Consolidated Financial Statements

(Stated in Canadian Dollars)

March 31, 2018
and
March 31, 2017

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TAG Oil Ltd.

We have audited the accompanying consolidated financial statements of TAG Oil Ltd., which comprise the consolidated statements of financial position as at March 31, 2018 and 2017 and the consolidated statements of comprehensive (loss) income, changes in equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of TAG Oil Ltd. as at March 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
June 28, 2018

Consolidated Statements of Financial Position
Expressed in Canadian Dollars

As at March 31,	2018	2017
Assets		
Current:		
Cash and cash equivalents	$ 1,777,672	$ 21,564,654
Amounts receivable and prepaids	2,614,180	5,901,747
Advances receivable	-	92,784
Inventory	4,049,294	5,239,187
Shares receivable	-	54,812
	8,441,146	32,853,184
Non-Current:		
Exploration and evaluation assets (Note 3)	23,376,077	13,454,930
Investments (Note 5)	84,648	58,796
Property, plant and equipment (Note 4)	112,134,229	99,183,801
Restricted cash	247,264	262,491
Shares receivable	-	51,423
	$ 144,283,364	$ 145,864,625
Liabilities and Shareholders' Equity		
Current:		
Accounts payable and accrued liabilities	$ 4,354,297	$ 6,309,993
Asset retirement obligations (Note 7)	173,603	127,618
Current portion of agreement for purchase (Note 3)	495,100	508,700
	5,023,000	6,946,311
Non-Current:		
Asset retirement obligations (Note 7)	13,620,111	14,836,097
Long-term portion of agreement for purchase (Note 3)	742,650	1,271,750
	19,385,761	23,054,158
Share capital (Note 8(a))	244,169,454	244,169,454
Share-based payment reserve (Note 8(b))	20,581,296	20,226,202
Foreign currency translation	16,734,545	17,117,040
Available for sale marketable securities	51,700	25,849
Deficit	(156,639,392)	(160,471,809)
Equity attributable to owners of the Company	124,897,603	121,066,736
Non-controlling interests	-	1,743,731
	124,897,603	122,810,467
	$ 144,283,364	$ 145,864,625

Nature of operations (Note 1)
Commitments (Note 14)
Subsequent events (Note 16)
See accompanying notes.

Approved by the Board of Directors:

"Toby Pierce" *"Ken Vidalin"*

Toby Pierce, Director **Ken Vidalin, Director**

Consolidated Statements of Comprehensive Income
Expressed in Canadian Dollars

For the years ended March 31,	2018	2017
Revenues and Costs		
Production revenue	$ 23,669,850	$ 23,340,949
Production costs	(8,127,651)	(8,431,768)
Royalties	(2,514,205)	(2,358,719)
Transportation and storage costs	(2,734,095)	(2,949,747)
	10,293,899	9,600,715
Expenses		
Consulting and directors fees	736,454	1,117,670
Depletion, depreciation and accretion	9,933,691	8,734,033
Filing, listing and transfer agent	118,886	134,229
Foreign exchange	(259,636)	205,880
Insurance	110,822	126,547
Interest and other income	(306,131)	(222,467)
Office and administration	791,546	824,712
Overhead recoveries	(150,036)	(148,934)
Professional fees	657,986	442,707
Rent	265,864	306,200
Reports	178,390	145,057
Share-based compensation	355,094	943,984
Shareholder relations and communications	400,880	741,882
Travel	433,611	439,308
Wages and salaries	1,709,623	1,791,728
	(14,977,044)	(15,582,536)
Other Items		
Exploration and evaluation impairment (Note 3)	(5,252,751)	(174,035)
Exploration expense	(42,303)	(121,853)
Forgiveness of debt	-	(64,512)
Gain on distribution of subsidiary (Note 5(b))	210,765	-
Gain (loss) on sale of property and equipment	19,146	(543,983)
Impairment of investments	-	(600,467)
Interest and penalties (Note 13)	(551,215)	-
Loss on disposal of asset	-	(26,346)
Loss on sale of exploration and evaluation assets	-	(2,694,833)
Property, plant and equipment impairment reversal (Note 4)	15,184,430	35,039,882
Write-off of inventory	(1,052,510)	(145,313)
	8,515,562	30,668,540
Net income for the year	3,832,417	24,686,719
Other comprehensive (loss) income (Note 9)		
Cumulative translation adjustment	(382,495)	2,806,574
Change in available for sale assets:		
Investments	25,851	608,123
Comprehensive income for the year	$ 3,475,773	$ 28,101,416
Earnings per share – basic (Note 8(d))	$ 0.04	$ 0.39
Earnings per share – diluted (Note 8(d))	$ 0.04	$ 0.38

See accompanying notes.

Consolidated Statements of Comprehensive Income
Expressed in Canadian Dollars

For the years ended March 31,	2018	2017
Net income attributable to:		
Owners of the Company	$ 3,832,417	$ 26,475,048
Non-controlling interests	-	(1,788,329)
Net income for the year	$ 3,832,417	$ 24,686,719
Net comprehensive income attributable to:		
Owners of the Company	$ 3,475,773	$ 29,889,745
Non-controlling interests	-	(1,788,329)
Total comprehensive income for the year	$ 3,475,773	$ 28,101,416

See accompanying notes.

TAG Oil

Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

For the years ended March 31,	2018	2017
Operating Activities		
Net income for the year	$ 3,832,417	$ 24,686,719
Changes for non-cash operating items:		
Depletion, depreciation and accretion	9,933,691	8,734,033
Exploration and evaluation impairment	5,252,751	174,036
Exploration expense	42,303	121,852
Forgiveness of debt	-	64,512
Gain on distribution of subsidiary	(210,765)	-
(Gain) loss on sale of property and equipment	(19,146)	543,983
Impairment of investments	-	600,467
Interest and foreign exchange on restricted cash	-	(1,102)
Loss on disposal of asset	-	26,346
Loss on sale of exploration and evaluation assets	-	2,694,833
Property, plant and equipment impairment reversal	(15,184,430)	(35,039,882)
Share-based compensation	355,094	943,984
Write-off of inventory	1,052,510	145,313
	5,054,425	3,695,094
Changes for non-cash working capital accounts:		
Amounts receivable and prepaids	3,282,181	(2,579,009)
Accounts payable and accrued liabilities	267,876	350,535
Inventory	137,383	(4,106)
Cash provided by operating activities	8,741,865	1,462,514
Financing Activity		
Short form prospectus – net of share issue costs	-	13,755,200
Cash provided by financing activity	-	13,755,200
Investing Activities		
Cash of subsidiary on deconsolidation	(1,432,166)	-
Exploration and evaluation assets	(16,809,012)	(3,680,824)
Proceeds on sale of asset	-	250,000
Property and equipment	(10,380,453)	(7,214,952)
Repayment of advance receivable	92,784	203,584
Restricted cash	-	(57,140)
Cash used in investing activities	(28,528,847)	(10,499,332)
Net (decrease) increase in cash and cash equivalents during the year	(19,786,982)	4,718,382
Cash and cash equivalents – beginning of the year	21,564,654	16,846,272
Cash and cash equivalents – end of the year	$ 1,777,672	$ 21,564,654
Supplementary disclosures:		
Interest received	$ 44,501	$ 83,825
Cash	$ 1,758,877	$ 16,623,416
Cash equivalents	18,795	4,941,238
	$ 1,777,672	$ 21,564,654

Non-cash investing activities:

The Company incurred $3,237,869 in exploration and evaluation expenditures which were in accounts payable at March 31, 2018 (2017: $4,884,903). The Company also acquired property and equipment of $54,633, which was in accounts payable at March 31, 2018 (2017: $608,744).

See accompanying notes.

Consolidated Statements of Changes in Equity
Expressed in Canadian Dollars

	Number of Shares (Note 8)	Share Capital (Note 8)	Reserves: Share-Based Payments	Reserves: Foreign Currency Translation	Reserves: Available for Sale Marketable Securities	Deficit	Total	Non-Controlling Interest	Total Equity
Balance at March 31, 2016	62,212,252	$230,414,254	$ 19,282,218	$ 14,310,466	$ (582,274)	$(186,946,857)	$ 76,477,807	$ 3,532,060	$ 80,009,867
Short form prospectus – net of share issue costs	23,070,000	13,755,200	-	-	-	-	13,755,200	-	13,755,200
Share-based payments	-	-	943,984	-	-	-	943,984	-	943,984
Currency translation adjustment	-	-	-	2,806,574	-	-	2,806,574	-	2,806,574
Impairment of investments	-	-	-	-	582,273	-	582,273	-	582,273
Unrealized loss on available-for-sale investments	-	-	-	-	25,850	-	25,850	-	25,850
Net income (loss) for the year	-	-	-	-	-	26,475,048	26,475,048	(1,788,329)	24,686,719
Balance at March 31, 2017	85,282,252	$244,169,454	$ 20,226,202	$ 17,117,040	$ 25,849	$(160,471,809)	$121,066,736	$ 1,743,731	$122,810,467
Share-based payments	-	-	355,094	-	-	-	355,094	-	355,094
Currency translation adjustment	-	-	-	(382,495)	-	-	(382,495)	-	(382,495)
Unrealized loss on available-for-sale investments	-	-	-	-	25,851	-	25,851	-	25,851
Net income (loss) for the year	-	-	-	-	-	3,832,417	3,832,417	(1,743,731)	2,088,686
Balance at March 31, 2018	85,282,252	$244,169,454	$ 20,581,296	$ 16,734,545	$ 51,700	$(156,639,392)	$124,897,603	$ -	$124,897,603

See accompanying notes.

Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2018 and 2017
Expressed in Canadian Dollars

Note 1 – Nature of Operations

TAG Oil Ltd. (the "Company" or "TAG") is a publicly listed issuer that is incorporated under the Business Corporations Act (British Columbia), with a focus on oil and gas exploration, development and production from its international properties that are situated in New Zealand and Australia.

The Company has an interest in three oil and gas properties that contain economically recoverable reserves. Further exploration and development activities are required by the Company to establish additional proved reserves and to commercialize its oil and gas exploration properties. The Company is also influenced by significant financial risks as well as fluctuations in commodity prices. The Company will use cash and operating cash flow to further explore and develop its properties towards planned principal operations. The Company monitors its cash and cash equivalents and adjusts its expenditure plans to conform to available funding. The Company plans to fund exploration and development activities through existing cash, operating cash flow and any potential capital raising.

During the year ended March 31, 2018, TAG distributed its Coronado Resources Ltd. ("Coronado") common shares to its shareholders of record (see Note 5(b)).

Note 2 – Significant Accounting Policies and Basis of Presentation

Basis of Presentation and Statement of Compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared in accordance and comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements were authorized for issuance by the directors of the Company on June 28, 2018.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries.

The Company's subsidiaries are:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Cypress Petroleum Pty Ltd.	Australia	100%	Oil and Gas Exploration
Cheal Petroleum Limited	New Zealand	100%	Oil and Gas Exploration
CX Oil Limited	New Zealand	100%	Oil and Gas Exploration
Orient Petroleum (NZ) Limited	New Zealand	100%	Oil and Gas Exploration
Stone Oil Limited	New Zealand	100%	Oil and Gas Exploration
TAG Oil (NZ) Limited	New Zealand	100%	Oil and Gas Exploration
TAG Oil (Offshore) Limited	New Zealand	100%	Oil and Gas Exploration
Trans-Orient Petroleum Ltd.	Canada	100%	Oil and Gas Exploration
Coronado Resources Ltd. (until May 25, 2017)	Canada	49%	Holding Company
Lynx Clean Power Corp. (until May 25, 2017)	Canada	49%	Holding Company
Lynx Gold Corp. (until May 25, 2017)	Canada	49%	Holding Company
Lynx Petroleum Ltd. (until May 25, 2017)	Canada	49%	Holding Company
Coronado Resources USA LLC (until May 25, 2017)	USA	49%	Holding Company

Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency").

The consolidated financial statements are presented in Canadian dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

(iii) Subsidiaries

The results and financial position of subsidiaries which have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the period-end exchange rate;
- Income and expenses for each statement of income are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the statement of income as part of the gain or loss on sale.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 365 days or less when acquired and have immediate redemption options.

Subsidiaries

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, generally, but not in all cases, accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions and balances have been eliminated on consolidation.

Where the Company's interest is less than 100%, the interest attributable to outside shareholders is reflected in non-controlling interest. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

Significant Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingencies. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. These estimates are subject to measurement uncertainty. Actual results could differ from and affect the results reported in these consolidated financial statements.

Areas of judgment that have the most significant effect on the amounts recognized in these consolidated financial statements are: recoverability, impairment, fair value and depletion of oil and gas properties, deferred tax assets and liabilities and functional currency.

Key sources of estimation uncertainty that have the most significant effect on the amounts recognized in these consolidated financial statements are: recoverability, impairment, depletion and fair value of oil and gas properties, deferred tax assets and liabilities, determination of the fair values of stock-based compensation and assessment of contingencies.

Recoverability, impairment and fair value of oil and gas properties

Fair values of oil and gas properties, depletion and depreciation, and amounts used in impairment calculations are based on estimates of crude oil and gas reserves, oil and gas prices, and future costs required to develop those reserves. By nature, estimates of reserves and the related future cash flows are subject to measurement uncertainty and the impact of differences between actual and estimated amounts on the consolidated financial statements of future periods could be material. The fair value of properties is determined based on cost and supported by the discounted cash flow of reserves based on anticipated work programs. The net present value uses a discount rate of 10% and costs are determined on the anticipated exploration program, forecasted oil prices and contractual price of natural gas along with forecasted operating and decommissioned costs (see Note 4).

Oil and gas properties, exploration and evaluation assets and other corporate assets are aggregated into cash-generating-units (CGUs) based on their ability to generate largely independent cash flows and are used for impairment testing unless the recoverable amount based on value in use can be estimated for an individual asset. The determination of the Company's CGUs is based on separate business units for electricity generation and retail (sold during the prior year) and producing oil and gas fields with petroleum mining permits granted including associated infrastructure on the basis that field investment decisions are made based on expected field production and all wells are dependent on the field infrastructure.

Each CGU or asset is evaluated for impairment to ensure the carrying value is recoverable. Management reviews the discounted cash flows of capital development, income, production, reserves, field life and asset retirement obligations of the CGU or asset in assessing the recoverable amount of the CGU or asset. A discount rate of 10% is applied to the assessment of the recoverable amount.

The decision to transfer exploration and evaluation assets to property, plant and equipment is based on management's determination of an area's technical feasibility and commercial viability based on proved and probable reserves. The calculation of decommissioning liabilities includes estimates of the future costs to settle the liability, the timing of the cash flows to settle the liability, the risk-free rate and the future inflation rates. The rates used to calculate decommissioning liabilities are an inflation rate of 1.77% and a risk-free discount rate ranging from 2.42% to 4.02% which prevailed at the date of these financial statements. The impact of differences between actual and estimated costs, timing and inflation on the consolidated financial statements of future periods may be material.

Income taxes

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

Share-based compensation

The calculation of share-based compensation requires estimates of volatility, forfeiture rates and market prices surrounding the issuance of share options. These estimates impact share-based compensation expense and share-based payment reserve.

Functional currency

The determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

Contingencies

Contingencies are resolved only when one or more events transpire. As a result, the assessment of contingencies inherently involves estimating the outcome of future events.

Non-Oil and Gas Reserves

Share-based payment reserve

The share-based payment reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount remains in the reserve.

Foreign currency translation reserve

The foreign currency translation reserve records exchange rate differences arising on translation of subsidiaries that have a functional currency other than the Canadian dollar.
Available for sale marketable securities reserve

The available for sale marketable securities reserve records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses and foreign exchange gains and losses.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities are recognized on the consolidated statement of financial position at the time the Company becomes a party to the contractual provisions. Upon initial recognition, financial instruments are measured at fair value. Measurement in subsequent periods is dependent on the classification of the financial instrument. These instruments will be classified into one of the following five categories: fair value through profit or loss, held-to-maturity, loans and receivables, available-for-sale or financial liabilities at amortized cost.

i) Financial assets and liabilities at fair value through profit or loss

   Financial assets and liabilities at fair value through profit or loss are measured at fair value with changes in fair value recognized in net income (loss). Cash and cash equivalents are designated as fair value through profit or loss.

ii) Held-to-maturity

   Held-to-maturity investments are measured at amortized cost at the settlement date using the effective interest method of amortization.

iii) Loans and receivables

   Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these assets are measured at amortized cost at the settlement date using the effective interest method of amortization. Accounts receivable and advance are classified as loans and receivables.

iv) Available-for-sale

   Available-for-sale financial assets are instruments that are classified in this category and are not classified in any other category. They are measured at fair value at the settlement date, with changes in the fair value recognized in other comprehensive income. The Company's investment in equity securities are classified as available-for-sale.

v) Financial liabilities at amortized cost

   Financial liabilities are measured at amortized cost at the settlement date using the effective interest method of amortization. Accounts payable and accrued liabilities are classified as financial liabilities at amortized cost.

The Company has financial instruments in the form of equity securities that give rise to other comprehensive income. Instruments are classified current if they are assumed to be settled within one year; otherwise they are classified as non-current. The Company will assess at each reporting period whether there is any objective evidence that a financial asset, other than those measured at fair value, is impaired. When assessing impairment, the carrying value of financial assets carried at amortized cost is compared to the present value of estimated future cash flows discounted using the instrument's original effective interest rate.

Derivative Financial Instruments

The Company does not hold derivative financial instruments to hedge its commodity price risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are recognized initially at fair value; any directly attributable transaction costs are recognized in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Exploration and Evaluation Assets – Oil and Gas

All costs directly associated with oil and gas reserves are initially capitalized. Exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability has not yet been determined. These costs include costs to acquire acreage and exploration rights, geological and geophysical costs, asset retirement costs, exploration and evaluation drilling, sampling and appraisals. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to net earnings as exploration expense.

When an area is determined to be technically feasible and commercially viable and a mining permit is granted, the accumulated costs are transferred to property, plant and equipment. When an area is determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to net earnings as impairment.

Property, Plant and Equipment

All costs directly associated with the development of oil and gas reserves are capitalized on an area by area basis. Development costs include expenditures for areas where technical feasibility and commercial viability has been determined through the granting of a mining permit. These costs include proved property acquisitions, development drilling, completion, gathering lines and infrastructure, decommissioning costs and transfers of exploration and evaluation assets. Where development costs related to drilling are incurred in an area, but the associated reserves are not able to be included in the independent reserves evaluation at year end, these costs are separately categorized in property, plant and equipment as exploration in progress.

Costs accumulated within each area are depleted using the unit-of-production method based on proved and probable reserves using estimated future prices and costs. Costs subject to depletion include estimated future costs to be incurred in developing proved and probable reserves but do not include exploration in progress costs which will be evaluated for impairment once proved.

For property dispositions, a gain or loss is recognized in net earnings. Exchanges of properties are measured at fair value, unless the transaction lacks commercial substance or fair value cannot be reliably measured. Where the exchange is measured at fair value, a gain or loss is recognized in net earnings.

Assets attributable to electricity generation (sold during the previous year) are recorded at cost less accumulated depreciation and depreciation is calculated using the declining-balance method and units of production method. Corporate assets consist primarily of office equipment and leasehold improvements and are stated at cost less accumulated depreciation. Depreciation of these corporate assets is calculated using the declining-balance method.

Joint Venture Activities and Joint Controlled Operations

Joint control is defined as the contractually agreed sharing of control over an economic activity, and exists only when the strategic, financial and operating decisions essential to the relevant activities require the unanimous consent of the parties sharing control. When the Company enters into agreements that provide for specific percentage interests in exploration properties, a portion of the Company's exploration activities is conducted jointly with others, without establishment of a corporation, partnership or other entity.

Under IFRS 11 "Joint Arrangements", this type of joint control of exploration assets and joint exploration and/or development activities is considered as a joint operation, which is defined as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. In these consolidated financial statements, the Company recognizes the following in relation to its interests in joint operations:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output of the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

Impairment of Non-Financial Assets

The carrying value of the Company’s non-financial assets is reviewed at each reporting date for indicators that the carrying value of an CGU or asset may not be recoverable. These indicators include, but are not limited to, extended decreases in prices or margins for oil and gas commodities or products, a significant downward revision in estimated reserves or an upward revision in future development costs. If indicators of impairment exist, the recoverable amount of the CGU or asset is estimated. If the carrying value of the CGU or asset exceeds the recoverable amount the CGU or asset is written down with an impairment recognized in net earnings.

Exploration and evaluation costs and property, plant and equipment costs are aggregated into CGUs based on their ability to generate largely independent cash flows. The recoverable amount of an CGU or asset is the greater of its fair value less costs to sell and its value in use. Fair value less cost to sell is determined to be the amount for which the asset could be sold in an arm's length transaction, less the costs of disposal. Value in use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the CGU or asset.

Reversals of impairments are recognized when there has been a subsequent increase in the recoverable amount. In this event, the carrying amount of the CGU or asset is increased to its revised recoverable amount with an impairment reversal recognized in net earnings. The recoverable amount is limited to the original carrying amount less depletion and depreciation as if no impairment had been recognized for the CGU or asset for prior periods.

Asset Retirement Obligations

Asset retirement obligations include present obligations where the Company will be required to retire tangible long-lived assets such as producing well sites and facilities. Management has calculated the cost to plug and abandon current wells, dispose of facilities and rehabilitate land based on local regulations. The asset retirement obligations are measured at the present value of the expenditure expected to be incurred using an inflation rate of 1.77% and a risk free discount rate ranging from 2.42% to 4.02%. The associated asset retirement obligation is capitalized as part of the cost of the related long-lived asset. Changes in the estimated liability resulting from revisions to estimated timing, amount of cash flows, or changes in the discount rate are recognized as a change in the asset retirement obligation and the related decommissioning cost.

Increases in asset retirement obligations resulting from the passage of time are recorded as accretion of asset retirement obligations in the consolidated statement of comprehensive income. Actual expenditures incurred are charged against the asset retirement obligation liability as incurred.

Share-Based Payments

Obligations for issuance of common shares under the Company's share-based compensation plan are accrued over the vesting period using fair values. Fair values are determined at issuance using the Black-Scholes option-pricing model, taking into account a nominal forfeiture rate, and are recognized as share-based compensation with a corresponding credit to share-based payments reserve.

Contingencies

When a contingency is substantiated by confirming events, it can be reliably measured and will likely result in an economic outflow, a liability is recognized in the consolidated financial statements as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the consolidated financial statements.

Income Tax

Income tax expense is comprised of current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are presented as non-current. Tax on income in periods is accrued using the tax rate that would be applicable to expected total annual earnings.

Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the Company and delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. These criteria are generally met at the time the product is shipped and delivered to the customer and, depending on the delivery conditions, title and risk have passed to the customer and acceptance of the product, when contractually required, has been obtained. Revenue is measured based on the price specified in the sales contract.

Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net earnings for the year attributable to equity owners of TAG by the weighted average number of common shares outstanding during the year.

Diluted EPS is not presented when it is anti-dilutive.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. TAG's potentially dilutive common shares comprise share options, granted to employees and directors, and warrants.

Future changes in accounting policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee, but not yet effective as at March 31, 2018. The Company intends to adopt these standards and interpretations when they become effective. Pronouncements that are not applicable to the Company have been excluded from those described below.

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)
- IFRS 16 Leases (effective January 1, 2019)

The Company has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the Company's financial statements.

Note 3 – Exploration and Evaluation Assets

Permit Ownership Interest	PEP57065 100%	PEP51153 70%	PEP54877 *(1)* 70%	Cardiff 100%	PL17 Cypress 100%	PEP54879 50%
Cost						
At March 31, 2016	$ 1,702	$ -	$ -	$ -	$ -	$ 4,021,176
Capital expenditures	3,564,374	700,974	4,608	274,495	2,598,620	655,485
Write-off oil and gas properties	-	-	(4,608)	-	-	-
Addition in ARO	-	1,086,683	-	-	-	-
Proceeds on sale of asset	-	-	-	-	-	-
Loss on sale of asset	-	-	-	-	-	-
Foreign exchange movement	66	-	-	-	-	154,455
At March 31, 2017	3,566,142	1,787,657	-	274,495	2,598,620	4,831,116
Capital expenditures	676,015	6,173,543	3,631,941	1,096,551	3,429,553	34,997
Addition in ARO	-	3,365	-	220,946	-	-
Write-off oil and gas properties	-	-	-	-	-	(4,786,372)
Foreign exchange movement	(8,412)	(4,216)	-	(646)	(69,477)	(79,741)
At March 31, 2018	$ 4,233,745	$ 7,960,349	$ 3,631,941	$ 1,591,346	$ 5,958,696	$ -
Net book value						
March 31, 2017	$ 3,566,142	$ 1,787,657	$ -	$ 274,495	$ 2,598,620	$ 4,831,116
March 31, 2018	**$ 4,233,745**	**$ 7,960,349**	**$ 3,631,941**	**$ 1,591,346**	**$ 5,958,696**	**$ -**

Permit Ownership Interest	PEP55769 100%	PEP38348 / 55770 100%	PEP57063 100%	PEP52181 40%	Madison / Other 100%	TOTAL
Cost						
At March 31, 2016	$ 368,694	$ -	$ 14,280	$ -	$ 2,885,226	$ 7,291,078
Capital expenditures	30,539	-	50,341	86,438	164,437	8,130,311
Write-off oil and gas properties	-	(18,117)	(65,169)	(86,141)	-	(174,035)
Addition in ARO	-	18,117	-	-	-	1,104,800
Proceeds on sale of asset	-	-	-	-	(354,830)	(354,830)
Loss on sale of asset	-	-	-	-	(2,694,833)	(2,694,833)
Foreign exchange movement	(2,333)	-	548	(297)	-	152,439
At March 31, 2017	396,900	-	-	-	-	13,454,930
Capital expenditures	77,075	-	-	-	-	15,119,675
Addition in ARO	-	-	-	-	-	224,311
Write-off oil and gas properties	(466,379)	-	-	-	-	(5,252,751)
Foreign exchange movement	(7,596)	-	-	-	-	(170,088)
At March 31, 2018	$ -	$ -	$ -	$ -	$ -	$ 23,376,077
Net book value						
March 31, 2017	$ 396,900	$ -	$ -	$ -	$ -	$ 13,454,930
March 31, 2018	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 23,376,077**

(1) On September 7, 2017, a petroleum mining permit (PMP 60291) was granted over a portion of a petroleum exploration permit (PEP 54877) that included acreage surrounding the production assets. The remaining acreage will continue as a petroleum exploration permit (PEP 54877).

The Company's oil and gas properties are located in New Zealand and Australia, and its interests in these properties are maintained pursuant to the terms of petroleum exploration and mining permits granted by the national government. The Company is satisfied that evidence supporting the current validity of these permits is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on these properties. Although the Company has taken steps to verify title, these procedures do not guarantee the Company's title.

During the year ended March 31, 2017:

On October 13, 2016, Coronado and its wholly owned subsidiary, Coronado Resources USA LLC ("Coronado USA"), completed the asset purchase and sale agreement with Broadway Gold Mining Ltd. (formerly Carolina Capital Corp.) ("Broadway"), pursuant to which Coronado USA sold its copper and gold mining property located in Silverstar, Montana and related assets to Broadway in exchange for $250,000 on the closing date (received), 1,000,000 common shares in future instalments of Broadway and the sum of $100,000 to be paid within 30 days of the commencement of commercial production.

On January 31, 2017, the Company and its wholly owned subsidiary, Cypress Petroleum Pty Ltd. ("Cypress"), completed the purchase of 100% interest in Petroleum Lease 17 and all related assets, which are located in Australia's Surat Basin and subject to underlying royalties, from Southern Cross Petroleum & Exploration Pty Ltd. ("Southern Cross") in exchange for AUD$2,500,000, payable to Southern Cross as follows:

1) AUD$750,000 (less the AUD$40,000 non-refundable deposit already paid) payable in cash on the closing date (paid);
2) AUD$500,000 payable in cash on July 20, 2017 (paid);
3) AUD$500,000 payable, at the sole discretion of Cypress, in cash or shares of the Company, on January 31, 2019; and
4) AUD$750,000 payable, at the sole discretion of Cypress, in cash or shares of the Company, on January 31, 2020.

Note 4 – Property, Plant and Equipment

	Proven Oil and Gas Property PMP 38156/ PMP 60291*(1)*	Proven Oil and Gas Property PMP 53803	Proven Oil and Gas Property PL17	Madison Mine	Office Equipment and Leasehold Improvements	Total
Cost						
At March 31, 2016	$ 107,470,219	$ 21,020,290	$ -	$ 663,480	$ 2,242,375	$ 131,396,364
Capital expenditures	5,745,942	1,247,926	402,891	-	45,667	7,442,426
Addition (reduction) in ARO	137,509	261,794	121,166	-	-	520,469
Sale of assets	-	-	-	(663,480)	(324,335)	(987,815)
Impairment reversal	33,008,015	2,031,867	-	-	-	35,039,882
Foreign exchange movement	4,191,772	811,302	-	-	(92,534)	4,910,540
At March 31, 2017	150,553,457	25,373,179	524,057	-	1,871,173	178,321,866
Capital expenditures	8,950,360	59,192	-	-	116,407	9,125,959
(Reduction) addition in ARO	(1,180,134)	(525,888)	5,259	-	-	(1,700,763)
Sale of assets	-	-	-	-	(64,624)	(64,624)
Impairment reversal	11,958,147	3,226,283	-	-	-	15,184,430
Foreign exchange movement	(184,360)	(13,780)	(14,011)	-	(3,247)	(215,398)
At March 31, 2018	$ 170,097,470	$ 28,118,986	$ 515,305	$ -	$ 1,919,709	$ 200,651,470
Accumulated depletion and depreciation						
At March 31, 2016	$ (54,012,324)	$ (13,210,609)	$ -	$(132,776)	$ (1,531,061)	$ (68,886,770)
Depletion and depreciation	(7,625,143)	(354,520)	-	(28,647)	(288,269)	(8,296,579)
Sale of assets	-	-	-	161,423	282,409	443,832
Foreign exchange movement	(2,074,622)	(507,422)	-	-	183,496	(2,398,548)
At March 31, 2017	(63,712,089)	(14,072,551)	-	-	(1,353,425)	(79,138,065)
Depletion and depreciation	(7,553,959)	(1,908,787)	(32,476)	-	(134,431)	(9,629,653)
Sale of assets	-	-	-	-	64,624	64,624
Foreign exchange movement	150,280	33,194	-	-	2,379	185,853
At March 31, 2018	$ (71,115,768)	$ (15,948,144)	$ (32,476)	$ -	$ (1,420,853)	$ (88,517,241)
Net book value						
March 31, 2017	$ 86,841,368	$ 11,300,628	$ 524,057	$ -	$ 517,748	$ 99,183,801
March 31, 2018	**$ 98,981,702**	**$ 12,170,842**	**$ 482,829**	**$ -**	**$ 498,856**	**$ 112,134,229**

(1) On September 7, 2017, a petroleum mining permit (PMP 60291) was granted over a portion of a petroleum exploration permit (PEP 54877) that included acreage surrounding the production assets. The remaining acreage will continue as a petroleum exploration permit (PEP 54877).

Cash generating units – impairments and reversals

An impairment reversal of $15.2 million (2017: $35.0 million) has been recognized during the year as the value of proved and probable reserves was higher than the carrying value of certain production assets.

The Company's oil and gas production assets were assessed for impairment against the proved and probable reserves within the Company's producing fields. The valuation determined that the net present value of oil and gas reserves at a discount rate of 10% are $96.8 million (2017: $82.1 million); together with production facilities and restoration assets the oil and gas production assets net book value is $112.1 million (2017: $99.2 million).

Proved reserves are the estimated quantities of oil and gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Probable reserves are defined as those which have a better than 50% chance of being technically and economically recoverable.

Oil and gas reserve measurements involve estimation and are therefore subject to revision.

Reserves

	2P Reserves			
	2017 Total Estimated Reserves (Mboe)	2018 Actual Production (Mboe)	Increase / (Decrease) in Estimated Reserves (Mboe)	2018 Total Estimated Reserves (Mboe)
	4,143	(351)	287	4,079

Assumptions for March 31, 2018 fair value calculation	
Discount Rate	2%
Brent Crude Prices (2018-2020)	$66 - $68 USD bbl
Exchange rate (USD/NZD) (2018-2020)	$0.70
Exchange rate (CAD/NZ) (2018-2020)	$0.90
Exchange rate (CAD/USD) (2018-2020)	$1.26

Sensitivity Analysis

The tables below summarize the impact to NPV as a result of possible changes in production, costs, oil price and discount rate. The analysis assumes that all variables were held constant except for the relevant market risk factor:

	Incremental NPV10 (CAD$000's) Sensitivity to % Changes in Production, Costs and Oil Price					
	-30%	**-20%**	**-10%**	**+10%**	**+20%**	**+30%**
Production	(53,587)	(36,419)	(17,894)	18,260	32,464	45,903
Costs	27,050	18,606	9,983	(8,936)	(17,855)	(27,737)
Oil Price	(57,518)	(39,028)	(19,197)	19,338	34,444	48,802

	NPV0	NPV5	NPV10	NPV15	NPV20
Incremental Discount Impact	137,571	114,498	96,784	82,989	72,081

Note 5 – Investments

a) Marketable Securities

	March 31, 2018		March 31, 2017	
	Number of Shares Held	**Market Value**	Number of Shares Held	Market Value
Marketable securities available for sale	**572,095**	**$ 84,648**	572,095	$ 58,796

b) Coronado Resources Ltd.

On May 25, 2017, the Company completed the distribution of its approximately 2,785,029 common shares of Coronado to its shareholders of record. The Company's shareholders received approximately 0.0326 of a Coronado common share for each common share of the Company held as of May 9, 2017. The gain on the distribution of the common shares of Coronado recognized in the consolidated statements of operations for the year ended March 31, 2018, is as follows:

Net assets of Coronado at the distribution date	$ (1,532,966)
Elimination of non-controlling interest balance	1,743,731
Gain on distribution of subsidiary	$ 210,765

The following is a summary of the assets and liabilities over which the Company lost control upon the deconsolidation of Coronado:

Cash and cash equivalents	$ 1,432,166
Accounts receivable	5,386
Shares receivable	106,235
Restricted cash	11,606
Accounts payable	(22,427)
Net assets deconsolidated	$ 1,532,966

Note 6 – Related Party Transactions

The Company is of the view that the amounts incurred for services provided by related parties approximates what the Company would incur to arms-length parties for the same services.

Key management personnel compensation for the years ended:

	March 31, 2018	March 31, 2017
Share-based compensation	$ 236,231	$ 615,748
Management wages and director fees	904,579	992,975
Total management compensation	$ 1,140,810	$ 1,608,723

Note 7 – Asset Retirement Obligations

The following is a continuity of asset retirement obligations for the year ended March 31, 2018:

Balance at March 31, 2017	$ 14,963,715
Revaluation and addition of ARO	(1,476,451)
Release of ARO	(100,339)
Accretion expense	445,167
Foreign exchange movement	(38,378)
Balance at March 31, 2018	$ 13,793,714
This is represented by:	
Current liability	$ 173,603
Non-current liability	13,620,111
Balance at March 31, 2018	$ 13,793,714

The following is a continuity of asset retirement obligations for the year ended March 31, 2017:

Balance at March 31, 2016	$ 12,934,521
Revaluation and addition of ARO	1,625,269
Release of ARO	(610,102)
Accretion expense	530,623
Foreign exchange movement	483,404
Balance at March 31, 2017	$ 14,963,715
This is represented by:	
Current liability	$ 127,618
Non-current liability	14,836,097
Balance at March 31, 2017	$ 14,963,715

The Company's asset retirement obligations result from net ownership interests in oil and gas development activity. The Company estimates the total undiscounted amount of cash flows required to settle its asset retirement obligations to be approximately $15 million which will be incurred between 2016 and 2027. The retirement obligation is calculated based on an assessment of the cost to plug and abandon each well, the removal and sale of facilities and the rehabilitation and reinstatement of land at the end of the life of the field.

The fair value of the liability for the Company's asset retirement obligation is recorded in the period in which it is incurred, using an inflation rate of 1.77% and discounted to its present value using a risk-free rate ranging from 2.42% to 4.02%. The corresponding amount is recognized by increasing the carrying amount of the oil and gas properties. The liability is accreted each period and the capitalized cost is depreciated over the useful life of the related asset using the unit-of-production method based on proved and probable reserves.

Note 8 – Share Capital

a) Authorized and Issued Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value at March 31, 2018.

During the year ended March 31, 2018:

No common shares were issued or purchased and cancelled.

During the year ended March 31, 2017:

The Company issued 23,070,000 units under a short form private placement at $0.65 per unit. Each unit consists of one common share and one-half warrant and each whole warrant is exercisable at $0.90 per common share for two years. The short form private placement included costs of approximately $1.24 million.

b) Incentive Share Options

The Company has a share option plan for the granting of share options to directors, employees and service providers. Under the terms of the share option plan, the number of shares reserved for issuance as share incentive options will be equal to 10% of the Company's issued and outstanding shares at any time. The exercise price of each option equals the market price of the Company's shares the day prior to the date that the grant occurs less any applicable discount approved by the Board of Directors and per the guidelines of the Toronto Stock Exchange. The options maximum term is five years and must vest over a minimum of eighteen months. Options issued after March 31, 2015, vest over a minimum of two years.

Share Options 2018

During the year ended March 31, 2018, no share options were exercised or granted and 100,000 options were cancelled at a weighted average exercise price of $1.54.

Share Options 2017

During the year ended March 31, 2018, no share options were exercised and 390,000 options expired or were cancelled at a weighted average exercise price of $2.64.

On November 23, 2016, the Company granted 1,475,000 incentive stock options to various directors, executive officers, employees and consultants. These options are exercisable until November 23, 2021, at a price of $1.05 per share subject to one-third of the total options vesting on grant date, one-third of the total options vesting one year from the date of the grant and one-third of the total options vesting two years from the date of the grant.

On November 23, 2016, the Company granted 60,000 incentive stock options to a New Zealand executive officer. These options are exercisable until November 23, 2021, at a price of $1.05 per share subject to one-third of the total options vesting one year from the date of the grant, one-third of the total options vesting two years from the date of the grant and one-third of the total options vesting three years from the date of the grant.

On November 23, 2016, the Company granted 50,000 incentive stock options to a New Zealand consultant. These options are exercisable until November 23, 2021, at a price of $0.90 per share subject to one-third of the total options vesting six months from the date of the grant, one-third of the total options vesting one year from the date of the grant and one-third of the total options vesting eighteen months from the date of the grant.

The following is a continuity of outstanding share options:

	Weighted Average of Options	Weighted Average of Exercise Price
Balance at March 31, 2016	5,025,000	$ 1.45
Granted during the year	1,585,000	1.05
Expired/Cancelled during the year	(390,000)	2.64
Balance at March 31, 2017	6,220,000	$ 1.27
Expired/Cancelled during the year	(100,000)	1.54
Balance at March 31, 2018	6,120,000	$ 1.27

The following table summarizes information about share options that are outstanding at March 31, 2018:

Number of Options	Price per Share	Weighted Average Remaining Contractual Life	Expiry Date	Options Exercisable
335,000	$2.75	0.07	August 13, 2019	335,000
200,000	$2.39	0.05	August 31, 2019	200,000
1,400,000	$1.54	0.49	May 13, 2020	1,400,000
800,000	$1.50	0.29	June 9, 2020	800,000
800,000	$0.75	0.38	March 2, 2021	800,000
500,000	$0.75	0.24	March 2, 2021	333,333
500,000	$0.75	0.24	March 9, 2021	500,000
1,475,000	$1.05	0.88	November 23, 2021	983,333
60,000	$1.05	0.03	November 23, 2021	20,000
50,000	$0.90	0.03	November 23, 2021	33,334
6,120,000		2.70		5,405,000

The Company applies the Black-Scholes option pricing model using the closing market prices on the grant dates, volatility ratio, a risk-free interest rate and expected life of option.

c) Warrants

The following table summarizes information about warrants that are outstanding at March 31, 2018:

Number of Warrants	Price per Share	Weighted Average Remaining Contractual	Expiry Date
11,535,000	$0.90	0.97	March 20, 2019

d) Earnings Per Share

Basic weighted average shares outstanding for the year ended March 31, 2018 was 85,282,252 (2017: 62,907,512) and diluted weighted average shares outstanding for the year ended March 31, 2018 was 85,282,252 (2017: 64,707,512). Share options and share purchase warrants outstanding are not included in the computation of diluted loss per share when the inclusion of such securities would be anti-dilutive.

Note 9 – Accumulated Other Comprehensive (Loss) Income

		Accumulated Other Comprehensive (Loss) Income
Balance at March 31, 2017	$	17,142,889
Unrealized gain on available for sale investments		25,851
Cumulative translation adjustment		(382,495)
Balance at March 31, 2018	$	16,786,245
Balance at March 31, 2016	$	13,728,192
Impairment of investments		582,273
Unrealized gain on available for sale investments		25,850
Cumulative translation adjustment		2,806,574
Balance at March 31, 2017	$	17,142,889

Note 10 – Capital Management

The Company's primary objective for managing its capital structure is to maintain financial capacity for the purpose of sustaining the future development of the business and maintaining investor, creditor and market confidence.

The Company considers its capital structure to include shareholders' equity and working capital. Management is continually monitoring changes in economic conditions and the risk characteristics of the underlying oil and gas industry. In the event that adjustments to the capital structure are necessary, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation. There have been no changes to the Company's approach to capital management during the period other than the contemplation of a dividend in kind.

Note 11 – Financial Instruments

The nature of the Company's operations exposes the Company to credit risk, liquidity risk and market risk, and changes in commodity prices, foreign exchange rates and interest rates may have a material effect on cash flows, net income and comprehensive income.

This note provides information about the Company's exposure to each of the above risks as well as the Company's objectives, policies and processes for measuring and managing these risks.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations. The most significant exposure to this risk is relative to the sale of oil production. All the Company's production is sold directly to a significant oil company. The Company is paid for its oil sales within 30 days of shipment. The Company has assessed the risk of non-collection from the buyer as low due to the buyer's financial condition.

Cash and cash equivalents consist of cash bank balances and short-term deposits. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts as at March 31, 2018 and did not provide for any doubtful accounts. During the year ended March 31, 2018, the Company was required to write-off $Nil (2017 – $Nil). As at March 31, 2018, there were no significant amounts past due or impaired.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchase and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

c) Market Risk

Market risk is the risk that changes in foreign exchange rates, commodity prices and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

d) Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that future cash flows, net income and comprehensive income will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum sales are denominated in United States dollars and operational and capital activities related to our properties are transacted primarily in New Zealand dollars, Australian dollars and/or United States dollars with some costs also being incurred in Canadian dollars.

The Company currently does not have significant exposure to other currencies and this is not expected to change in the foreseeable future as the work commitments in New Zealand and Australia are expected to be carried out in New Zealand and Australian dollars and to a lesser extent, in United States dollars.

e) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its production are largely beyond the Company's control as petroleum prices are impacted by world economic events that dictate the levels of supply and demand. All of the Company's oil production is sold at spot rates exposing the Company to the risk of price movements.

f) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its cash and cash equivalents which bear a floating rate of interest. The risk is not considered significant.

The Company did not have any interest rate swaps or financial contracts in place during the year ended March 31, 2018 and any variations in interest rates would not have materially affected net income.

g) Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. 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 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classification of the Company's financial instruments are as follows:

	Fair Value Level	March 31, 2018 Fair Value through Profit or Loss	March 31, 2018 Loans and Receivables and Other Financial Liabilities at Amortized Cost	March 31, 2017 Fair Value through Profit or Loss	March 31, 2017 Loans and Receivables and Other Financial Liabilities at Amortized Cost
		$	$	$	$
Financial assets:					
Cash and cash equivalents	1	1,777,672	-	21,564,654	-
Restricted cash	1	247,264	-	262,491	-
Investments	1	84,648	-	58,796	-
Accounts receivable		-	2,343,423	-	5,325,158
Shares receivable		-	-	-	106,235
		2,109,584	2,343,423	21,885,941	5,431,393
Financial liabilities:					
Accounts payable and accrued liabilities		-	4,354,297	-	6,309,993
Agreement for purchase		-	1,237,750	-	1,780,450
		-	5,592,047	-	8,090,443

During the years ended March 31, 2018 and 2017, there were no transfers between level 1, level 2 and level 3.

Note 12 – Segmented Information

The Company operates in three geographical regions, therefore information on country segments is provided as follows:

For the year ended March 31, 2018	Canada	New Zealand	Australia	Total Company
Production revenue	$ -	$ 23,399,534	$ 270,316	$ 23,669,850
Restricted cash	$ 115,567	$ -	$ 131,697	$ 247,264
Exploration and evaluation assets	-	17,417,381	5,958,696	23,376,077
Property, plant and equipment	142,032	111,454,916	537,281	112,134,229
Investments	84,648	-	-	84,648
Total non-current assets	$ 342,247	$ 128,872,297	$ 6,627,674	$ 135,842,218

For the year ended March 31, 2017	Canada	New Zealand	Australia	United States	Total Company
Production revenue	$ -	$ 23,340,949	$ -	$ -	$ 23,340,949
Restricted cash	$ 127,177	$ -	$ 135,314	$ -	$ 262,491
Shares receivable	-	-	-	51,423	51,423
Exploration and evaluation assets	-	10,856,313	2,598,617	-	13,454,930
Property, plant and equipment	151,053	98,508,691	524,057	-	99,183,801
Investments	58,796	-	-	-	58,796
Total non-current assets	$ 337,026	$ 109,365,004	$ 3,257,988	$ 51,423	$ 113,011,441

The Company operates in three industries: petroleum exploration and production, electricity generation and retailing (sold during the previous year), and mining:

For the year ended March 31, 2018

	Petroleum Exploration and Production	Mining	Total Company
Income for the year	$ 3,621,652	$ 210,765	$ 3,832,417
Impairment reversal included in income	$ 15,184,430	$ -	$ 15,184,430
Total assets	$ 144,283,364	$ -	$ 144,283,364
Total liabilities	$ 19,385,761	$ -	$ 19,385,761

For the year ended March 31, 2017

	Petroleum Exploration and Production	Mining	Total Company
Income (loss) for the year	$ 28,116,782	$ (3,430,063)	$ 24,686,719
Impairment reversal included in income	$ 35,039,882	$ -	$ 35,039,882
Total assets	$ 144,279,901	$ 1,584,724	$ 145,864,625
Total liabilities	$ 23,037,058	$ 17,100	$ 23,054,158

Note 13 – Interest and Penalties

The Company has been assessed penalties and interest by Canada Revenue Agency under subsection 247(3) of the Income Tax Act (*Canada*), in connection with transfer pricing for the years ended March 31, 2012 and 2013, in the amounts of $224,742 and $326,473 respectively. TAG's management has filed a Notice of Objection to initiate the dispute process. As required by CRA TAG has paid 50% of the accessed amount and accrued the remaining balance in the current year. Upon resolution of the dispute TAG will be required to either pay the remaining 50% or will be refunded the amount paid if the Objection is resolved in TAG's favour.

Note 14 – Commitments

The Company has the following commitments for capital expenditure at March 31, 2018:

Contractual Obligations	Total $	Less than One Year $	More than One Year $
Operating leases (1)	760,000	278,000	482,000
Other long-term obligations (2)	6,922,000	3,046,000	3,876,000
Total Contractual Obligations (3)	7,682,000	3,324,000	4,358,000

(1) The Company has commitments related to office, vehicle and photocopier leases signed in New Plymouth and Napier, New Zealand and an office lease in Vancouver, Canada.

(2) The other long term obligations that the Company has are in respect to the Company's share of expected exploration and development permit obligations and/or commitments at the date of this report. The Company may choose to alter the program, request extensions, reject development costs, relinquish certain permits or farm-out its interest in permits where practical.

(3) The Company's total commitments include those that are required to be incurred to maintain its permits in good standing during the current permit term, prior to the Company committing to the next stage of the permit term where additional expenditures would be required. In addition, costs are also included that relate to commitments the Company has made that are in addition to what is required to maintain the permit in good standing.

Note 15 – Income Taxes

A reconciliation of income taxes at statutory rates and the significant components of the Company's deferred income tax assets are as follows:

	2018	2017
Net income for the year	$ 3,832,417	$ 24,686,719
Expected income tax expense	1,130,852	8,017,211
Net adjustment for amortization, deductible and non-deductible amounts	(11,053,468)	(18,586,402)
Recognition of previously unrecognized income tax assets	9,922,916	10,569,191
Total income tax (recovery) expense	$ -	$ -

The components of the Company's deferred tax assets and liabilities are as follows:

	2018	2017
Deferred tax asset: non-capital losses net of unrecognized amounts	$ 6,636,579	$ 3,791,391
Deferred tax liabilities: Exploration and evaluation assets	(6,636,579)	(3,791,391)
Net deferred tax	$ -	$ -

The Company's unrecognized temporary differences and unused tax losses consists of the following:

	2018	2017
Deferred income tax assets (liabilities):		
Net property and equipment carrying amounts in excess of tax pools	$ (68,977,833)	$ (37,665,589)
Exploration and evaluation assets	(15,614,134)	(5,405,018)
Capital and non-capital loss carry forwards and share issue costs	209,359,307	180,865,540
Unrecognized deductible temporary differences	$ 124,767,340	$ 137,794,933

The Company has Canadian non-capital losses of approximately $30.7 million (2017; $33.3 million), which are available to reduce future taxable income. These expire between 2026 and 2038. Subject to certain restrictions the Company also has mineral property expenditures of approximately $7.7 million (2017: $8.0 million) available to reduce taxable income in future years.

At March 31, 2018, the Company also has losses and deductions of approximately NZ$178.6 million (2017: NZ$139.1 million) available to offset future taxable income earned in New Zealand. These tax losses may be carried forward indefinitely as long as shareholder continuity is maintained.

Note 16 – Subsequent Events

On April 18, 2018, the Company granted 2,400,000 incentive stock options to various directors, executive officers, employees and consultants. These options are exercisable until April 18, 2023, at a price of $0.50 per share subject to one-third of the total options vesting on grant date, one-third of the total options vesting one year from the grant date and one-third of the total options vesting two years from the grant date.

On April 19, 2018, the Company announced that it had secured a revolving credit facility of up to US$10,000,000 with a large New Zealand-based lender. The revolving credit facility, which is secured against TAG's producing Taranaki Basin assets, has been put into place for an initial period of 12 months. The facility can be drawn by TAG upon request, with balances charged at an interest rate of LIBOR + 3.0% per annum. As part of the credit facility, TAG agreed to hedge approximately 400 bbl/d of oil production for the 12-month period using a collar with a US$60/bbl floor and a US$75/bbl cap.

On May 15, 2018, the Company announced the appointment of Peter Loretto to the Board of Directors.