condensed Consolidated interim financial statements of

GOLDEN TAG RESOURCES LTD.

March 31, 2019

(unaudited)

GOLDEN TAG RESOURCES LTD.

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Golden Tag Resources Ltd.
Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2019
(unaudited)

		<u>March 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
		\$	\$
Assets			
Current			
Cash		62,250	43,385
Marketable Securities	6	401,000	470,400
Sales taxes receivable	7	27,910	27,589
Prepaid Expenses and deposits		12,824	24,360
		503,984	565,734
Non-current assets			
Long Term sales taxes receivable	7	100,396	100,396
Total assets		604,380	666,130
Liabilities			
Current			
Trade payables		20,572	26,514
Equity			
Share capital	9	14,734,673	14,734,673
Options reserve	10	83,455	83,455
Warrants reserve	9	440,274	440,274
Deficit		(15,096,165)	(15,040,357)
Accumulated other comprehensive income		421,571	421,571
Total equity		583,808	639,616
Total liabilities and equity		604,380	666,130
Going concern	1		
Related party transactions	12		
Contingencies and commitments	15		

Approved on Behalf of the Board:

Signed by: _____

Marc Carrier, President & CFO

Signed by: _____

Bruce Robbins, CEO

The accompanying notes are an integral part of the consolidated financial statements

Golden Tag Resources Ltd.
Condensed Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2019 and 2018
(unaudited)

		Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
		\$	\$
	Note		
Management, consulting and directors' fees	12	36,250	22,500
Professional fees		8,223	21,032
Office expenses and sundry		8,761	2,527
Listing, filing and transfer agency fees		8,876	9,494
Stock-based compensation		-	-
Promotion and travel		565	1,080
Rent		3,173	3,173
Mineral property expenses		21,313	16,384
Foreign exchange		1,121	(1,541)
		88,282	74,649
Finance income		(3)	-
Loss on sale of marketable securities		(21,871)	395
Other income		-	-
Unrealized loss (gain) on change in fair value of marketable securities		(10,600)	157,000
		(32,474)	157,395
Net Income (Loss) for the period		(55,808)	(232,044)
Other Comprehensive Income		-	-
Comprehensive Income (Loss) for the period		(55,808)	(232,044)
Weighed average number of shares – Basic		79,312,311	78,926,558
Weighed average number of shares – Diluted		79,312,311	78,926,558
Basic income (loss) per share		(0.001)	(0.003)
Diluted income (loss) per share		(0.001)	(0.003)

The accompanying notes are an integral part of the consolidated financial statements

Golden Tag Resources Ltd.
Consolidated Statements of Changes in Equity
Three months ended March 31, 2019 and 2018
(unaudited)

	Number of Shares	Share capital (Note 9)	Options reserve	Warrants reserve	Deficit	Accumulated other comprehensive income	Total
		\$	\$	\$	\$	\$	\$
Balance as at January 1, 2019	79,806,558	14,734,673	83,455	440,274	(15,040,357)	421,571	639,616
Comprehensive income (loss)	-	-	-	-	(55,808)		(55,808)
Balance as at March 31, 2019	79,806,558	14,734,673	83,455	440,274	(15,096,165)	421,571	583,808
	Number of Shares	Share capital (Note 9)	Options reserve	Warrants reserve	Deficit	Accumulated other comprehensive income	Total
		\$	\$	\$	\$	\$	\$
Balance as at January 1, 2018	78,926,558	14,690,674	9,242	440,274	(14,395,484)	403,649	1,148,355
Comprehensive loss	-	-	-	-	(232,044)	-	(232,044)
Balance as at March 31, 2018	78,926,558	14,690,674	9,242	440,274	(14,627,528)	403,649	916,311

The accompanying notes are an integral part of the consolidated financial statements

Golden Tag Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows
Three months ended March 31, 2019 and 2018
(unaudited)

	Note	Three months Ended March 31, 2019 \$	Three months Ended March 31, 2018 \$
Operating activities			
Net income (loss)		(55,808)	(232,044)
Non-cash items:			
Foreign Exchange		-	-
Changes in working capital items	11	5,273	48,492
Non-cash proceeds on sale of mineral properties		-	-
Share-based compensation		-	-
Realized loss on sale of marketable securities		(21,871)	-
Unrealized loss (gain) on change in fair value of marketable securities		(10,600)	188,500
		<u>(83,006)</u>	<u>4,948</u>
Investing activity			
Proceeds on sale of marketable securities		<u>101,871</u>	-
Net increase (decrease) in cash		18,865	4,948
Cash, beginning of year		<u>43,385</u>	<u>14,571</u>
Cash, end of year		<u>62,250</u>	<u>19,519</u>

The accompanying notes are an integral part of the consolidated financial statements

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the period ended March 31, 2019

1. Nature of operation and going concern assumption

Golden Tag Resources Ltd. (“the Company”) is incorporated under the Canada Business Corporations Act and is in the process of exploring its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The address of Golden Tag Resources Ltd.’s registered office and its principal place of business are 3608 Boul. St-Charles, Suite 16, Kirkland, Quebec, Canada. Golden Tag Resources Ltd.’s shares are listed on the TSX Venture Exchange, trading under the symbol “GOG.”

These consolidated financial statements comprise the financial statements of Golden Tag Resources Ltd. and its wholly owned subsidiary, Golden Tag de Mexico S.A., incorporated in Mexico.

These consolidated financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, and the Company has not yet generated income or cash flows from its operations.

The Company’s ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and support its administrative overhead. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future. The Company’s business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral property.

These factors indicate the existence of a material uncertainty regarding the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) under international Accounting Standard (“IAS”) 34 – Interim Financial Reporting. Condensed consolidated interim financial statements do not include all the notes required in annual financial statements and accordingly, should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, unless otherwise stated, which is the Company’s functional currency. The functional currency of the Company’s Mexican subsidiary is the US dollar. The Company has adopted the Canadian dollar as its presentation currency.

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the period ended March 31, 2019

3. Summary of significant accounting policies

These condensed consolidated interim financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in Note 3 – Summary of Accounting Policies, as described in the Company’s annual audited consolidated financial statements for the year ended December 31, 2018, except for the changes in accounting policies resulting from the adoption of new standards as described below.

IFRS 16, Leases

Replaces the current guidance in IAS 17. The standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. For lessors, the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts). The adoption of the standard did not impact the condensed interim financial statements given the short-term nature of its lease.

IFRIC 23 Uncertainty Over Income Tax Treatments

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. The adoption of the interpretation did not impact the condensed consolidated interim financial statements,.

4. Critical accounting estimates, judgments and assumptions

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are detailed in note 4 of the Company’s annual consolidated financial statements for the year ended December 31, 2018.

5. Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports on the performance of the managerial units of the Company to the Board of Directors. An analysis of the Company’s business segments is set out below:

	Canada	Mexico	March 31, 2019	Canada	Mexico	March 31, 2018
	\$	\$	\$	\$	\$	\$
Other operating expenses	64,443	23,839	88,282	46,628	28,021	74,649

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the period ended March 31, 2019

6. Marketable securities

	March 31, 2019	December 31, 2018
	\$	\$
Balance as at January 1,	470,400	1,044,000
<u>Additions (disposals) in the year:</u>		
Sirios Resources Inc. Nil (100,000 shares in 2018)	-	(106,000)
Rubicon Minerals Corporation 80,000 shares (270,00 shares in 2018)	(103,775)	(375,000)
	(103,775)	481,300
Unrealized gain (loss) on change in fair value of marketable securities	34,375	(92,300)
Balance as at March 31, 2019 and December 31, 2018	401,000	470,400

Marketable securities include the following components at fair value:

	March 31, 2019	December 31, 2018
	\$	\$
Sirios Resources Inc. 700,000 shares (700,000 shares 2018)	161,000	98,000
Rubicon Minerals Corporation 200,000 shares (280,000 shares 2018)	240,000	372,000
Total	401,000	470,400

7. Sales Taxes

Aging analysis	March 31, 2019	December 31, 2018
	\$	\$
Current	9,421	11,106
30-90 days	980	1,551
Over 90 days (past due)	17,509	14,932
Total	27,910	27,589

The long-term sales taxes receivable are amounts in dispute with the Mexican government. During the year, there was a court order in favour of the Company to collect this amount; however, the Mexican government is contesting that order thus it remains as a receivable at December 31, 2018.

8. Mineral properties

Mexico San Diego Property

The Company, through its wholly owned subsidiary, and Golden Minerals Company (formerly ECU Silver Mining Inc.) held a 50% interest in the San Diego Property, Durango State, Mexico. During the third quarter of 2016, the Company acquired the remaining 50% of the San Diego property for \$500,000 in cash consideration and 2,500,000 shares of the Company, which were valued at \$275,000, based on the stock price on the date of the issuance. Golden Minerals will retain a 2% NSR on the property. This is the only mining property that the Company holds the rights to explore as at March 31, 2019, and December 31, 2018.

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the period ended March 31, 2019

9. Equity

Share capital

Authorized: An unlimited number of the following classes of shares:

Common shares, voting, without par

Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Shares issued and fully paid	#	\$
Total common shares issued and fully paid January 1, 2018	78,926,558	14,690,674
Issuance of shares on exercise or warrants	880,000	43,999
Total common shares issued and fully paid December 31, 2018 , March 31, 2019	79,806,558	14,734,673

During 2018, 880,000 broker warrants issued in 2016 were exercised at \$0.05 per warrant entitling the broker for 880,000 shares and an additional 880,000 broker warrants.

Share purchase warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares is as follows:

	2019		2018	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	18,880,000	0.07-0.12	18,880,000	0.07-0.12
Issued – broker warrants	-	-	880,000	0.07-0.12
Exercised – broker warrants	-	-	(880,000)	0.05
Balance as at December 31, 2018 and March 31, 2019	18,880,000	0.07-0.12	18,880,000	0.07-0.12

At December 31, 2018 and March 31, 2019, the following exercisable warrants were outstanding:

Warrants	Price	Expiry
18,000,000	0.07-.012	June 27, 2021
880,000	0.07-.012	July 24, 2020
18,880,000	0.07-.012	

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Notes to Condensed Consolidated Interim Financial Statements
For the period ended March 31, 2019

10. Share-based payments

The Company has adopted share-based payment plans under which members of the Board of Directors may award options for ordinary shares to directors, officers, employees and consultants. The maximum number of shares issuable under the plans is 7,834,191 and the maximum number of shares which may be reserved for issuance to any one optionee may not exceed 5% of the common shares outstanding at the time of the grant. The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the ordinary shares on the day prior to the award date, and the term of the options cannot exceed five years and unexercised options are cancelled 30 days after termination of employment or directorship. The option's exercise price and vesting period is established by the Board of Directors at the time of grant. All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

Outstanding Options entitle their holders to subscribe to an equivalent number of common shares is as follows:

	2019		2018	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	3,200,000	0.05	3,200,000	0.05
Issued	-	-	-	-
Expired	-	-	-	-
Balance as at December 31, 2018 and March 31, 2019	3,200,000	0.05	3,200,000	0.05

11. Additional cash flow information

The changes in working capital items are as follows:

	March 31, 2019 \$	March 31, 2018 \$
Sales taxes receivables	(321)	(6,225)
Prepaid expenses and deposits	11,536	3,641
Trade Payables	(5,942)	51,076
	5,273	48,492

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the period ended March 31, 2019

12. Related party transactions

The Company's related parties include private companies controlled by directors and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors as well as members of key management personnel

Remuneration includes the following expenses:

	Three Months ended March 31, 2019	Three Months ended March 31, 2018
	\$	\$
Management and administration fees paid to private companies controlled by directors	36,250	22,500
Mineral properties expenditures paid to private companies controlled by directors	8,695	9,262
	44,945	31,762

Included in trade payables are amounts due to companies owned and controlled by key management personnel of \$Nil and to directors of \$Nil (2018 - \$25,869 and 16,07).

Of the options granted during the year ended December 31, 2017, 3,000,000 were to directors of the company. The related expense for 2018 was \$69,575 (2017 - \$8,664).

A private company controlled by one of the Company's directors, waived its right to \$55,000 of management fees it is entitled to for the year ended December 31, 2017, under an executive services agreement (note 17), until such time that the private company resigns, the management fee agreement is not renewed or there is a merger or takeover of the Company, at which time the amount would become due and payable.

13. Capital management policies and procedures

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company's capital items are cash, marketable securities and common shares. Management adjusts the capital structure as necessary 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 team to sustain the future development of the business.

The property in which the Company currently has an interest is in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts 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 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 appropriate.

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the period ended March 31, 2019

There were no changes in the Company's approach to capital management during the period ended March 31, 2019. The Company is not subject to externally imposed capital requirements.

14. Financial instruments risks

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 3. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated in close cooperation with the Board of Directors, and focuses on actively securing the Company's short- to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and market risk on the marketable securities. No changes were made in the objectives, policies and processes during the reporting periods.

Foreign currency risk

Most of the Company's transactions are carried out in Canadian dollars. Exposures to currency exchange rates arise from the Company's expenses in foreign currency, which are primarily denominated in US dollars and Mexican Pesos since a portion of the Company's expenditures related to exploration and evaluation activities are incurred in US dollars and Mexican Pesos. The Company does not enter into arrangements to hedge its foreign exchange risk.

Financial instruments denominated in foreign currency are as follows:

Short-term exposure	March 31, 2019	December 31, 2018
	\$	\$
<i>US dollars</i>		
Cash	8,462	3,541
Trade payables	(8,616)	(8,616)
Total short-term exposure	(154)	(5,075)

Short-term exposure	March 31, 2019	December 31, 2018
	\$	\$
<i>Mexican Pesos</i>		
Cash	3,747	24,414
Trade payables	(49,477)	(49,877)
Total short-term exposure	(45,730)	(25,461)

At March 31, 2019, with other variables unchanged, a 10% change in the US\$?CDN and Peso/CDN exchange rate would impact pre-tax income by approximately \$15 and \$318 respectively (2018 - \$508 and \$177). Exposure to foreign exchange rates varies during the year depending on the volume of foreign transaction

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the period ended March 31, 2019

14. Financial instruments risks (*Continued from previous page*)

Credit risk

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets. The credit risk is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

The Company's liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	March 31, 2019	December 31,
	\$	2018
		\$
Trade payables	20,572	26,514

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

15. Contingencies and commitments

The Company's operations are subject to governmental laws and regulations regarding environmental protection. Environmental consequences, their impact and their duration are difficult to determine. To the best of its knowledge, management believes that the Company's operations are in compliance with all applicable laws and regulations. Provisions for estimated costs are recorded when environmental remedial efforts are likely and costs can be reasonably estimated.

The Company has an executive services agreement in place, with a private company controlled by one of its directors, dated October 1, 2013 for five years, which was renewed during the year for an additional two years, whereby a sum equivalent to both the Base Fees of \$65,000 and the Conditional Fees of \$80,000 for the next two-year period, irrespective of the Company's financial condition, is to be made should the director die or become permanently incapacitated in a manner that prevents his private company from properly performing the services. In the last two years of this contract, the foregoing amounts shall be reduced to one year future fees from two years.

The Company has an operating lease expiring August 2019 for which the minimum payments in the next year total \$5,000.