

**GOLDEN TAG RESOURCES LTD.****MANAGEMENT DISCUSSION  
REPORT TO SHAREHOLDERS**

April 15, 2019

The following Management Discussion and Analysis (“MD&A”) relates to the financial condition and results of operations of Golden Tag Resources Ltd (“we”, “our”, “us”, “Golden Tag”, or the “Company”) for the twelve months ended December 31, 2018 and should be read in conjunction with the Audited Annual Consolidated Financial Statements and related Notes for the twelve months ended December 31, 2018. The consolidated financial statements and related notes of Golden Tag have been prepared in accordance with International Financial Reporting Standards.

**2018 Year in Review:**

On behalf of the Board of Directors, we are pleased to present the 2018 Annual Report to shareholders including the consolidated financial statements for the fiscal year ending December 31, 2018.

As previously reported, the Company has completed the necessary final steps to better establish its operations in Mexico to support operations at its 100% owned San Diego Property. Further work was performed to identify prime targets for future drilling on the property. Unfortunately, a difficult funding environment to raise capital to perform planned work on the property continued during the period. As an alternative to raising finance for drilling the planned targets, and the resulting dilution to shareholders, the company embarked on a strategy to seek joint venture partners with the funding and related technical expertise to advance the project. The Company in early 2018 signed a Confidentiality Agreement with a major mining company who completed a detailed review of the San Diego project. Unfortunately, the company in question, in an environment of low silver prices, decided to not proceed. Please refer to the San Diego project write-up contained in this report for comprehensive information including planned work.

**Going Forward:**

The last few years has been a difficult time in the junior resource sector, however, the Company is hopeful that the recent higher gold price will attract greater interest in the sector and particularly junior exploration companies. The price of silver during the most recent drilling on the San Diego property averaged \$28 an ounce compared to today’s price of \$15 to \$16. An increase in the price to \$20 would attract a much greater interest in the project. In the opinion of management, the Company has good potential going forward, considering the relatively small amount of 79,806,558 shares issued and outstanding at the date of this report, no debt, and a quality project such as San Diego. The Company, however, wishes to broaden its asset base and is actively seeking opportunities to add to the San Diego project. This may prove to be challenging given present constraints including financing in a difficult market. As such, the Company is investigating strategic alternatives.

We wish to thank shareholders, old and new for their continued support of the Company.

**ABOUT GOLDEN TAG:**

Golden Tag Resources Ltd. is a Montreal based Canadian mineral exploration company whose primary focus is on the acquisition, exploration, and development of gold, silver and base metal projects in North America. Historically, exploration has been centered in eastern Canada and more specifically on the McCuaig project in Red Lake, Ontario, and the Aquilon project in James Bay, Quebec. In 2006 the Company began exploration in Mexico on the San Diego property in Durango State, Mexico in a joint operation with ECU Silver Mining Inc. a subsidiary of Golden Minerals Company and earned a 50% interest in the property. The Company in 2016 purchased Golden Minerals' remaining 50% interest in the project and Golden Tag now owns a 100% interest in the property. Golden Tag over the last two years has sold its Canadian projects namely its 50% interest in the Aquilon Project, its 30% interest in the Verueuil Project, and its 40% interest in the McCuaig project in 2017. The resulting funds have contributed to the continuing operation of the company during the period since its last financing in early 2016 where the majority of funds raised were used to purchase the remaining 50% interest in the San Diego property giving the Company a 100% interest. Please refer to the San Diego Property section in this MD&A for more detailed information.

Golden Tag has been trading on a continuous basis on the TSX Venture Exchange and its predecessor exchanges since 1982 under the symbol "GOG".

**FINANCIAL REPORTING STANDARDS ("IFRS"):**

Consolidated financial statements for the year ended December 31, 2018 have been prepared in accordance with IFRS as published by the International Accounting Standards Board. On October 1, 2017, the Company retrospectively changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and exploration and evaluation expenditures of mineral properties to the specific mineral properties, net of recoveries received. Under the new policy, acquisition costs and deferred exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision by the board of directors to proceed with mine development are expensed as incurred.

For each reporting period in 2018, comparative information for 2017 has also been presented, both for interim and annual consolidated financial statements, as applicable, on an IFRS basis. For further information, please refer to the Company's Audited Annual Consolidated Financial Statements and Notes for the twelve months ended December 31, 2017.

**OPERATING RESULTS:**

## Including General and Administrative Expenses

	2018	2017	2016
	\$	\$	\$
Management, consulting and directors' fees	145,000	100,000	155,500
Professional fees	85,593	69,963	90,373
Office services and sundry	13,621	23,653	21,217
Listing, filing and transfer agency fees	18,881	21,532	27,369
Promotion and travel	3,710	6,001	16,709
Rent	12,691	11,813	12,264
Sub Total direct expenses	<u>279,496</u>	<u>232,962</u>	<u>323,432</u>
Mineral property expenses	66,328	39,316	841,704
Stock-based compensation	74,213	9,242	-
Foreign exchange	9,739	39,045	244,154
	<u>429,776</u>	<u>320,565</u>	<u>1,409,290</u>
Finance income	(103)	(99)	(385)
Gain on sale of mineral property	-	(764,500)	(1,338,000)
Loss on sale of marketable securities	122,900	122,318	-
Other income	-	(1,000)	(80,000)
Unrealized loss (gain) on change in fair value of marketable securities	92,300	(35,250)	603,750
<b>Net income (loss) for the year</b>	<u>(644,873)</u>	<u>357,966</u>	<u>(594,655)</u>
<b>Other Comprehensive Income</b>	<u>17,922</u>	<u>23,352</u>	<u>229,934</u>
<b>Comprehensive Income (Loss) for the year</b>	<u>(626,951)</u>	<u>318,318</u>	<u>(364,721)</u>
<b>Weighted Average Number of Shares Basic &amp; Diluted</b>	<u>79,312,311</u>	<u>78,926,558</u>	<u>68,653,995</u>
<b>Basic Income (loss) per share</b>	<u>(0.008)</u>	<u>0.005</u>	<u>(0.009)</u>

The Company has no dividend policy and has no intentions of developing a dividend policy in the foreseeable future. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

The net income (loss) is significantly impacted as a result of the Company changing its accounting policy on October 1, 2017 for exploration and property expenses, whereby mineral properties are now expensed on the statement of income (loss) and comprehensive income (loss) and are no longer capitalized on the statement of financial position. The comparative results have also been restated to adhere to this change.

The Net loss in 2018 was \$644,873, compared to an income of \$357,966 in 2017. The income in 2017 is largely the net effect of gain on the sale of mineral properties amounting to \$764,500 when no such proceeds occurred in 2018 and the unrealized gain on change in fair value of marketable

securities of \$35,250 compared to a loss of \$92,300 in 2018. Direct operating expenses in 2018 were \$279,496, \$46,534 or 20% greater than the \$232,962 reported in the same period in 2017. The higher costs in 2018 were chiefly due to Management Fees amounting to \$145,000 in 2018 compared to an amount of \$100,000 in 2017, as an amount of \$55,000 was not charged in 2017. The Foreign exchange loss in 2018 was \$9,739, \$29,306 or 75.1% less than the \$39,045 in 2017. Foreign Exchange can fluctuate greatly in any given year depending on the rate of exchange between Canadian and \$US as property expenses in Mexico are invoiced in \$US.

The Company's comprehensive loss for the 2018 year was \$626,951 compared to a gain of \$318,318 reported in 2017. As mentioned, a large component of the loss in 2017 was offset due to a credit related to property sales. On a per share basis this resulted in a loss of 0.008 in 2018, and an income of 0.005 in 2017. The average number of outstanding shares in 2018 was 79,312,311 compared to an average of 78,926,558 in 2017.

#### **Finance and Other Income:**

Finance Income, which represents interest revenue on funds held was \$103 in 2018 compared to an amount of \$99 in 2017. Other Income of \$1,000 in 2017 was due to a credit extended to the Company by BMO. None was paid in 2018. The \$80,000 in 2016 was related to an option payment on the sale of the Company's 50% interest in the Aquilon property, that it previously agreed to sell to a private company, which was not completed.

#### **FINANCING ACTIVITY:**

No financing took place in the 2018 period except for the exercising of 880,000 broker warrants at \$0.05 per share for an amount \$43,999.

#### **LIQUIDITY AND CAPITAL RESOURCES:**

At December 31, 2018, the Company had a positive net working capital of \$539,220 and a deficit of 15,040,357. 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. To continue with exploration activities the Company will need to raise additional funds in the future. 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.

These factors indicate the existence of a material uncertainty regarding the ability of the Company to continue as a going concern. The audited 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.

Positive attributes in this regard is that the Company has no outstanding debt, has a relatively low number of shares outstanding, and holds a 100% interest in a significant Resource Estimate in terms of quality and quantity on its San Diego property in Mexico.

#### **FUTURE OBLIGATIONS RELATING TO MINING PROPERTIES:**

As the Company now holds a 100% interest in the San Diego Mexico property, its only property holding, it has no future obligations except for relatively small amounts required to maintain the property in good standing.

**OFF-BALANCE SHEET AGREEMENTS:**

There were no off-balance sheet agreements as at December 31, 2018 and 2017.

**RELATED PARTY TRANSACTIONS:**

Refer to Note 14 in the annual audited consolidated financial statements.

**CHANGES IN ACCOUNTING STANDARDS:**

Refer to Note 3 under Financial Instrument in the annual audited consolidated financial statements.

**CRITICAL JUDGEMENTS AND ASSUMPTIONS:**

Refer to Note 4, Changes in Accounting Standards in the annual audited consolidated financial statements.

**SUMMARY OF QUARTERLY RESULTS: (unaudited)**

The following table represents unaudited financial information for the eight most recently completed financial quarters.

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income (Loss)	39	51	13	-	771,358	28,409	1,018	64
Net Income (Loss)	300,522	(484,276)	(229,075)	(232,044)	719,372	(39,898)	(218,658)	(102,850)
Net Earnings (Loss) per share (basic and diluted)	0.004	(0.006)	(0.003)	(0.003)	0.009	(0.001)	(0.002)	(0.001)

Income is interest earned on funds held mainly for exploration activity and in Quarter 4, 2017 the income reported is from the sale of the McCuaig property. In the last eight quarters, the quarterly net loss fluctuated between an income of \$719,372 in Q4 2017 and a loss of \$484,276 in Q3 2018. In the eight period analysis presented, the amount of income (loss) per quarter is largely a function of: any proceeds from the sale of property assets, direct operating expenses, property expense and the impact of foreign exchange. Quarterly results may also be significantly influenced by accruals between quarters. Note that the quarters are unaudited. The income (loss) per share can also be influenced by the weighted average number of shares outstanding. The average weighted number of shares in 2018 was 79,312,311 compared to an amount of 78,926,558 in 2017.

Summary of Exploration Expenses <u>Exploration</u> <u>Expenditures (E&amp;E)</u>	San Diego, Mexico			
	2016	2017	2018	Total
(Canadian Dollars)				
Consulting Fees	25,142	6,950	41,561	73,653
Salaries and Labour	24,149	10,469	13,267	47,885
Travel	1,359	-	-	1,359
Lodging and Expenses	9,990	21,897	11,500	43,387
Total Exploration Expenditure	60,640	39,316	66,328	166,284

Cumulative E&E since Inception	\$8,091,373	\$8,130,689	\$8,197,017	
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### **SAN DIEGO PROPERTY, MEXICO:**

Golden Tag owns a 100% interest in the San Diego Property. The project has been advanced through various exploration programs between 2005 and 2013 which included 6 Phases of surface diamond drilling totaling 32,933 meters. Total cumulate expenditures to date by Golden Tag on the property are \$8,197,017.

The San Diego Property consists of 4 mining concessions (91.65 hectares) in the Municipality of Cuencame, Durango State, Mexico. It is located approximately 75 km southwest of the city of Torreon, Mexico and is 12 km northeast of Peñoles Velardeña Mine. The Peñoles non-ferrous metallurgical complex (smelting and refining) is in Torreon. The property can be accessed via a 10 km dirt road from the village of San Diego, which is only 5 km east of Highway 400 and Federal Road 49.

The property lies within the Velardeña Mining District where several mines have produced silver, zinc, lead and gold over the past century from polymetallic mineralization associated with intermediate to felsic intrusive bodies. The mineral deposits of the Velardeña Mining District consist primarily of quartz-calcite veins with associated silver, lead, zinc, gold and copper mineralization typical of the polymetallic, intrusive related skarn and low-sulfidation epithermal deposits of northern Mexico.

A Mineral Resource Estimate (Table 1 and 2) was completed by SGS Canada and a NI 43-101 Independent Technical Report was published in April 2013. This report is available on the Company web site as well as at [www.sedar.com](http://www.sedar.com). The Estimated Indicated and Inferred Resources at San Diego include:

- Indicated Resources of 16.5 Million tonnes grading 60 g/t Ag, 0.71% Pb and 1.22% Zn
- Inferred Resources of 42 Million tonnes grading 62 g/t Ag, 0.90 % Pb and 1.31% Zn

SGS Canada also recognized that there is Additional Target Potential of between 20 to 50 million tonnes grading 100 to 150 g/t silver equivalent. This Additional Target Potential is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

**Table 1.** Summary of Resources in 23 Mineralized Zones on the San Diego Property (SGS, 2013)

SAN DIEGO RESOURCE ESTIMATE	CoG <sup>(1)</sup> (g/t)	Indicated Resources							Inferred Resources						
		Tonnes (Mt)	Au g/t	Ag g/t	Pb %	Zn %	Ag.EQ <sup>(2)</sup> g/t	Ag Oz (M)	Tonnes (Mt)	Au g/t	Ag g/t	Pb %	Zn %	Ag.EQ <sup>(2)</sup> g/t	Ag Oz (M)
<b>Fernandez Zone</b>															
Endoskarn	52 <sup>(1)</sup>	9.3	0.06	55	0.59	1.33	100	16.5	9.6	0.04	57	0.6	1.3	101	17.4
Fringe	52	5.5	0.06	43	0.74	0.89	83	7.6	19.1	0.05	41	0.7	0.97	81	25.1
<b>Sub-total</b>		<b>14.8</b>	<b>0.06</b>	<b>51</b>	<b>0.65</b>	<b>1.17</b>	<b>94</b>	<b>24.1</b>	<b>28.7</b>	<b>0.05</b>	<b>46</b>	<b>0.7</b>	<b>1.08</b>	<b>88</b>	<b>42.4</b>
<b>Vein &amp; Mantos Zones</b>		<b>Indicated Resources</b>							<b>Inferred Resources</b>						
Trovador	52	0.29	0.09	87	0.72	4.15	194	0.81	4.41	0.04	68	0.9	1.55	124	9.6
Montanez (3)	125	0.56	0.31	101	1.36	1.43	170	1.82	1.57	0.18	91	1.5	1.9	174	4.6
Vein Zones (17)	52-125	0.53	0.14	166	1.38	1.03	227	2.80	7.12	0.14	109	1.7	1.99	200	25.0
Oxide Zones	133	0.31	0.43	211	1.15	0.9	234	2.11	0.29	0.43	238	0.8	0.91	261	2.2
<b>Sub-total</b>		<b>1.69</b>	<b>0.24</b>	<b>139</b>	<b>1.22</b>	<b>1.68</b>	<b>204</b>	<b>7.54</b>	<b>13.39</b>	<b>0.12</b>	<b>96</b>	<b>1.40</b>	<b>1.81</b>	<b>173</b>	<b>41.4</b>
<b>TOTAL RESOURCES (Oxide &amp; Sulfide Zones)</b>		<b>16.5</b>	<b>0.08</b>	<b>60</b>	<b>0.71</b>	<b>1.22</b>	<b>105</b>	<b>31.6</b>	<b>42.0</b>	<b>0.07</b>	<b>62</b>	<b>0.9</b>	<b>1.31</b>	<b>115</b>	<b>83.8</b>

(1) CoG: Cut-Off Grade; Block Caving/Mechanized Bulk Mining CoG of 52 g/t Ag.EQ. See Table 2 for more details.

(2) Ag.EQ: Silver Equivalent based on commodity prices applying estimated mill and smelter recoveries as per Table 2.

(3) Totals may not add up correctly due to rounding.

Cautionary Statement: Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

**Table 2.** Parameters used in the San Diego Mineral Resource Estimate (SGS, 2013)

Parameters	Silver	Lead	Zinc	Gold	Copper
Metal Pricing <sup>(1)</sup>	\$28.10/oz	\$1.00/lb	\$0.96/lb	\$1,455/oz	\$3.65/lb
Sulfides - Net Recoveries	64.9%	76.4%	57.5%	0.0%	0.0%
Conversion Factor to AgEQ g/t <sup>(2)</sup>	1.0	1% = 28.7	1% = 20.8	-	-
Oxides - Net Recoveries	60.5%	0.0%	0.0%	62.5%	0.0%
Conversion Factor to AgEQ g/t <sup>(2)</sup>	1.0	-	-	53.4%	-
<b>Potential Mining Methods</b>	<b>Cut-Off Grades (COG)</b>		<b>Minimum Horizontal Mining Width (m)</b>		
	<b>\$/t<sup>(3)</sup></b>	<b>Ag.EQ (g/t)</b>			
COG 133 Narrow vein Shrinkage- Oxide	\$73	133	1.0		
COG 125 Narrow vein Shrinkage	\$73	125	1.0		
COG 102 Long Hole Mining	\$60	102	2.5		
COG 81 Bulk Mining	\$47.50	81	5.0		
COG 52 Mechanized Bulk /Block Cave	\$30	52	Greater than 5 meters		

(1) \$US pricing based on 3-year trailing average.

(2) g/t Ag.EQ with estimated mill and smelter recoveries.

(3) Estimated mining cost (US\$/t) in Mexico.

After the closure of the acquisition agreement with Golden Minerals late in 2016, the Company has taken steps to better establish its operations in Mexico. Golden Tag continues planning for future work programs and is advancing studies based on the 3-D modelling completed with the resource evaluation of SGS Canada. There are quite a few avenues of approach being evaluated and planned which include diamond drill programs to increase resources in specific areas of the deposit and to upgrade the quality of these resources.

There are several areas which have been identified in the 3D model of each of the 23 zones of mineralization where additional drilling could be conducted to potentially increase tonnage. These areas can occur within the mineralized envelopes where the required drill hole density was not

sufficient for classification of these blocks within the zones into the resource categories or along the strike, dip, and plunge extensions of the zones.

During Phase 5 and 6 drilling, many of the zones in the southern portion of the property were intersected at a significant depth but do not have drill holes above these intersections along trend closer to surface. The following zones are projected to continue upwards along trend towards the surface and could be tested by shallower drill holes which could potentially outline mineralization closer to surface:

Zone	Strike Length (m)	Untested Vertical Depth (m)	Target
Fernandez (2)	200	0 to 400	Bulk Zone
Trovador	600	200 to 700	Sulfide Vein
MS Zone	300	200 to 700	Sulfide Vein
Arroyo	600	0 to 200	Oxide and Sulfide Vein
El Jal	600	0 to 200	Oxide and Sulfide Vein
Lorenzo	250	0 to 700	Sulfide Vein
South Skarn	250	0 to 700	Sulfide Vein
Panda	250	0 to 300	Sulfide Vein
San Jose	200	150 to 400	Sulfide Vein

The exploration programs conducted on the property to date have mainly focused on finding silver-rich polymetallic vein mineralization as was previously mined on the property. During Phase 5 and 6 exploration, holes were drilled for the first time within the area south of the Montanez Zone and higher-grade intersections of zinc were encountered. Examples include:

- **MS Zone-** SD-11-44: 1020.68 to 1025.68 m: 5 m @ 0.37 g/t Au, 152.16 g/t Ag, 2.59% Pb, 3.65% Zn<sup>1</sup>
- **South Skarn-** SD-11-46: 1055.50 to 1066.15 m: 10.65 m @ 177.26 g/t Ag, 2.26% Pb, 5.54% Zn<sup>2</sup>
- **Trovador-** SD-11-44: 988.20 to 1016.62 m: 28.4 m @ 0.11 g/t Au, 177.92 g/t Ag, 1.86% Pb, 4.2% Zn<sup>1</sup>

1: News Release November 15, 2011; 2: News Release January 21, 2012 and NI 43-101 Technical Report Updated Mineral Resource Estimate, San Diego Project, Velardeña Mining District, Durango State, Mexico written by SGS Canada Inc with an effective date of April 12, 2013

The Company is considering following up on these areas with drilling focused on delineating zinc mineralization on the property. Within the district, the Peñoles Velardeña mine, currently in operation, and the Peñoles El Cobre project, undergoing a PEA, primarily contain zinc mineralization.

#### **SAN DIEGO EXPENDITURES:**

Exploration expenditures of \$66,328 mainly related to support of the review conducted and maintenance and security on the property were incurred in 2018. The total spending on the property as at December 31, 2018, including an amount of \$792,421 in 2016 to acquire the remaining 50% interest in the property is \$8,197,017.

#### **Risks and Uncertainties:**

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, and exploration of mineral properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.



### *Nature of Mining, Mineral Exploration and Development Projects*

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, including environmental hazards, and unusual or unexpected geological occurrences. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

### *No Revenues*

To date the Company has recorded no revenues from operations and the Company has not commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years related to consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Company will generate any revenues or achieve profitability.

### *Foreign Exchange*

Exploration is paid in United States dollars in Mexico and consequently, the Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the US dollar.

### *Mineral Resource and Mineral Reserve Estimates may be Inaccurate*

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different.

### *Title to Properties*

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an

interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

*Commodity Price Risk:*

The ability of the Company to develop its properties and the future profitability of the Company are directly related to the market price of certain minerals.

*Internal Control:*

In terms of internal control over financial reporting, the Company as a matter of general policy has an audit committee that reviews annual audited consolidated financial statements and recommends the approval of them to the board of directors. Also, as part of this policy, unaudited quarterly interim statements are provided to members of the audit committee and directors for review prior to release to shareholders.

*Disclosure Controls and Procedures:*

Disclosure controls and procedures over financial reporting within the Corporation have been designed to provide reasonable assurance that all relevant information is identified to ensure appropriate and timely decisions are made regarding public disclosure. The Corporation's CEO and CFO certify the completeness, accuracy and fair presentation of the financial information in the annual filing. The Corporation's Audit Committee reviewed this MD&A, and the audited consolidated financial statements, and the Corporation's Board of Directors approved these documents prior to their release.

It should be noted that as a small organization, the Company's management is composed of a small number of key individuals, resulting in situations where limitations in segregation of duties have to be compensated by more effective monitoring by the Chief Executive Officer and the Chief Financial Officer. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties.

Quarterly and annual consolidated financial statements are reviewed by the Company's Audit Committee and Board of Directors. Since the increased funding costs of such hiring could place a burden on the Company's finances, the Company's management has chosen to disclose the potential risk in its filings and is assessing the company's future needs in this regard as activity in the Company grows.

There have been no changes to the Corporation's internal controls over financial reporting during the year ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold and other minerals; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or

processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates’ forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” “be taken”, “occur” or “be achieved”. Forward - looking information is based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold and other minerals; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; as well as the risks and uncertainties identified elsewhere in this document. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Additional Information:

This analysis should be read in conjunction with the most recent consolidated financial statements. Financial information about the Company is contained in its comparative consolidated financial statements for the fiscal years ended December 31, 2018 and 2017 and additional information about the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Further, the Company posts all publicly filed documents, including the Management Discussion and Analysis, on its website [www.goldentag.ca](http://www.goldentag.ca).

On behalf of the Board of Directors,

Signed by: Bruce Robbins

Signed by: Marc A. Carrier

Interim Chief Executive Officer

President and CFO