Antler Gold Inc.

(formerly Northwest Arm Capital)

Annual Financial Statements

For the period ended
December 31, 2016

April 24, 2017

Management's Responsibility for Financial Reporting

The accompanying financial statements of Antler Gold Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting including those related to transactions which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS").

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) *"Dan Whitaker"*
President and Chief Executive Officer
Halifax, Nova Scotia

(signed) *"Rob Randall"*
Chief Financial Officer
Halifax, Nova Scotia

KPMG LLP
Suite 1500 Purdy's Wharf Tower 1
1959 Upper Water Street
Halifax, NS B3J 3N2
Canada

Telephone (902) 492-6000
Fax (902) 492-1307
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Antler Gold Inc.

We have audited the accompanying financial statements of Antler Gold Inc., which comprise the statements of financial position as at December 31, 2016, the statement of loss and comprehensive loss, changes in equity and cash flows for the period from the date of incorporation on March 23, 2016 to the year ended December 31, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Antler Gold Inc. as at December 31, 2016, and its financial performance and its cash flows for the period from the date of incorporation on March 23, 2016 to December 31, 2016 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
April 24, 2017
Halifax, Canada

Antler Gold Inc.

Statement of Financial Position
As at December 31, 2016
(Expressed in Canadian dollars unless otherwise indicated)

	As at December 31, 2016
	$
Assets	
Current assets	
Cash	2,084,370
Amounts recoverable	84,912
Deposits and prepaid expenses	10,019
	2,179,301
Resource property (note 4)	
Acquisition cost	1,136,115
Exploration expenditures	522,151
	1,658,266
	3,837,567
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	747,957
Shareholders' equity (note 5)	
Capital stock	3,342,070
Warrants	14,764
Deficit	(267,224)
	3,089,610
	3,837,567

Approved on behalf of the Board of Directors

(signed) "*Jim Megann*", Director

(signed) "*Daniel Whittaker*", Director

The accompanying notes form an integral part of these financial statements.

(Expressed in Canadian dollars unless otherwise indicated)

	Period ended December 31, 2016
	$
Expenses	
Professional fees	117,968
Consulting fees	67,000
Financing fees	27,540
Regulatory and filing fees	22,738
Travel	21,951
Office costs	8,546
Insurance	1,481
Loss and comprehensive loss for the period	267,224
Weighted average number of shares outstanding during the period	10,202,838
Basic and diluted loss per share	(0.026)

Antler Gold Inc.

Statement of Changes in Equity (note 5)

For the period March 23, 2016, date of incorporation, to December 31, 2016

(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares #	Share capital $	Warrants #	Warrants $	Deficit $	Total equity $
Balance – March 23, 2016	-	-	-	-	-	-
Shares issued for cash	8,400,000	420,000	-	-	-	420,000
Share issue costs	-	(1,462)	-	-	-	(1,462)
Shares issued for cash	3,000,000	300,000	-	-	-	300,000
Share issue costs	-	(83,145)	-	-	-	(83,145)
Broker warrants	-	(15,698)	300,000	15,698	-	-
Shares issued for compensation	55,000	13,750	-	-	-	13,750
Shares issued for cash	6,600,000	1,650,000	-	-	-	1,650,000
Share issue costs	-	(69,094)	-	-	-	(69,094)
Shares issued for mineral property option	4,500,000	1,125,000	-	-	-	1,125,000
Shares issued on exercise of broker warrants	17,850	2,719	(17,850)	(934)	-	1,785
Loss and comprehensive loss for the period	-	-	-	-	(267,224)	(267,224)
Balance – December 31, 2016	22,572,850	3,342,070	282,150	14,764	(267,224)	3,089,610

The accompanying notes form an integral part of these financial statements.

Antler Gold Inc.

Audited Statement of Cash Flows

For the period March 23, 2016, date of incorporation, to December 31, 2016

(Expressed in Canadian dollars unless otherwise indicated)

	Period ended December 31, 2016 $
Cash provided by (used in)	
Operating activities	
Net loss for the period	(267,224)
Non-cash items	
Financing fees	13,750
	(253,474)
Net changes in non-cash working capital balances related to operations:	
Increase in amounts recoverable	(84,912)
Increase in prepaid expenses	(10,019)
Increase in accounts payable and accrued liabilities	262,440
	(85,965)
Investing activities	
Resource property expenditures, net of $485,517 included in accounts payable and accrued liabilities	(47,749)
Financing activities	
Proceeds from issuance of common shares - net	2,216,299
Proceeds on the exercise of warrants	1,785
	2,218,084
Net change in cash during the period	2,084,370
Cash – Beginning of period	-
Cash – End of period	2,084,370

The accompanying notes form an integral part of these financial statements.

1. Nature of operations

Antler Gold Inc. (“Antler” or the “Company”), formerly Northwest Arm Capital Inc., was incorporated under the Canada Business Corporations Act on March 23, 2016. The Company is classified as a Tier 2 Company as defined in the TSX Venture Exchange (the “Exchange”) Policies. The principal business of the Company is the exploration and development of mineral properties.

The head office and the registered head office of the Company are located at 1969 Upper Water Street, Suite 1300, Halifax, Nova Scotia B3J 3R7.

The Company's Common Shares were listed for trading on the Exchange as a Capital Pool Company (“CPC”) at the close of business on September 9, 2016, and on September 12, 2016, the Company completed its Initial Public Offering (“IPO”) of 3,000,000 common shares at $0.10 per common share, qualified by the Company's prospectus dated August 19, 2016.

On November 8, 2016, the Company closed its qualifying transaction (“QT”) with the acquisition of an option to acquire a 100% interest in a gold exploration property in central Newfoundland known as the Wilding Lake project (“the “Project”). The option was acquired from Altius Minerals Inc. (“Altius”) in exchange for the issuance of 4,500,000 common shares of the Company and may be exercised provided the Company incurs $500,000 in exploration expenses on the Project within one year of the option agreement signing. Altius has also retained a 2% net smelter royalty over the Project. The Company simultaneously closed a private placement financing issuing 6,600,000 shares at a price of $0.25 per share for gross proceeds of $1,650,000.

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. To date, the Company has not earned significant revenues and is considered to be a development stage enterprise.

2. Significant accounting policies

Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and their interpretations adopted by the International Accounting Standards Board (“IASB”). These financial statements were authorized for issuance by the Board of Directors of the Company on April 24, 2017.

Basis of presentation

The financial statements have been prepared on a historical cost basis except for any financial assets and liabilities classified as available for sale.

2. Significant accounting policies (continued)

a) Resource properties and related exploration costs:

Pre-exploration expenditures are expensed as incurred. All direct costs related to the acquisition of resource property interests are capitalised by property. Exploration and evaluation costs are capitalized.

Resource properties are initially measured at cost and include expenditures on acquisition of rights to explore, studies, exploratory drilling, trenching, sampling, metallurgical studies, and other direct costs related to exploration or evaluation of a project. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Where a project is determined to be technically and commercially feasible and a decision has been made to proceed with development with respect to a particular area of interest, the relevant resource property asset is tested for impairment and the balance is reclassified as a resource property in property, plant and equipment.

b) Stock-based compensation

The Company has a stock-based compensation plan that is described in note 5. Awards of options to employees and others providing similar services under this plan are expensed based on the estimated fair value of the options at the grant date, with a corresponding credit to contributed surplus in shareholders' equity. Fair value is measured using the Black-Scholes pricing model. If the options are subject to a vesting period, the compensation cost is recognized over this period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Consideration paid by employees on the exercise of stock options is credited to share capital together with the amounts originally recorded as share-based compensation in contributed surplus related to the exercised options.

c) Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

2. Significant accounting policies (continued)

d) Loss per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to equity shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share-based payments, employee incentive share units, and warrants using the treasury stock method (if, and when, applicable). Under this method, stock options, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted earnings per share.

e) Income taxes

The Company uses the liability method of accounting for income taxes.

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on deferred tax assets or liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When results from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

2. Significant accounting policies (continued)

f) Financial instruments

The Company initially recognises loans and receivables and deposits on the date that they originate. All other financial assets are recognised initially on the trade date at which the Company becomes party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or the rights to receive the contractual cash flows on the financial asset are transferred.

The Company has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprised cash, short term deposits, and accounts receivable.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management.

Subsequent to initial recognition, they are measured at fair value, with changes in fair value recognised in other comprehensive income, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognised in other comprehensive income is transferred to profit or loss.

(ii) Financial liabilities

The Company initially recognises other financial liabilities on the trade date at which the Company becomes party to the contractual provisions of the instrument. The Company derecognises financial liabilities when its contractual obligations are discharged, cancelled, or expire.

a) Non-derivative financial liabilities:

The Company has the following non-derivative other financial liabilities: accounts payable and accrued liabilities

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

f) Financial instruments (continued)

(ii) Financial liabilities (continued)

b) Embedded derivatives:

Embedded derivatives are contained in non-derivative host contacts and are treated as separate derivatives when they meet the definition of a derivative, and their risks and characteristics are not closely related to those of the host contracts. Embedded derivatives are recorded at fair market value with mark-to-market adjustments recorded in profit or loss.

(iii) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognised as a deduction from equity, net of any tax effects.

(iv) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts, volatility measurements used to value option contracts and observable credit default swap spreads to adjust for credit risk where appropriate), or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3: Inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

2. Significant accounting policies (continued)

g) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgments based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results may differ from those estimates.

Critical accounting estimates:

Asset acquisitions:

The Company applies judgment in determining whether the exploration and evaluation assets it acquires are considered to be asset acquisitions or business combinations. Key factors in this determination are whether reserves have been established; whether the project is capable of being managed as a business by a market participant, and the nature of the additional work to convert resources into reserves.

Estimate of recovery for non-financial assets

Events or changes in circumstances may give rise to significant impairment charges or reversals of impairment in a particular year. In accordance with the Company’s accounting policy, each non-financial asset unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is made and an impairment loss is recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell and value in use.

Value in use is generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is determined based on the present value of estimated future cash flows from each long-lived asset or cash generating unit. The assumptions used in determining the fair value less costs of disposal are typically life of mine plans, long-term commodity prices, discount rates, foreign exchange rates, and net asset value multiples.

Future cash flow estimates are based on expected production and sales volumes, mineral prices (considering current and historical prices, price trends and related factors), reserves, operating costs, restoration and rehabilitation costs and future capital expenditures.

Share-based payments

Equity-settled share-based payments issued to employees are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. Fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities and expected lives based on information available at the time the fair value is measured.

2. Significant accounting policies (continued)

g) Use of estimates and judgments (continued)

Taxation

The Company's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets are recognized on the balance sheet. Deferred tax assets, including those arising from tax loss carry-forwards, capital losses, and temporary differences are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, mineral prices, reserves, operating costs, restoration and rehabilitation costs, capital expenditure, dividends, and other capital management transactions.

Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the balance sheet and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

h) Impairment

(i) Financial assets (including receivables)

Financial assets, other than those at fair value through profit or loss, are assessed for objective evidence of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructure of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for available for sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against accounts receivable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amount of the Company's non-financial assets, excluding resource properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, the asset's recoverable amount is estimated.

2. Significant accounting policies (continued)

h) Impairment (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets which generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The Company's assets do not generate separate cash inflows. If there is an indication that a company asset may be impaired, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised directly against the carrying amount of the asset whenever the carrying amount of an asset, or its CGU, exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated first to the goodwill and then to the carrying amounts of the assets in the unit (group of units) on a pro-rata basis.

i) Future accounting standards issued but not yet applied

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2017 and have not been applied in preparing these financial statements. Accordingly, the Company expects to adopt these standards as set forth below.

i) IFRS 9, Financial Instruments

In July 2014, the IASB issued IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instruments, Recognition and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

2. Significant accounting policies (continued)

i) Future accounting standards issued but not yet applied (continued)

ii) Amendments to IAS 7, Statement of Cash Flows
In January 2016, the IAS issued amendments to IAS 7, Statement of Cash Flows. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities. These amendments apply prospectively for annual periods beginning on or after January 1, 2017. The Company intends to adopt the amendments to IAS 7 in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.iii) Amendments to IAS 12, Income Taxes

In January 2016, the IASB issued amendments to IAS 12, Income Taxes. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. The Company intends to adopt the amendments to IAS 12 in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

iv) Amendments to IFRS 2, Share-based Payments

In June 2016, the IASB issued amendment to IFRS 2, Shares-based Payments, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; b) share-based payment transactions with a net settlement feature for withholding tax obligations; and c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively. The Company intends to adopt the amendments to IFRS 2 in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

2. Significant accounting policies (continued)

i) Future accounting standards issued but not yet applied (continued)

v) IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The standard replaces IAS 11, Construction Contracts; IAS 18, Revenue; IFRIC 13, Customer Loyalty Programmes; IFRIC 15, Agreements for the Construction of Real Estate; IFRIC 18, Transfer of Assets from Customers; and SIC 31, Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising 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. This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. The Company intends to adopt IFRS 15 and the clarifications in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

vi) IFRS 16, Leases

In January 2016, the IASB issued IFRS 16 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The new standard is effective for annual periods beginning on or after January 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

3. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to continue as a going concern. The Company considers capital to be shareholders’ equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business.

(Expressed in Canadian dollars unless otherwise indicated)

4. Resource properties

On November 8, 2016, the Company completed its QT - the acquisition of an option to acquire a 100% interest in the Project in exchange for issuing 4,500,000 common shares of the Company to Altius and a 2% net smelter royalty. The acquisition of the option was accounted for as an asset acquisition and the shares issued were valued at $0.25 each for total acquisition cost of $1,125,000.

On November 10, 2016, the Company received notice from Altius that it had staked an additional 171 claims within the five kilometer Area of Interest ("AOI") as outlined in the Option Agreement. The Company agreed to reimburse Altius a total of $11,115 for its staking claims and these claims have been included in the Option Agreement.

The acquisition costs of the Project for the period ended December 31, 2016 are as follows:

	Value $
Balance – March 23, 2016	-
Issued 4,500,000 shares to acquire option on resource property	1,125,000
Acquired 171 additional claims within area of interest	11,115
Balance – December 31, 2016	1,136,115

During the period September 16, 2016, the signing of the Option Agreement, and December 31, 2016, the Altius, as operator of the project, incurred a total of $522,151 of exploration expenses on behalf of the Company. Pursuant to the terms of the Option Agreement, the Company made a refundable loan to Altius of $100,000 on October 31, 2016 which was credited to exploration expenses incurred on the Project.

The following table details the exploration expenditures incurred in the period ended December 31, 2016.

	Period September 16 to December 31, 2016 $
Personnel	140,322
Contractors	155,121
Consultants	54,546
Analytical	43,667
Field and rental	47,178
Geophysics	26,832
Travel and office	23,169
Services fee	31,316
Balance – December 31, 2016	522,151

5. Shareholders' equity

a) Capital stock

Authorized: Unlimited number of common shares, without nominal or par value

During the period March 23, 2016, date of incorporation, to June 30, 2016, the Company issued a total of 8,400,000 common shares at $0.05 per common share for gross proceeds of $420,000. The Company incurred share issuance costs of $1,462. These common shares will be held in escrow pursuant to the requirements of the Exchange. The terms of escrow agreement stipulate that 840,000 (10%) of the escrowed shares can be released upon final Exchange acceptance of the QT, which occurred on November 8, 2016. The remaining escrowed shares will be released at a rate of 1,260,000 (15%) every six months thereafter. On December 31, 2016, 7,560,000 shares remained in escrow.

On September 12, 2016, the Company completed its IPO, issuing 3,000,000 common shares at $0.10 per share, qualified by the Company's prospectus dated August 19, 2016. The Company appointed Haywood Securities Inc. (Haywood) as its agent for the IPO incurring direct shares issuance costs of $83,145. The Company also issued Haywood two year broker warrants to purchase 300,000 common shares at a price of $0.10 per share. The fair value of the warrants of $15,698 has been recorded as a non-cash share issue cost.

As part of Haywood's IPO compensation, it was granted a right of first refusal to act as financial advisor, lead agent or lead underwriter with respect to a minimum 60% syndicate participation in any future financings by the Company until the earlier of the completion of the Company's QT and 24 months from the date of closing of the IPO (the "ROFR"). Subsequently, Haywood agreed to waive its ROFR with respect to the Financing. In exchange, the Company agreed to pay Haywood, compensation of $13,750 and 55,000 common shares, which were valued at $0.25 per share.

On November 8, 2016, the Company completed its QT, being the acquisition of an option agreement with Altius to acquire a 100% interest in the Project in exchange for 4,500,000 common shares and granting a 2% net smelter royalty. The acquisition was accounted for as an asset acquisition and the shares issued were valued at $0.25 per common share, based on the share price of the concurrent financing, for total acquisition costs of $1,125,000.

The Company also completed a private placement, concurrent with the QT, issuing 6,600,000 common shares at a price of $0.25 per share for gross proceeds of $1,650,000 (the "Financing"). The Company incurred share issuance costs of $69,094.

(Expressed in Canadian dollars unless otherwise indicated)

5. Shareholders' equity

i) Stock options

The Company has a stock option plan (the "Plan") for directors, officers, employees and consultants. The Board of Directors have the authority to issue up to 10% of the issued and outstanding common shares of the Company. The options can have up to a ten-year life and the vesting period is set by the Board. Options are granted at a price no lower than the market price of the common shares.

No options were issued during the period ended December 31, 2016.

ii) Warrants

With the IPO, Haywood received 300,000 broker warrants to purchase 300,000 common shares at a price of $0.10 per share. These warrants expire on September 12, 2018. These broker warrants are recorded at fair value which has been estimated using the Black-Scholes option pricing model. The weighted average assumptions used in the pricing model are as follows:

Risk free interest rate	0.58%
Expected volatility	100%
Expected dividend yield	-
Expected life	2 years

The fair value of $0.052 per warrant or $15,698 has been recorded as a non-cash share issue cost.

On November 16, 2016, Haywood exercised 17,850 broker warrants for proceeds of $1,785. The share price on the date on which the warrants were exercised during the year was $0.62.

The changes in the Company's warrants during the period ended December 31, 2016 are summarized as follows:

	Expiry Date	Exercise Price $	Number	Ascribed Value $
Balance – March 23, 2016			-	-
Broker warrants	Sept. 12, 2018	$0.10	300,000	15,698
Balance – September 30, 2016			300,000	15,698
Warrants exercised			(17,850)	(934)
Balance – December 31, 2016			282,150	14,764

(Expressed in Canadian dollars unless otherwise indicated)

5. Related party transactions

a) Operating agreement with Altius:

During the period ended December 31, 2016, exploration services were provided by Altius as operator of the Project and a significant shareholder. These exploration activities included an administration fee of $31,316.

b) Compensation of key management personnel:

Management and consulting fees in the amount of $77,000 were accrued for services of the President and CEO, a Strategic Advisor, the CFO and a Director of the Company.

The transactions were in the normal course of operations and were measured at the exchange amounts, which are the amounts agreed to by the related parties.

6. Financial instruments

Credit risk

The Company's financial assets include cash and amounts recoverable. The Company's maximum exposure to credit risk, as at period-end, is the carrying value of its financial asset. The Company manages credit risk by maintaining its cash in trust with the Company’s lawyer.

Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had a cash balance of $2,084,370. The Company’s ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

Fair value

During the period ended December 31, 2016, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities. The fair values of the Company’s financial instruments are considered to approximate the carrying amounts. The following table provides the disclosures of the fair value and the level in the hierarchy.

	Level 1	Level 2	Level 3
Cash	$ 2,084,370	$ -	$ -
Amounts recoverable	-	84,912	-
Accounts payable and accrued liabilities	-	747,957	-

(Expressed in Canadian dollars unless otherwise indicated)

7. Income taxes

a) Deferred income tax recovery differs from the amount that would be computed by applying the federal and provincial statutory income tax rate of 31% to net loss before income taxes. The reasons for the difference are as follows:

	2016 **$**
Loss before income taxes	267,224
Income tax recovery based on substantively enacted rates	82,839
Current year loss and deductible temporary differences for which no asset recognized	(82,839)
	-

b) The following deductible temporary difference and non-capital losses have not been recognized in the financial statements:

	2016 **$**
Non-capital loss carry-forwards	266,888
Financing fees	151,903

The non-capital tax losses expire in 2036.

8. Commitments

The Company has consulting arrangements with the certain executives including the President and CEO and a Consultant of the Company which provides that, should a change in control event occur, they may individually elect to terminate their employment with the Company, in which event the Company is required to pay a lump sum payment equal to two times the annual compensation. The payment of these change in control settlements would be subject to the Company maintaining an average market capitalization in excess of CDN$10 million, based on any 10-day volume weighted trading price within the three-month period following the effective date of the change in control. These agreements may also be terminated by the Company or Consultant with three months' notice. If these agreements are terminated by the Company, an amount equal to one year's annual compensation will be payable.

At December 31, 2016, the Company has a management services agreement with a Company owned a director and consultant of the Company for the provision of management services, rent and other office costs, at a fee of $3,000 per month commencing February 1, 2017 and continuing until both parties mutually agree to terminate.

9. Subsequent events

a) Financing

On February 24, 2017, the Company completed an equity financing for gross proceeds of $2,835,000 comprised of the sale of 2,445,600 common shares at $0.70 per share and 1,280,094 flow-through common shares at $0.85 per share. Insiders subscribed for a total of 297,494 Shares and FT Shares for $243,195 of the financing.

Mackie Research Capital Company acted as lead agent on behalf of a syndicate including Haywood Securities Inc. and PowerOne Capital Markets Limited (the “Agents”). The Agents received cash commissions equal to $148,203 and 127,440 broker warrants with an exercise price of $0.70 per common share and an expiry date of August 24, 2018.

b) Stock options

Subsequent to December 31, 2016, the Company granted 750,000 stock options to directors, officers, employees and consultants. The options are exercisable at a price of $0.80 per share and expire on March 5, 2022. The options will vest at a rate of 50% of the total on each of the six and 12 month anniversaries of the grant date.

c) Warrants

Subsequent to December 31, 2016, the Company received proceeds of $15,000 on the exercise of 150,000 warrants. The share price on the date on which the warrants were exercised during the year was $0.70.

d) Resource property option agreement

The Company entered into an option agreement with Altius for the right to earn a 100% interest in 1,678 mineral claims representing six separate projects in central Newfoundland (the “Transaction”).

Under the terms of the option agreement, Antler has the exclusive right to earn a 100% interest in these claims by issuing 980,000 common shares to Altius and incurring exploration expenditures of at least $300,000 within 12 months from the closing of the Transaction. Altius will also retain a 2% net smelter royalty.

Antler also has an option from Altius to earn a 100% interest in the Wilding Lake Gold Project in central Newfoundland. In connection with that option, Altius became an insider of the Company and currently holds 4,500,000 common shares or approximately 17% of the issued and outstanding shares. Therefore, the Transaction constitutes a Related Party Transaction under TSX Venture Exchange (the “Exchange”) policies and shareholder approval may be required by the Exchange to approve the Transaction. Following completion of the Transaction, Altius will own 5,480,000 common shares or approximately 19.94% of the issued and outstanding shares.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and, if applicable pursuant to Exchange requirements, majority of the minority shareholder approval.