Antler Gold Inc.
(formerly, Northwest Arm Capital Inc.)
Management Discussion and Analysis
Year ended December 31, 2016

This Management's Discussion and Analysis (MD&A) of Antler Gold Inc. ("Antler" or the "Company"), formerly Northwest Arm Capital Inc. is dated April 24, 2017 and provides an analysis of the financial operating results for the period from March 23, 2016, the date of incorporation, to December 31, 2016. This MD&A should be read in conjunction with the audited annual financial statements and accompanying notes for the period ended December 31, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for financial statements. All amounts are in Canadian dollars unless otherwise specified. The MD&A, financial statements and other information, including news releases and other disclosure items are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Company's profile. The common shares of Antler Gold Inc. are traded on the TSX Venture Exchange under the symbol "ANTL".

Except for the historical statements contained herein, this Management's Discussion and Analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, future developments; use of funds; and the business and operations of the combined issuer after completion of a proposed Transaction. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Antler to be materially different from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; and the results of continued development, marketing and sales as well as those factors disclosed in Antler's publicly filed documents. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although the management and officers of Antler believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Torrent does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Description of Business

Antler Gold Inc., formerly Northwest Arm Capital Inc., was incorporated pursuant to 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 Company's registered office is located at Suite 1300 – 1969 Upper Water Street, Halifax, Nova Scotia, B3J 2V1, Canada.

On May 2, 2016, the Company issued 3,500,000 common shares at $0.05 per share and on May 18, 2016 issued a further 4,900,000 common shares at $0.05 per share. Together, these issuances raised gross proceeds of $420,000 for the Company.

On September 12, 2016 the Company completed its initial public offering (the "IPO Offering") of 3,000,000 common shares at a price of $0.10 per share for gross proceeds to the Company of $300,000 as a Capital Pool Company ("CPC") pursuant to the policies of the Exchange. The Company's common shares were listed on the Exchange at of the close of business on September 9, 2016 and commenced trading on September 12, 2016 upon closing of the IPO Offering. A portion of the proceeds from the IPO Offering, together with the Company's then existing cash balance, were used to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction ("QT") pursuant to Exchange Policy 2.4 – *Capital Pool Companies* (the "CPC Policy").

Qualifying Transaction

On November 8, 2016, the Company completed its QT and private placement financing. The Company acquired from Altius Resources Inc. ("Altius") an option to earn a 100% interest (subject to underlying royalty interests) in certain mineral claims (the "Property") located near Wilding Lake, central Newfoundland. The Property is comprised of two separate claim groups totaling 688 claims and 172 square kilometers and is located immediately northeast and adjacent to Marathon Gold's Valentine Lake project. The option is exercisable by the Company incurring exploration expenditures of at least $500,000 within 12 months (the "Earn-in Period") as part of the work program on the Property recommended in the technical report entitled "NI 43-101 Technical Report on the Wilding Lake Project, Central Newfoundland, Canada" (the "Technical Report").

Pursuant to the QT, the Company also issued 4,500,000 common shares to Altius, representing 19.95% of the Company making Altius an insider of the Company.

During the Earn-in Period until the Company earns a 100% interest in the Property, Altius will act as the Operator and will manage all technical and exploration work on behalf of the Company. Antler has agreed to pay Altius a services fee equal to 10% of the expenditures incurred in connection with the exploration and evaluation of the Property. Upon acquisition of a 100% interest in the Property by the Company, Altius will reserve and hold a 2% net smelter royalty.

Management Appointees

Mr. Daniel Whittaker is the President and Chief Executive Officer of the Company and will be responsible for overseeing all operations of the Resulting Issuer. Mr. Whittaker was a founder of GoGold Resources Inc. ("GoGold"), a mineral exploration, development and production company, and held various management positions with GoGold from January 2008 to January 2016, which included Chief Financial Officer, EVP and Chief Administrative Officer and Corporate Secretary. He served as a director of GoGold from inception to January 2013. He founded Ucore Rare Metals Inc. in 2006 and served as an officer and director to March 2008. GoGold and Ucore Rare Metals Inc. are still carrying on business.

Mr. Whittaker holds a Bachelor of Arts (Economics) Degree and a Masters of Business Administration from the Richard Ivey School of Business at the University of Western Ontario. He also has held the Chartered Financial Analyst designation from the CFA Institute since 1995.

Mr. Howard Bird a director and the Qualified Person ("QP") of the Company and has over 27 years' diverse geological experience, including over 15 years at the executive management level. Mr. Bird was the Senior Vice President of Exploration and Geology at Brigus Gold Corp. ("Brigus"), where he led the exploration team in the recent discovery of three new gold deposits at the Grey Fox Project. He was also part of the corporate development team in adding over two million ounces with the acquisitions of the Black Fox mine, near Timmins, Ontario and the permitted Box mine deposit in northern Saskatchewan. Brigus was later acquired by Primero Mining Corp. in March 2014. Prior to Brigus, Mr. Bird was the Senior Vice President of Global Exploration for SouthernEra Resources Ltd. (acquired by Mwana Africa in 2007), and the Senior Project Geologist for Noranda Inc. (merged with Falconbridge Ltd. in 2005) and International Corona Resources (acquired by Homestake Resources Corp. in 1992), working within the Abitibi, Hemlo, and Michipicoten gold camps. In addition, Howard has extensive international geological knowledge working in Brazil, Mexico, Australia, and many parts of Africa.

Mr. Bird has an Honors Bachelor of Science in Geology from McMaster University. He is an active member of the Association of Professional Geoscientists of Ontario (P.Geo.), and the Prospectors and Developers Association. Howard Bird, a qualified person as defined by National Instrument 43-101, has reviewed the information provided in this Management Discussion and Analysis.

The Company also appointed Mr. Rob Randall as Chief Financial Officer. Mr. Randall has served as a CFO for a number of TSXV-listed companies over the past five years and has extensive public company financial experience. Previously, he was the Corporate Controller for Etruscan Resources Inc. and a principal with PricewaterhouseCoopers.

Mr. Randall graduated with a Commerce Degree from St. Mary's University in Halifax and obtained his CA designation in 1987 with Coopers and Lybrand Chartered Accountants where he was appointed as a Principal in 1995. He is a member of the Chartered Professional Accountants of Canada and Nova Scotia.

Resource Property – Wilding Lake Project

The Company has completed Phase I of the exploration program as recommended in the Technical Report and is preparing for the 2017 field season to carry out Phase II of the recommended program, which will include a diamond drilling program expected to occur in late summer or fall of 2017.

The Wilding Lake Project currently totals 859 mineral claims or 21,500 hectares in three blocks, Wilding Lake, Wilding East and Noel Paul, which cover more than 50 kilometres of strike length along a regional structure that is believed to control gold mineralization at Marathon Gold's Valentine Lake project and at Wilding Lake. In the fall of 2016, exploration on the Wilding and Noel Paul Blocks of the Project yielded significant results from soil sampling, trenching and bedrock channel sampling.

The initial Wilding Lake discovery was made by local Newfoundland prospectors Brian Jones and Gary Rowsell along a recently constructed logging road, where metre-scale angular quartz vein float containing coarse visible gold returned a maximum value of 74.8 g/t gold in initial grab samples. Follow-up prospecting by Altius in 2016, located additional areas of similar gold bearing quartz float and recent initial trenching has successfully exposed gold bearing quartz veins in bedrock at the Alder Zone of the Project.

In September 2016, the Company reported that mineralization at the Alder Zone occurs as coarse, free gold in association with chalcopyrite in association with tourmaline bearing quartz veins. Cut channel samples collected to date from outcrop in trenches have yielded uncut gold values ranging up to 13.9 g/t over 4.0 m, 5.4 g/t over 3.6 m, and 49.3 g/t over 4.6 m (including 279 g/t gold over 0.9 m). Several additional gold occurrences in outcrop and float were also discovered by reconnaissance prospecting along trend up to 3.5 km away from the Alder Zone. The Birch

Zone, located 450 metres south of Alder, has returned gold values of up to 36.4 g/t in grab samples and up to 5.5 g/t over 1.0 m in preliminary channel samples. Furthermore, two initial grab samples from a recently exposed pyrite-bearing shear zone occurrence named Jigger, located 15.2 km to the northeast on the Noel Paul block, have returned results of 8.4 and 19.7 g/t gold in grab samples.

Trenching, sampling and additional work continued until late November, 2016 when winter weather conditions made it impossible to continue and on January 24, 2017, the Company announced final assay results had been received and reported the following on the main areas of interest discovered to date:

Alder-Taz Zone (AT zone)

Trenching at the Alder showing has resulted in extending the strike length of this zone to approximately 100 meters. Expanded trench work at Alder indicates the mineralized shear zone in the widened Trench 1 now has an expanded apparent width of up to 10.55 metres. Previously reported assays in this trench yielded a composite saw cut channel sample of 13.8 g/t Au over 4.0 metres. The mineralized zone has been expanded by several metres in each direction across strike (northwest and southeast) and revised composite channel samples include:

- 8.7 g/t Au over 6.65 metres (includes 13.8 g/t Au over 4.0 metres)
- 3.5 g/t Au over 6.05 metres
- 6.5 g/t Au over 3.70 metres (includes samples of 19.2 g/t Au over 0.90 metres).

Prospecting also resulted in the discovery of the Taz zone which is located 125 meters along strike to the southwest of Alder. The Taz vein has returned highlight channel assays that include 21.8 g/t Au over 1.0 meters and 64.2 g/t Au over 0.8 meters. Visible gold was observed in both the Alder and Taz veins. Ground and wet conditions during work at Taz made exposing bedrock difficult and this area remains a high priority target for the 2017 field season.

Cedar-Elm (CE zone). The CE zone is located approximately 1.1 kilometers northeast of the Alder-Taz zone and the high grade assays received indicate the robust gold tenor in this particular area. At Elm the main shear vein, which attains widths of up to 2.0 metres, yields gold values ranging from 1.0 to 101.5 g/t Au, averaging 20.6 g/t Au (based on the 22 channels that sampled the shear vein). Trenching has exposed the vein for approximately 60 metres and it remains open along strike in both directions. The style of mineralization is very similar to Alder, occurring as a northeast-striking and moderately to shallowly southeast-dipping quartz vein within sheared Rogerson Lake Conglomerate. Free coarse gold is common and occurs in association with chalcopyrite and locally tourmaline.

Dogberry Zone. Grab samples collected from the Dogberry main vein have returned assay values that include 26.8, 55.8 and 78.8 g/t Au. The mineralization at Dogberry is similar in tenor to channel sample results previously reported. Late in the fall, the Dogberry trench was extended and uncovered several narrow quartz veins containing chalcopyrite within altered conglomerate. Grab sample results from the veins include 5.6 g/t Au, 15.0 g/t Au and 27.8 g/t. A 0.5 m channel across a similar vein in the same area assayed 7.8 g/t Au. Channel sampling of the altered conglomerate returned insignificant results.

In addition to the trenching and rock sampling, a soil geochemical survey was carried out over 2.3 kilometers of the prospective structural corridor which hosts the AT and CE zones. A total of 1,216 B-horizon soil samples were collected at 25-meter spacing along 50-100 meter spaced reconnaissance grid lines. The survey successfully outlined gold-in-soil anomalies associated with the known gold occurrences while also defining new gold anomalies deemed prospective for follow-up in the spring. The soil samples returned eleven sample values of greater than 150 ppb Au (164 to 1000 ppb Au).

During the late fall, a total of 67 excavator-dug basal till samples were collected. These samples have been processed for gold grain counts of the heavy mineral concentrate and gold assays of the fine fraction, and the results will be analyzed and utilized to identify additional areas of interest on the Project.

Please refer to press releases dated September 20, October 28, November 30 or 2016 and January 16 and 24, 2017 for additional details. All documents can be found on SEDAR.

For the period ended December 31, 2016, the Company's acquisition cost of the Project totalled $1,136,115. This is comprised of two items; the value paid to Altius for the initial option of 4,500,000 shares valued at $0.25 each, or $1,125,000, and the reimbursement to Altius of $11,115 representing their staking costs for an additional 171 claims within the Area of Interest as defined in the Option Agreement. The majority of the initial exploration expenditures for the period ended December 31, 2016 were incurred by Altius as Exploration as Operator of the Project and subsequently invoiced to the Company. The Company incurred $522,151 of resource property expenditures. This included $31,316 for Altius to operate and administer the exploration program.

2017 Winter Program

A ground magnetic geophysical survey was completed over an 82 line kilometer cut grid which measures approximately 2.5km by 1.5km and is centered over the AT and CE zones. In addition, a four grid line test IP-Resistivity geophysical survey was completed over the known gold occurrences. A heli-borne triaxial magnetic gradiometer survey commenced in February 2017, and was flown along 75-metre spaced lines over the entire Project. The airborne survey was paused in March due to weather with approximately 80% completed and the contractor is expected to complete the remainder of the survey prior to June 2017. Interpretation of the ground and airborne over the Wilding Block is underway and the interpretation of the Noel Paul Block will be completed shortly after the survey completion. These surveys will assist in the overall geological interpretation of the prospective area and in particular the mapping of structures that are inferred to control the gold mineralization.

2017 Field Program

The Company has contracted Dave Evans to be the Exploration Manager in Newfoundland. Mr. Evans managed the Altius program on the Project prior to the QT's completion and through the winter. Mr. Evans is a native of Newfoundland and is a B.Sc. and M.Sc. in Geology. He has over 30 years experience working extensively on gold and base metal in Newfoundland both for public companies and the NL Dept. of Mines and Energy.

The Company is currently preparing for the start of the field season and is hiring personnel and purchasing and renting equipment. Work is expected to consist of a systematic soil survey and prospecting program over the Wilding Block while using tighter lines and spacings in areas of interest indicated by the geophysical interpretation, followed by trenching of anomalies and expanding some of the existing trenches. The soil and prospecting program will move on to the Noel Paul Block once the Wilding Block is complete. The Company anticipates generating multiple targets which will be drilled in late summer or fall.

The budget is still being finalized but is expected to total approximately $1,700,000. This budget includes approximately $330,000 of expenditures required to keep the six additional properties the Company expects to acquire pursuant to the Option Agreement entered into with Altius on March 30, 2017 (see below). The Company can fund the program from its existing cash reserves.

Additional Resource Property Option Agreement

On March 30, 2017, the Company entered into a second option agreement with Altius for the right to earn a 100% interest in an additional 1,678 mineral claims representing six separate projects in central Newfoundland (the "Transaction"). The transaction, if completed, will nearly triple the land area the Company controls on the strike extensions of the major structural corridor hosting gold mineralization at Antler's Wilding Lake Project and Marathon Gold's Valentine Lake Project.

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.

As a result of the QT, Altius became an insider of the Company currently holding 4,500,000 common shares or approximately 17% of the Company. Therefore, the Transaction constitutes a related party transaction under 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 Company.

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.

Selected Financial Information

Fiscal Period from March 23, 2016, the date of incorporation, to December 31, 2016	**$**
Professional fees	117,968
Consulting fees	67,000
Financing fees	27,540
Regulatory and filing fees	22,738
Travel	21,951
Other	10,027
Net Loss	267,224
Basic and diluted net loss per share	0.026
Weighted average # of shares outstanding	10,202,838

The Company incurred significant professional fees associated with its corporate activities including its compliance with the policies of the Exchange for Capital Pool Companies and the completion of its QT in the fourth quarter of 2016. The Company accrued legal fees of $20,000 at September 30, 2016 and $100,000 for the period ended December 31, 2016. In addition, higher administrative costs resulted from a general increase in business activity which involved increased personnel, marketing, travel and transaction work which the Company expects will continue.

The Company accrued $67,000 of consulting fees for its executive officers included the President and CEO, the CFO and a promoter. The payment of these fees was subject to the completion of a financing with proceeds in excess of $2.5 million. This financing was completed subsequent to the end of the year. The Company also accrued $10,000 for its technical Director which has been recorded as a resource property expenditure.

Haywood Securities Inc. ("Haywood") was engaged as Agent for the IPO Offering and as part of the agency agreement 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 (a) completion of the Company's QT, and (b) 24 months from the date of closing of the IPO. Haywood agreed to waive its right of first refusal for consideration of $13,750 and the issuance of 55,000 common shares. The fair value of these shares was assessed at $0.25, the issue price of the corresponding private placement for total financing fees of $27,500.

The Company incurred regulatory and filing fees associated with its Initial Public Offering and its qualification as a Capital Pool Company under the policies of the Exchange as well as additional regulatory and filing costs associated with its QT.

The Company incurred certain travel costs associated with its due diligence surrounding the QT, as well as, corporate travel costs, primarily between Halifax and Toronto, associated with its financing activities and other corporate development activities. The other expenditures include office costs of $1,161, website and marketing costs of $7,385 and D&O insurance of $1,481.

The Company recorded losses in fiscal 2016 and expects to incur a loss for fiscal 2017 and for the foreseeable future as exploration activities ramp up and continue in Newfoundland on the Company’s projects. As a result, the Company expects to increase its expenditures as it executes its exploration program and incurs associated executive and support costs.

Summary of Quarterly Results

The following table details quarterly results from the date of incorporation, March 23, 2016, to December 31, 2016:

Quarter ended	**Dec 31, 2016 $**	**Sept 30, 2016 $**	**June 30, 2016 $**
Professional fees	91,218	25,000	1,750
Consulting fees	67,000	-	-
Financing fees	27,540	-	-
Regulatory and filing fees	19,573	665	2,500
Travel	21,951	-	-
Other	10,027	-	-
Net Loss	(237,309)	(25,665)	(4,250)
Basic and diluted net loss per share	($0.041)	($0.009)	($0.003)
Weighted average # of shares outstanding	5,765,047	2,893,428	1,474,205

Liquidity and Capital Resources

	As at December 31, 2016 $	As at September 30, 2015 $	As at June 30, 2016 $
Cash	2,084,370	621,048	398,507
Resource properties	1,658,266	-	-
Total assets	3,837,567	641,009	415,288
Total liabilities	747,957	63,031	1,000
Shareholders' equity (Deficiency)	3,089,610	577,978	414,288
Working capital	1,431,344	577,978	414,288

At December 31, 2016, the Company had cash and short-term deposits of $2,084,370 and working capital of $1,431,344.

In the first quarter, the Company issued 8,400,000 common shares at a price of $0.05 per share for gross proceeds of $420,000. On September 12, 2016, the Company completed its initial public offering issuing 3,000,000 common shares at a price of $0.10 per share for gross proceeds to the Company of $300,000.

In addition, the Company completed a non-brokered private placement of 6,600,000 common shares at a price of $0.25 per share for gross proceeds of $1,650,000 (the "Offering"). The proceeds of this Offering will be used to fund the exploration expenditures on the Property and for general working capital purposes.

Under the terms of the Definitive Agreement, at any time that Altius beneficially owns at least 10% of the total issued and outstanding Common Shares, Altius has the option to participate in any future equity financing of the Company on a pro rata basis on the same terms and conditions as offered to other investors.

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. 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 commission 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.

Management expects the resulting amount of working capital to be sufficient for the Company to meet its current ongoing level of operations for fiscal 2017. Beyond that time, and depending on the results of the 2017 field program, additional capital may be required. The ability of the Company to raise the necessary funds cannot be guaranteed.

Off-Balance Sheet Arrangements

At December 31, 2016 and the date of this document, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Transactions with Related Parties

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.

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

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of recoverable value of its mineral properties and related deferred expenditures, the value of share-based compensation, and the valuation of any deferred income tax assets and liabilities. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The Company's recoverability of the recorded value of its mineral properties and associated deferred expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors, including environmental, legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or the proceeds of disposition thereof.

At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use.

The factors affecting share-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend upon a variety of factors, including the market value of the Company's shares and the financial objectives of the share-based instrument holders.

Deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values. Deferred income tax assets also result from unused loss carry-forwards and other deductions to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of tax credits and unused tax losses can be utilized.

Financial Instruments and Other Risks

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

The Company's financial instruments consist of cash, amounts recoverable, deposits and accounts payable and accrued liabilities. Management does not believe the financial instruments held by the Company expose it to any significant interest, currency or credit risks. The fair market value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company's activities are primarily directed towards the exploration for and the development of mineral deposits. The exploration for and the development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical and unpredictable; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of metals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or abandoning or delaying the development of a mineral project. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries of commercial quantities of such metals.

At this stage in the Company's development it relies on equity financing for the funds to explore its property and potentially develop any resource that may be found. Future financing could be affected by many factors outside the Company's control such as market or commodity price changes and general economic conditions. The Company may not have sufficient funds from its current financial resources to put any resource in commercial production. There is no assurance such financing will be available to the Company when required, or that it will be available on acceptable terms.

Additional detail on risks and uncertainties is discussed in the Prospectus dated August 19, 2016, and the Filing Statement dated October 28, 2016. All documents can be found on SEDAR.

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.

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.

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.

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.

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.

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 contractbased 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.

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.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

TSX Venture-listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

Outstanding Share Data

As at December 31, 2016, the Company had a total of 22,572,850 outstanding common shares. Subsequent to December 31, 2016, the Company completed an equity financing for gross proceeds of $2,835,000, issuing 2,445,600 common shares at $0.70 per share and 1,280,094 flow-through common shares at $0.85 per share. The company also issued 150,000 common shares on the exercise of warrants. As of the date of this document, the Company has 26,448,544 outstanding common shares.

As at December 31, 2016, the Company had a total of 282,150 outstanding warrants with an exercise price of $0.10 and an expiry date of September 12, 2018. Subsequent to December 31, 2016, the Company received $15,000 on the exercise of 150,000 warrants and the Company issued 127,440 broker warrants with an exercise price of $0.70 per share and an expiry date of August 24, 2018. As of the date of this document, the Company has 259,590 outstanding warrants.

As at December 31, 2016, the Company had no outstanding stock options. Subsequent to December 31, 2016, the Company issued 750,000 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% on each of the six and 12 month anniversaries of the grant date.

Other Information

Additional information regarding the Company is available on SEDAR at www.sedar.com.