

Antler Gold Inc.
(formerly Northwest Arm Capital)

Unaudited Condensed Interim Financial Statements

March 31, 2017

May 29, 2016

Management's Responsibility for Financial Reporting

The accompanying unaudited condensed interim financial statements of **Antler Gold Inc.** are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) "*Daniel Whittaker*"
President and Chief Executive Officer
Halifax, Nova Scotia

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

Antler Gold Inc.

Unaudited Condensed Interim Statement of Financial Position

As at March 31, 2017 and December 31, 2016

(Expressed in Canadian dollars unless otherwise indicated)

	As at March 31, 2017 \$	As at December 31, 2016 \$
Assets		
Current assets		
Cash	4,175,474	2,084,370
Amounts recoverable	183,945	84,912
Deposits and prepaid expenses	21,868	10,019
	<u>4,381,287</u>	<u>2,179,301</u>
Capital assets	<u>7,813</u>	<u>-</u>
Resource property (note 4)		
Acquisition cost	1,147,633	1,136,115
Exploration expenditures	947,390	522,151
	<u>2,095,023</u>	<u>1,658,266</u>
	<u>6,484,123</u>	<u>3,837,567</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	897,762	747,957
Premium liability	192,000	-
	<u>1,089,762</u>	<u>747,957</u>
Shareholders' equity (note 5)		
Capital stock	5,733,956	3,342,070
Warrants	48,138	14,764
Contributed surplus	50,833	-
Deficit	(438,566)	(267,224)
	<u>5,394,361</u>	<u>3,089,610</u>
	<u>6,484,123</u>	<u>3,837,567</u>

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.

Antler Gold Inc.

Unaudited Condensed Interim Statement of Loss and Comprehensive Loss

For the three-month period ended March 31, 2017***(Expressed in Canadian dollars unless otherwise indicated)***

	Three-month Period ended March 31, 2017 \$
Expenses	
Professional fees	21,123
Consulting fees	58,800
Regulatory and filing fees	11,255
Stock-based compensation	50,833
Travel	19,975
Office costs	6,522
Insurance	2,834
	<hr/>
Loss and comprehensive loss for the period	(171,342) <hr/>
Weighted average number of shares outstanding during the period	24,098,123 <hr/>
Basic and diluted loss per share	(0.007) <hr/>

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

Antler Gold Inc.

Unaudited Condensed Interim Statement of Changes in Equity (note 5)

For the periods ended March 31, 2017, December 31, 2016 and March 31, 2016

(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares	Share capital	Warrants	Warrants	Contributed Surplus	Deficit	Total equity
	#	\$	#	\$	\$	\$	\$
Balance – March 31, 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
Shares issued on exercise of broker warrants	150,000	22,845	(150,000)	(7,845)	-	-	15,000
Shares issued for cash	3,775,694	2,835,000	-	-	-	-	2,835,000
Share issue costs	-	(232,740)	-	-	-	-	(232,740)
Flow-through premium	-	(192,000)	-	-	-	-	(192,000)
Broker warrants	-	(41,219)	127,440	41,219	-	-	-
Stock-based compensation	-	-	-	-	50,833	-	50,833
Loss and comprehensive loss for the period	-	-	-	-	-	(171,342)	(171,342)
Balance – March 31, 2017	26,498,544	5,733,956	259,590	48,138	50,833	(438,566)	5,394,361

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

Antler Gold Inc.

Unaudited Condensed Interim Statement of Cash Flows

For the three-month period ended March 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

	Three-month Period ended March 31, 2017 \$
Cash provided by (used in)	
Operating activities	
Net loss for the period	(171,342)
<i>Non-cash items</i>	
Stock-based compensation	<u>50,833</u>
	(120,509)
Net changes in non-cash working capital balances related to operations:	
Increase in amounts recoverable	(99,033)
Increase in prepaid expenses	(11,849)
Increase in accounts payable and accrued liabilities	<u>149,805</u>
	<u>(81,586)</u>
Investing activities	
Acquisition of capital assets	(7,905)
Resource property expenditures	<u>(436,665)</u>
	<u>(444,570)</u>
Financing activities	
Proceeds from issuance of common shares - net	2,602,260
Proceeds on the exercise of warrants	<u>15,000</u>
	<u>2,617,260</u>
Net change in cash during the period	2,091,104
Cash – Beginning of period	<u>2,084,370</u>
Cash – End of period	<u><u>4,175,474</u></u>

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

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements

For the period ended March 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

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 Company’s corporate office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia B3J 3R7. The registered head office of the Company is located at 1969 Upper Water Street, Suite 1300, Halifax, Nova Scotia, B3J 2V1.

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

The Company prepares its unaudited condensed interim financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of Chartered Professional Accountants of Canada – Part 1 (“CPA Canada Handbook”), which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year-ended December 31, 2016.

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements

For the period ended March 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

2. Significant accounting policies (continued)

Statement of compliance (continued)

The policies applied in these unaudited condensed interim financial statements are based on the IFRS as of May 26, 2017, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year-ended December 31, 2017 could result in the restatement of these unaudited condensed interim financial statements.

Basis of presentation

The condensed interim financial statements financial statements have been prepared on a historical cost basis except for any financial assets and liabilities classified as available for sale. The Company's functional currency is the Canadian dollar and these unaudited condensed interim financial statements are presented in Canadian dollars.

Significant accounting policies

These financial statements have been prepared using the same policies and methods of computation as the annual consolidated financial statements of the Company for the year-ended December 31, 2016. Refer to note 2, *Significant Accounting Policies*, of the Company's annual financial statements for the year-ended December 31, 2016 for information on the accounting policies as well as new accounting standards not yet effective.

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.

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 on any future mineral production. 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.

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements
For the period ended March 31, 2017
(Expressed in Canadian dollars unless otherwise indicated)

5. Resource properties (continued)

The acquisition costs of the Project are summarized 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	<u>11,115</u>
Balance – December 31, 2016	1,136,115
Acquisition costs	<u>11,518</u>
Balance – March 31, 2017	<u><u>1,147,633</u></u>

During the period September 16, 2016, the signing of the Option Agreement, to December 31, 2016, 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. During the quarter ended March 31, 2017, the Company incurred a total of \$436,757 of exploration expenses on the Project.

The following table details the exploration expenditures incurred during the periods from September 6, 2016 to December 31, 2016 and the quarter ended March 31, 2017:

	Period ended December 31, 2016 \$	Quarter Ended March 31, 2017 \$	Balance March 31, 2017 \$
Personnel	140,322	14,543	154,865
Contractors	155,121	35,459	190,580
Consultants	54,546	19,200	73,746
Analytical	43,667	24,656	68,323
Field expenses and equipment	47,178	72,557	119,735
Geophysics	26,832	234,477	261,309
Travel and office	23,169	1,151	24,320
Services fee	31,316	23,196	54,512
	<u>522,151</u>	<u>425,239</u>	<u>947,390</u>

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements

For the period ended March 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

5. Shareholders' equity

i) Capital Stock

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

During the period March 23, 2016, the 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 March 31, 2017, 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 and incurred direct share 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 Company incurred share issuance costs of \$69,094 with this financing.

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 was \$0.62.

On February 24, 2017, the Company completed an equity financing for gross proceeds of \$2,835,000 comprised of the sale of 2,495,600 common shares at \$0.70 per share and 1,280,094 flow-through common shares at \$0.85 per share.

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements

For the period ended March 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

5. Shareholders' equity (continued)

i) Capital Stock (continued)

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 were issued 127,440 broker warrants with an exercise price of \$0.70 per common share and an expiry date of August 24, 2018. The commissions and fair value of these warrants of \$41,219, as calculated using the Black-Scholes option pricing model, are also recorded as share issuance costs. The Company incurred other direct share issuance costs of \$84,537. The Company also recorded a flow-through premium of \$192,000.

On March 7, 2017, the Company received proceeds of \$15,000 from the exercise of 150,000 warrants. The share price on the date the warrants were exercised was \$0.70.

ii) 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.

On March 5, 2017, 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.

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. Weighted average assumptions used in the pricing model for the options issued during the period ended March 31, 2017 were as follows:

Risk free interest rate	0.58%
Expected volatility	100%
Expected dividend yield	-
Expected life	5 years
Weighted average fair value per option	\$0.542

2,645,854 options were available for granting under the Plan of which 750,000 were granted during the quarter. Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the granted options is \$406,666. This amount is amortized over the vesting period and \$50,833 has been expensed during the quarter ended March 31, 2017. As at March 31, 2017, no options were vested.

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements
For the period ended March 31, 2017
(Expressed in Canadian dollars unless otherwise indicated)

5. Shareholders' equity (continued)

ii) Stock options (continued)

Changes in stock options during the period ended March 31, 2017 are summarized as follows:

	Expiry Date	Exercise Price \$	Number of Options
Balance – December 31, 2016			-
Options granted	March 5, 2022	\$0.80	<u>750,000</u>
Balance – March 31, 2017		\$0.80	<u><u>750,000</u></u>

iii) Warrants

Pursuant to 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. As part of the February 2017 financing, the Agents received 127,440 broker warrants with an exercise price of \$0.70 and an expiry date of August 24, 2018.

The assumptions used in the pricing model and fair value results are as follows:

	IPO Warrants	Feb. 2017 Warrants
Risk free interest rate	0.58%	0.58%
Expected volatility	100%	100%
Expected dividend yield	-	-
Expected life	2 years	2 years
Fair value per warrant	\$0.052	\$0.323
Share issue costs – non-cash	\$15,698	\$41,219

The changes in the Company's warrants during the period ended March 31, 2017 are summarized as follows:

	Expiry Date	Exercise Price \$	Number	Ascribed Value \$
Balance – March 23, 2016			-	-
Broker warrants issued	Sept. 12, 2018	\$0.10	300,000	15,698
Warrants exercised			<u>(17,850)</u>	<u>(934)</u>
Balance – December 31, 2016			282,150	14,764
Warrants exercised			<u>(150,000)</u>	<u>(7,845)</u>
Broker warrants issued	August 24, 2018	\$0.70	<u>127,440</u>	<u>41,219</u>
Balance – March 31, 2017			<u><u>259,590</u></u>	<u><u>48,138</u></u>

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements

For the period ended March 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

6. Related party transactions

a) Operating agreement with Altius:

Exploration services were provided by Altius as operator of the Project and a significant shareholder. These exploration activities included an administration fee of \$23,196 for the quarter ended March 31, 2017 (period ended December 31, 2016 - \$31,316).

b) Compensation of key management personnel:

Management and consulting fees in the amount of \$85,500 for the quarter ended March 31, 2016 (period ended December 31, 2016 – accrued \$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.

7. 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 March 31, 2017, the Company had a cash balance of \$4,175,474. 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 March 31, 2017, 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	\$ 4,175,474	\$ -	\$ -
Amounts recoverable	-	183,945	-
Accounts payable and accrued liabilities	-	897,762	-

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements

For the period ended March 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

8. 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:

	December 31, 2016
	\$
Loss before income taxes	<u>267,224</u>
Income tax recovery based on substantively enacted rates	82,839
Current year loss and deductible temporary differences for which no asset recognized	<u>(82,839)</u>
	<u>-</u>

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

	December 31, 2016
	\$
Non-capital loss carry-forwards	<u>266,888</u>
Financing fees	<u>151,903</u>

The non-capital tax losses expire in 2036.

9. 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 \$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 March 31, 2017, 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.

Antler Gold Inc.

Notes to Unaudited Interim Condensed Financial Statements

For the period ended March 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

10. Subsequent event

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 on any future mineral production on the six projects.

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 disinterested shareholder approval.