Management's Discussion and Analysis

For the period ended December 31, 2017 and the year ended March 31, 2017

This Management's Discussion and Analysis ("MD&A") of Taiga Building Products Ltd. ("Taiga" or the "Company") has been prepared based on information available as at February 23, 2018 and should be read in conjunction with the audited consolidated financial statements and the corresponding notes thereto for the period ended December 31, 2017 and the year ended March 31, 2017. This discussion and analysis provides an overview of significant developments that have affected Taiga's performance during the nine month fiscal period ended December 31, 2017.

The financial information reported herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), which is the required reporting framework for Canadian publicly accountable enterprises, and is expressed in Canadian dollars.

Taiga's consolidated financial statements and the accompanying notes included within this report include the accounts of Taiga and its subsidiaries. Unless otherwise noted, all references in this MD&A to "dollars" or "$" are to Canadian dollars.

Additional information relating to the Company including the Company's Annual Information Form dated February 23, 2018 can be found on SEDAR at www.sedar.com.

Forward-Looking Information:

This MD&A contains certain forward-looking information relating, but not limited, to future events or performance and strategies and expectations of Taiga. Forward-looking information typically contains statements with words such as "consider", "anticipate", "believe", "expect", "plan", "intend", "likely", "may", "will", "should", "predict", "potential", "continue" or similar words suggesting future outcomes or statements regarding expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Examples of such forward-looking information within this document include statements relating to: the Company's perception of the building products industry and markets in which it participates and anticipated trends in such markets in any of the countries in which the Company does business; the Company's anticipated business operations, inventory levels and ability to meet order demand; the Company's anticipated ability to procure products and its relationship with suppliers; sufficiency of cash flows; and the anticipated outcome of legal and regulatory proceedings. Readers should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking information. Forward-looking information reflects management's current expectations or beliefs and is based on information currently available to Taiga and although Taiga believes it has a reasonable basis for providing the forward-looking information included in this document, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information of Taiga involves numerous assumptions and inherent risks and uncertainties, both general and specific that contribute to the possibility that the predictions, forecasts and other forward-looking information will not occur. These factors include, but are not limited to: changes in business strategies; the effects of legal or regulatory proceedings, competition and pricing pressures; changes in operational costs; changes in laws and regulations, including tax, environmental, employment, competition, anti-terrorism and trade laws and Taiga's anticipation of and success in managing the risks associated with the foregoing; and other risks detailed in this MD&A and Taiga's filings with the Canadian securities regulatory authorities available at www.sedar.com. Forward-looking information speaks only as of the date of this discussion and analysis. Taiga does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Non-IFRS Financial Measure:

In this MD&A, reference is made to EBITDA, which represents earnings before interest, taxes, and amortization. As there is no generally accepted method of calculating EBITDA, the measure as calculated by Taiga might not be comparable to similarly titled measures reported by other issuers. EBITDA is presented as management believes it is a useful indicator of the Company's ability to meet debt service and capital expenditure requirements and because management interprets trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with IFRS. Reconciliations of EBITDA to net earnings reported in accordance with IFRS are included in this MD&A.

Market and Industry Data:

Unless otherwise indicated, the market and industry data contained in this MD&A is based upon information of independent industry and government publications and management's knowledge of, and experience in, the markets in which the Company operates. While management believes this data to be reliable, market and industry data is subject to variation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from third party sources referred to in this MD&A and no representation is given as to the accuracy of any of the data referred to in this MD&A obtained from third party sources.

1. Business Overview

Taiga is the largest independent wholesale distributor of building products in Canada. Taiga distributes building products in Canada, the United States and overseas. As a wholesale distributor, Taiga maintains substantial inventories of building products at fifteen strategically located distribution centres throughout Canada and two distribution centres in California. In addition, Taiga regularly distributes through the use of third party reload centres. Taiga also owns and operates three wood preservation plants that produce pressure-treated wood products. Factors that affect Taiga's year-over-year profitability include, among others, sales levels, price fluctuations and product mix.

Taiga's primary market is Canada. Taiga expects the Canadian housing market in calendar year 2018 to decline compared to calendar year 2017. Taiga's secondary market, the United States, continues to show signs of recovery from the US housing depression. The Company expects the United States housing market to continue to improve in the 2018 calendar year. See Item 13 "Outlook".

Selected Financial Information

(in millions of dollars, except for share amounts and per share amounts in dollars)	**Fiscal Period Ended[1]**	**Fiscal Year Ended**	
	December 31, 2017	**March 31, 2017**	**March 31, 2016**
Income Statement Data:			
Sales	1,106	1,224	1,364
Gross Margin	98.9	107.3	117.0
Net Earnings (loss)	(4.2)	8.0	11.7
Net Earnings (loss) per Share (Basic and Fully Diluted)[2]	(0.09)	0.25	0.36
Weighted Average Number of Shares Outstanding	46,226,632	32,414,278	32,414,278
EBITDA[3][4]	21.3	40.0	45.0
Balance Sheet Data:			
Working Capital[5]	96.3	97.8	89.5
Total Assets	270.8	324.1	305.6
Total Long-Term Financial Liabilities[6]	35.9	154.5	156.7

Notes:

(1) The fiscal year end of the Company was changed from March 31 to December 31. Accordingly, the current financial information was prepared for the 9 month transition year ended December 31, 2017.

(2) Net earnings per share is calculated using the weighted-average number of shares.

(3) Reconciliation of net earnings to EBITDA:

(in millions of dollars)	**Fiscal Period Ended**	**Fiscal Year Ended March 31,**		
	December 31, 2017	**2017**	**2016**	**2015**
Net earnings	(4.2)	8.0	11.7	11.1
Income tax expense	6.6	5.8	7.3	6.2
Finance and subordinated debt interest expense	15.6	21.9	21.8	22.6
Amortization	3.3	4.3	4.2	4.2
EBITDA	21.3	40.0	45.0	44.1

(4) There was an $18.6 million non-cash loss on the settlement of debt due to the Exchange Offer. If this unusual item is excluded for the period ended December 31, 2017 than the EBITDA results would be:

(in millions of dollars)	**Fiscal Period Ended December 31, 2017**
Net earnings (adjusted for loss on the settlement of debt)	14.4
Income tax expense	6.6
Finance and subordinated debt interest expense	15.6
Amortization	3.3
Adjusted EBITDA	39.9

(5) Working capital is the excess of current assets over current liabilities.

(6) Total long-term financial liabilities are the total liabilities less current liabilities and deferred gain.

2. Results of Operations

Sales

The Company's consolidated net sales for the nine month period ended December 31, 2017 were $1,106.2 million compared to $1,224.0 million for the last fiscal year. The decrease in sales by $117.8 million or 9.6% was largely due to the three month shorter reporting period for the current period.

Sales by segments are as follows:

	Revenue by Point of Sale			
	Period ended December 31, 2017		Year ended March 31, 2017	
	$000's	%	$000's	%
Canada	969,353	87.6	1,076,734	88.0
United States	136,858	12.4	147,244	12.0

For the nine month period ended December 31, 2017, export sales totalled $219.2 million compared to $258.1 million in the previous fiscal year. These export sales were primarily to the United States and Asia, and are included as part of the Canadian segment in the table above.

The Company's sales of dimension lumber and panel, as a percentage of total sales, was 67.6% for the nine month period ended December 31, 2017 and 65.4% for the previous fiscal year. Allied, engineered and treated wood product sales, as a percentage of total sales, was 32.4% for the nine month period ended December 31, 2017 and 34.6% for the previous fiscal year.

Gross Margin

Gross margin for the nine month period ended December 31, 2017 decreased to $98.9 million from $107.3 million in the previous fiscal year. Gross margin percentage increased to 8.9% in the current period compared to 8.8% in the previous fiscal year. The gross margin percentage improved slightly due to an increase in commodity prices during the period.

Expenses

Distribution expense for the nine month period ended December 31, 2017 decreased to $17.0 million from $22.3 million in the prior fiscal year mainly due to the shortened reporting period by three months for the current period.

Selling and administration expense for the nine month period ended December 31, 2017 decreased to $45.6 million compared to $49.8 million in the previous year. Decreased compensation expense due to the shortened reporting period was the main cause for the difference.

Loss on the settlement of debt was $18.6 million in the nine month period ended December 31, 2017. This is a non-cash loss that is a one-time charge as a result of the Exchange Offer discussed in Notes 14 and 15 to the Company's audited financial statements for the period ended December 31, 2017.

Finance expense for the nine month period ended December 31, 2017 decreased to $4.1 million compared to $5.2 million last year. The shortened reporting period by three months for the current period was the main cause for the difference.

Subordinated debt interest expense for the nine month period ended December 31, 2017 was $11.6 million compared to $16.8 million in the previous year. During the period ended December 31, 2017, the Company exchanged or redeemed $128,834,218 of its outstanding 14% subordinated notes which significantly reduced its subordinated debt interest expense for the period. The transaction is discussed in further detail in Note 15(f) to the Company's audited consolidated financial statements for the period ended December 31, 2017.

Other income for the nine month period ended December 31, 2017 was $0.4 million compared to $0.6 million in the prior fiscal year.

Net Earnings

Net earnings for the nine month period ended December 31, 2017 decreased to a loss of 4.2 million compared to net earnings of $8.0 million in the prior fiscal year. This was primarily due to the loss on the settlement of debt discussed in Note 16 to the Company's audited consolidated financial statements for the period ended December 31, 2017.

EBITDA

EBITDA for the period ended December 31, 2017 was $21.3 million compared to $40.0 million for the prior fiscal year. EBITDA would be $39.9 million if the $18.6 million loss on the settlement of debt were excluded.

3. Third Quarter Results

A summary of the results for the three months ended December 31, 2017 and 2016 is as follows:

	Three months ended December 31,	
(in thousands of dollars except per share amount in dollars)	**2017**	**2016**
Sales	329,821	277,408
Gross margin	27,358	22,202
Distribution expense	5,753	5,560
Selling and administration expense	13,451	10,436
Loss on debt settlement	18,570	-
Finance expense	1,140	1,150
Subordinated debt interest expense	2,534	4,087
Other income	(132)	(145)
Earnings (loss) before income tax	(13,958)	1,114
Income tax expense	1,237	1,274
Net loss	(15,195)	(160)
Net loss per share	(0.20)	0.00
EBITDA(1)	(9,142)	7,425

Note:

(1) See "Third Quarter Results – EBITDA" for a reconciliation of net earnings to EBITDA.

Sales

The Company's consolidated net sales for the quarter ended December 31, 2017 were $329.8 million compared to $277.4 million over the same quarter last year. The increase in sales by $52.4 million or 18.9% was largely due to increased demand for the Company's products in all segments and higher commodity prices.

The Company's sales of dimension lumber and panel, as a percentage of total sales, increased to 69.7% for the quarter ended December 31, 2017 compared to 67.5% for the same quarter last year. Allied, engineered and treated wood product sales, as a percentage of total sales, decreased to 30.3% this quarter from 32.5% during the same quarter last year.

Sales by segments are as follows:

	Revenue by Point of Sale			
	Three months ended December 31,		Three months ended December 31,	
	2017		2016	
	$000's	%	$000's	%
Canada	286,072	86.7	241,836	87.2
United States	43,749	13.3	35,572	12.8

During the quarter ended December 31, 2017, Taiga's Canadian operations had export sales of $65.8 million compared to $59.7 million in the same quarter last year. These export sales were primarily to the United States and Asia, and are included as part of the Canadian segment in the table above.

Gross Margin

Gross margin for the quarter ended December 31, 2017 increased to $27.4 million from $22.2 million over the same quarter last year. Gross margin percentage increased to 8.3% in the current quarter compared to 8.0% in the same quarter last year. The increase in gross margin percentage was primarily due to commodity prices appreciating in the current quarter.

Expenses

Distribution expense for the quarter ended December 31, 2017 increased to $5.8 million compared to $5.6 million over the same quarter last year. The increase was due to increased expenses to service higher sales levels.

Selling and administration expense for the quarter ended December 31, 2017 increased to $13.5 million compared to $10.4 million over the same quarter last year. The increase was primarily due to increased compensation costs for the current quarter.

Loss on the settlement of debt was $18.6 million for the quarter ended December 31, 2017. This is a non-cash loss that is a one-time charge as a result of the Exchange Offer discussed in Notes 14 and 15 to the Company's audited financial statements for the period ended December 31, 2017.

Finance expense for the quarter ended December 31, 2017 decreased to $1.1 million compared to $1.2 million for the same quarter last year.

Subordinated debt interest expense was $2.5 million for the quarter ended December 31, 2017 compared to $4.1 million for the same quarter last year. During the quarter ended December 31, 2017, the Company exchanged or redeemed $128,834,218 of its outstanding 14% subordinated notes which significantly reduced its subordinated debt interest expense for the quarter. The transaction is discussed in further detail in Note 15(f) to the Company's audited consolidated financial statements for the period ended December 31, 2017.

Other income was $0.1 million for both the quarter ended December 31, 2017 and the same quarter last year.

Net Earnings

Net earnings for the quarter ended December 31, 2017 decreased to a loss of $15.2 million compared to a loss of $0.2 million over the same period last year. This was primarily due to the loss on the settlement of debt discussed in Note 16 to the Company's audited consolidated financial statements for the period ended December 31, 2017.

EBITDA

EBITDA for the quarter ended December 31, 2017 was ($9.1) million compared to $7.4 million for the same quarter last year. EBITDA would be $9.4 million if the $18.6 million loss on the debt settlement were excluded.

Reconciliation of net earnings to EBITDA:

(in thousands of dollars)	**Three months ended December 31, 2017**	**2016**
Net earnings	(15,195)	(160)
Income tax expense	1,237	1,274
Finance and subordinated debt interest expense	3,674	5,237
Amortization	1,142	1,074
EBITDA	(9,142)	7,425

There was an $18.6 million non-cash loss on the settlement of debt due to the Exchange Offer. If this unusual item is excluded for the quarter ended December 31, 2017 than the EBITDA results would be:

(in thousands of dollars)	**Three months ended December 31, 2017**
Net earnings	(15,195)
Loss on debt settlement	18,570
Income tax expense	1,237
Finance and subordinated debt interest expense	3,674
Amortization	1,142
Adjusted EBITDA	9,428

4. Summary of Quarterly Results

	Period ended December 31, 2017			**Year ended March 31, 2017**			
(in thousands of dollars, except per share amount in dollars)	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Sales	329,821	396,629	379,761	286,052	277,408	335,052	325,466
Net earnings (loss)	(15,195)	5,980	5,029	249	(160)	3,139	4,762
Net earnings (loss) per share(1)	(0.20)	0.18	0.16	0.01	0.00	0.10	0.15
EBITDA	(9,142)	16,242	14,280	7,784	7,425	11,329	13,491

Notes:

(1) The amounts are identical on a basic and fully-diluted per share basis. Earnings per share is calculated using the weighted-average number of shares.

Seasonality

Taiga's sales are subject to seasonal variances that fluctuate in accordance with the normal home building season. Taiga generally experiences higher sales in the quarters ended June 30 and September 30 and reduced sales in the late fall and winter during its quarters ended December 31 and March 31 of each fiscal year.

5. Liquidity and Capital Resources

Revolving Credit Facility

On November 25, 2013, the Company renewed its senior credit facility with a syndicate of lenders led by JPMorgan Chase Bank (the “Facility”). The Facility was increased from $200 million to $225 million, with an option to increase the limit by up to $50 million. The Facility continues to charge interest at variable rates plus variable margins, is secured by a first perfected security interest in all personal property of the Company and certain of its subsidiaries, and will mature on November 25, 2018. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivable and inventories. The terms, conditions, and covenants of the Facility have been met as at December 31, 2017.

Taiga expects to meet its future cash requirements through a combination of cash generated from operations and its credit facilities. However, any severe weakening of the Canadian housing market driving reduced product demand or a significant increase in bad debts in accounts receivable could adversely impact the Company’s liquidity in the short term.

Working Capital

Working capital as at December 31, 2017 decreased to $96.3 million from $97.8 million as at March 31, 2017 due to decreased current liabilities offset by decreased current assets. Taiga believes that current levels are adequate to meet its working capital requirements.

Summary of Financial Position

(in thousands of dollars)	**December 31, 2017**	**March 31, 2017**
Current Assets	232,331	281,864
Current Liabilities (excluding Revolving Credit Facility)	(81,300)	(82,664)
Revolving Credit Facility	(54,723)	(101,366)
Working Capital	**96,308**	**97,834**
Long Term Assets	38,498	42,194
Long Term Liabilities (excluding Subordinated Notes)	(26,468)	(29,065)
Subordinated Notes	(12,500)	(128,834)
Shareholders’ Equity (Deficiency)	**95,838**	**(17,871)**

Assets

Total assets were $270.8 million as at December 31, 2017 compared to $324.1 million as at March 31, 2017. The decrease was primarily the result of decreased inventories and decreased accounts receivable.

Inventories decreased to $123.3 million as at December 31, 2017 compared to $140.8 million as at March 31, 2017 due to the seasonal drawdown of inventories.

Property, plant and equipment decreased to $38.3 million as at December 31, 2017 compared to $39.8 million as at March 31, 2017 mainly due to amortization.

Liabilities

Total liabilities decreased to $175.0 million as at December 31, 2017 from $341.9 million as at March 31, 2017. The decrease was primarily the result of decreased revolving credit facility balance and the exchange and redemption of

$128,834,218 of the Company’s 14% subordinated notes. The transaction is discussed in further detail in Notes 14 and 15 to the Company's audited consolidated financial statements for the period ended December 31, 2017

Contractual Obligations

(in thousands of dollars)	**Debt**	**Operating lease**	**Finance lease obligation**
No later than one year	1,019	3,594	3,957
Later than one year, but not later than five years	-	11,521	14,068
Later than five years	-	8,154	17,128

Outstanding Share Data

The Company has only one class of shares outstanding, its common shares without par value. On February 22, 2018, there were 116,823,109 common shares outstanding.

Dividend Policy

Taiga’s board has rescinded Taiga’s dividend policy set on October 15, 2008. Taiga’s board has adopted a new corporate strategy to focus on reinvesting capital into innovation and other growth opportunities as they arise.

6. Commitments and Contingencies

(a) Contractual Commitments

The Company has obligations under various operating leases for occupied premises and equipment. For further discussion, refer to Note 18 to the Audited Consolidated Financial Statements for the period ended December 31, 2017.

(b) Canada Revenue Agency Reassessment

During the year ended March 31, 2017, Taiga received a notice of reassessment from the Canada Revenue Agency in the amount of approximately $42,000,000 (which includes interest) relating to the years from 2005 to 2013. The reassessment related to the amount of taxes withheld, by Taiga, on dividends paid or deemed to have been paid to what were then the Company’s two largest shareholders in connection with and subsequent to Taiga’s corporate reorganization in 2005 involving a swap of then outstanding common shares for stapled units. Taiga paid the full amount of the reassessment on January 31, 2017 using proceeds provided by its two former major shareholders. The Company, and the two former major shareholders, had previously entered into agreements whereby the shareholders agreed to fully indemnify the Company from this potential liability, including related liabilities. The indemnity agreements remain in effect and would apply in the event that CRA issues further reassessments relating to the amount of taxes withheld. The Company intends to challenge the reassessment and vigorously defend its tax filings and to seek a resolution as soon as practically possible. Taiga’s two former major shareholders may elect to assume any action or defense of Taiga in connection with the foregoing pursuant to the terms of the indemnity agreements with Taiga.

7. Risks and Uncertainties

The results of operations, business prospects and financial conditions of Taiga are subject to a number of risks and uncertainties, and are affected by a number of factors outside Taiga’s control. Any of these risks and uncertainties could have a material adverse effect on the Company's operations, financial conditions and cash flow and, accordingly, should be carefully considered in evaluating Taiga's business. A comprehensive discussion of risk factors is included in Taiga’s Annual Information Form dated February 22, 2018, available on SEDAR at www.sedar.com.

8. Critical Accounting Policies and Estimates

The significant accounting policies of Taiga are described in Note 3 to the Consolidated Financial Statements for the period ended December 31, 2017.

In preparing these consolidated financial statements, Taiga's management was required to make estimates and assumptions that affect the amounts recorded. Financial results as determined by actual events could differ from such estimates. The estimates and assumptions of the Company's management are based on historical experience and other factors management considers to be reasonable, including expectations of future events. The estimates and assumptions that could result in a material impact to the carrying amounts of assets and liabilities are outlined below.

Allowance for Doubtful Accounts

While significant bad debts have not been experienced in prior years the provision is based on the Company's knowledge of the financial condition of its customers, the aging of the receivables, the current business environment and historical experience. A change in one or more of these factors could impact the estimated allowance and provision for bad debts. Taiga's allowance for doubtful accounts as at December 31, 2017 was $0.8 million (year ended March 31, 2017 – $0.1 million).

Valuation of Inventories

Inventories are valued at the lower of average cost and net realizable value. Taiga evaluates inventory balances at each balance sheet date and records a provision as necessary for slow moving or obsolete inventory. Additionally, Taiga records a provision if the cost of inventories exceeds net realizable value based on commodity prices. Inventory provision as at December 31, 2017 was $0.2 million (year ended March 31, 2017 – $0.1 million).

Valuation and Estimated Life of Long-Lived Assets

An impairment test is performed by comparing the carrying amount of the asset or its cash generating unit to the recoverable amount, which is calculated as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use is calculated based upon a discounted cash flow analysis, which requires management to make a number of significant assumptions including assumptions relating to future operating plans, discount rates and future growth rates.

The estimated useful lives and recoverable amounts of long-lived assets are based on the judgment of management and the best currently available information. Changes in circumstances can result in the actual useful lives differing from management's estimates.

Customer Rebates

Customer rebates are commonly offered as industry practice and are generally based on achievement of specified volume sales levels. Taiga accrues for the payment of customer rebates as a reduction of revenue based on management's estimates.

Valuation of Warranty Provisions

A provision for future potential warranty costs is calculated using historical trends and future expectations of future claims. Adjustments to the warranty provision are included in cost of sales. Actual future warranty costs may differ from those estimates.

Current and Deferred Taxes

The Company calculates current and deferred tax provisions for each of the jurisdictions in which it operates. Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of financial statements. Therefore, results in subsequent periods will be affected by the amount that estimates differ from the final tax return.

Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet. Taiga also evaluates the recoverability of deferred tax assets based on an assessment of the likelihood of using the underlying future tax deductions against future taxable income before they expire. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future sales volumes and housing starts, commodity prices, operating costs, capital expenditures, dividends and other capital transactions. Judgment is also required about the application of income tax legislation. These estimates and judgments are subject to risk and uncertainty and could result in an adjustment to the deferred tax provision and a corresponding credit or charge to income.

9. Changes in Accounting Standards

Financial instruments

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the International Accounting Standards Board ("IASB") on November 12, 2009 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is evaluating the impact of the adoption of this standard on its consolidated financial statements. The Company does not expect the adoption of this standard will have a material impact on its consolidated financial statements.

Revenue from Contracts with Customers

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") was issued by the IASB on May 28, 2014. IFRS 15 contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect the adoption of this standard will have a material impact on the measurement of revenue generated from the sale of its products to customers, however, the Company will continue to assess the extent of the impact as the mandatory adoption date approaches.

Leases

On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. Upon adoption of IFRS 16, the Company's operating leases, which are principally comprised of its warehouse facilities and select equipment, will be recorded in the statement of financial position with a corresponding lease obligation. The Company continues to assess the impact of adopting this standard on its consolidated financial statements.

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

10. Related Party Transactions

In accordance with IFRS requirements, related party transactions consist of remuneration of directors and other key management personnel with whom Taiga has entered into employment agreements. Further information is contained in our most recent Management Information Circular available on SEDAR at www.sedar.com and Note 24 to the Company's audited consolidated financial statements for the period ended December 31, 2017. The remuneration for key management, which includes the Company's directors and officers, were as follows:

(in thousands of dollars)	**Period ended December 31, 2017**	**Year ended March 31, 2017**
Salaries and other benefits	4,341	3,015

An amount of $3,158,310 is included in accounts payable and accrued liabilities relating to bonuses to key management.

11. Off-Balance Sheet Arrangements

Taiga does not have off-balance sheet arrangements except for commitments under operating leases as discussed under "Commitments and Contingencies" in this Management's Discussion and Analysis.

For a detailed description of financial instruments and their associated risks, see Note 20 to the Company's audited consolidated financial statements for the period ended December 31, 2017.

12. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Taiga's management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS.

In accordance with the requirements of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, Taiga's management, including the Chief Executive Officer and Chief Financial Officer, evaluated the Company's disclosure controls and procedures and internal controls over financial reporting. Based on the evaluation, Taiga's CEO and CFO concluded that these controls were effective for the period ended December 31, 2017.

The CEO and CFO of Taiga acknowledge responsibility for the design of internal controls over financial reporting and confirm that there were no changes in these controls that occurred during the period ended December 31, 2017 which materially affected, or are reasonably likely to materially affect , the Company's ICFR.

13. Outlook

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators.

In Canada, according to the Canada Mortgage and Housing Corporation ("CMHC") Housing Market Outlook, Canadian Edition for the fourth quarter 2017, housing starts are forecasted to range from 192,200 to 203,000 units in the 2018 calendar year. CMHC is reporting that housing starts will decline by the end of 2019 compared to 2018.

In the United States, the National Association of Home Builders reported in December 2017 that housing starts are forecasted to total 1,248,000 units in the 2018 calendar year compared to 1,284,000 units in calendar year 2019.