

**Antler Gold Inc.**

**Unaudited Condensed Interim  
Financial Statements**

**June 30, 2018**

August 28, 2018

### **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 financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim 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 financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim 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 June 30, 2018 and December 31, 2017

(Expressed in Canadian dollars unless otherwise indicated)

	As at June 30, 2018 \$	As at December 31, 2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	819,154	1,277,858
Amounts recoverable	22,086	172,490
Prepaid expenses	22,887	16,697
	<u>864,127</u>	<u>1,467,045</u>
<b>Capital assets (note 4)</b>	30,621	35,972
<b>Resource properties (note 5)</b>		
Acquisition cost	1,601,258	1,597,098
Exploration expenditures	2,940,811	2,730,443
	<u>4,572,690</u>	<u>4,327,541</u>
	<u>5,436,817</u>	<u>5,830,558</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	<u>113,065</u>	266,197
<b>Shareholders' equity (note 6)</b>		
Capital stock	6,180,997	6,180,997
Warrants	46,596	46,596
Contributed surplus	605,973	478,636
Deficit	<u>(1,509,814)</u>	<u>(1,141,868)</u>
	<u>5,323,752</u>	<u>5,564,361</u>
	<u>5,436,817</u>	<u>5,830,558</u>

**Going concern (note 1)**

**Commitments (note 10)**

**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 and six-month periods ended June 30, 2018 and 2017  
(Expressed in Canadian dollars unless otherwise indicated)

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	Three-month period ended June 30, 2018 \$	Three-month period ended June 30, 2017 \$	Six-month period ended June 30, 2018 \$	Six-month period ended June 30, 2017 \$
<b>Expenses</b>				
Salaries and benefits	12,077	22,928	41,194	22,928
Professional fees	10,220	18,834	14,469	39,957
Consulting fees	66,702	61,500	133,348	120,300
Regulatory and filing fees	9,012	25,395	14,966	36,650
Share-based compensation	12,949	160,353	127,337	211,186
Travel	9,548	8,407	10,203	28,382
Office costs	6,787	9,566	12,157	16,088
Property investigation costs	6,490	-	6,490	-
Insurance	4,946	2,868	7,782	5,702
<b>Loss from operations before income taxes</b>	<b>(138,731)</b>	<b>(309,851)</b>	<b>(367,946)</b>	<b>(481,193)</b>
Income tax recovery (Note 9)	-	93,223	-	93,223
<b>Loss and comprehensive loss for the period</b>	<b>(138,731)</b>	<b>(216,628)</b>	<b>(367,946)</b>	<b>(387,970)</b>
<b>Weighted average number of shares outstanding during the period</b>	<b>41,262,310</b>	39,862,149	<b>41,262,310</b>	38,024,670
<b>Basic and diluted loss per share</b>	<b>(0.003)</b>	(0.005)	<b>(0.009)</b>	(0.010)

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

## Antler Gold Inc.

### Unaudited Condensed Interim Statement of Changes in Equity (note 6) For the periods ended June 30, 2018 and 2017 and December 31, 2017 (Expressed in Canadian dollars unless otherwise indicated)

	Common Shares <sup>1</sup> #	Share Capital \$	Warrants <sup>1</sup> #	Warrants \$	Contributed Surplus \$	Deficit \$	Total Equity \$
<b>Balance – January 1, 2017</b>	33,859,275	3,342,070	423,225	14,764	-	(267,224)	3,089,610
Shares issued for cash	5,663,541	2,835,000	-	-	-	-	2,835,000
Share issue costs	-	(231,207)	-	-	-	-	(231,207)
Flow-through premium	-	(192,000)	-	-	-	-	(192,000)
Broker warrants	-	(41,219)	191,160	41,219	-	-	-
Shares issued on exercise of broker warrants	225,000	22,845	(225,000)	(7,845)	-	-	15,000
Shares issued pursuant to option agreement (note 5)	1,470,000	441,000	-	-	-	-	441,000
Share-based compensation	-	-	-	-	211,186	-	211,186
Loss and comprehensive loss for the period	-	-	-	-	-	(387,970)	(387,970)
<b>Balance – June 30, 2017</b>	<b>41,217,816</b>	<b>6,176,489</b>	<b>389,385</b>	<b>48,138</b>	<b>211,186</b>	<b>(655,194)</b>	<b>5,780,619</b>
Shares issued on exercise of broker warrants	44,494	4,508	(44,494)	(1,542)	-	-	2,966
Share-based compensation	-	-	-	-	267,450	-	267,450
Loss and comprehensive loss for the period	-	-	-	-	-	(486,674)	(486,674)
<b>Balance – December 31, 2017</b>	<b>41,262,310</b>	<b>6,180,997</b>	<b>344,891</b>	<b>46,596</b>	<b>478,636</b>	<b>(1,141,868)</b>	<b>5,564,361</b>
Stock-based compensation	-	-	-	-	127,337	-	127,337
Loss and comprehensive loss for the period	-	-	-	-	-	(367,946)	(367,946)
<b>Balance – June 30, 2018</b>	<b>41,262,310</b>	<b>6,180,997</b>	<b>344,891</b>	<b>46,596</b>	<b>605,973</b>	<b>(1,509,814)</b>	<b>5,323,752</b>

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

<sup>1</sup> On July 14, 2017, the Company completed a one and a half (1.5) for one share split of its common shares. All references to the number of common shares, stock options and warrants have been adjusted retrospectively to reflect the Company's share split for the periods ended June 30, 2017 and December 31, 2017.

# Antler Gold Inc.

## Unaudited Condensed Interim Statement of Cash Flows For the three and six-month periods ended June 30, 2018 and 2017 (Expressed in Canadian dollars unless otherwise indicated)

	Six-month period ended June 30, 2018	Six-month period ended June 30, 2017
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	(367,946)	(387,970)
<i>Non-cash items</i>		
Share-based compensation	127,337	211,186
Income tax recovery	-	(93,223)
	<u>(240,609)</u>	<u>(270,007)</u>
Net changes in non-cash working capital balances related to operations:		
Decrease (increase) in amounts recoverable	150,404	(32,975)
Increase in prepaid expenses	(6,190)	(13,511)
Decrease in accounts payable and accrued liabilities	(6,559)	(53,068)
	<u>(102,954)</u>	<u>(369,561)</u>
<b>Investing activities</b>		
Acquisition of capital assets	-	(46,200)
Resource property expenditures	(355,750)	(788,294)
	<u>(355,750)</u>	<u>(834,494)</u>
<b>Financing activities</b>		
Proceeds from issuance of common shares - net	-	2,603,793
Proceeds on the exercise of warrants	-	15,000
	<u>-</u>	<u>2,618,793</u>
<b>Net change in cash during the period</b>	<b>(458,704)</b>	<b>1,414,738</b>
<b>Cash – beginning of period</b>	<b>1,277,858</b>	<b>2,084,370</b>
<b>Cash – end of period</b>	<b>819,154</b>	<b>3,499,108</b>

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

# **Antler Gold Inc.**

## **Notes to Unaudited Condensed Interim Financial Statements**

**For the periods ended June 30, 2018 and 2017**

***(Expressed in Canadian dollars unless otherwise indicated)***

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### **1. Nature of Operations and Going Concern**

#### **Nature of operations**

Antler Gold Inc. (“Antler” or the “Company”) 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 and registered office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, B3J 3R7.

The Company's common shares were listed for trading on the Exchange as a Capital Pool Company at the close of business on September 9, 2016 and on September 12, 2016, the Company completed its Initial Public Offering (“IPO”) of 4,500,000 common shares at \$0.067 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”) from Altius Minerals Inc. (“Altius”). Under the terms of the QT Option Agreement, the Company issued 6,750,000 common shares of the Company to Altius and could exercise the option (the “QT Option”) provided the Company incurs \$500,000 in exploration expenses on the Project within one year of signing. The QT Option was exercised on May 25, 2017 and Altius and the Company finalized a 2% net smelter royalty (“NSR”) in favour of Altius over all mineral production from the Project. Concurrent with the closing of its QT, the Company completed a private placement financing, issuing 9,900,000 shares at a price of \$0.167 per share for gross proceeds of \$1,650,000.

On March 30, 2017, the Company entered into a Second Option Agreement with Altius for the acquisition of an option to acquire a 100% interest in 1,678 additional mineral claims representing six separate projects in central Newfoundland (the “Second Option”), which closed on June 23, 2017. Pursuant to the Second Option, the Company issued 1,470,000 common shares to Altius during the year ended December 31, 2017. To date, the Company has incurred a minimum of \$300,000 in exploration expenditures and is deemed to have exercised the Second Option. Notice was provided to Altius during the period ended June 30, 2018 to transfer title to the Company, subject to Altius’ retention of a 2% NSR.

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.

#### **Going concern**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern. The going concern basis of presentation assumes that Antler will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern, as described in the following paragraphs.

# **Antler Gold Inc.**

## **Notes to Unaudited Condensed Interim Financial Statements**

**For the periods ended June 30, 2018 and 2017**

***(Expressed in Canadian dollars unless otherwise indicated)***

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The Company incurred a net loss of \$367,946 for the period ended June 30, 2018 (\$874,644 for the year ended December 31, 2017) and has no operations at this time which will generate revenue. Management estimates current working capital may not be sufficient to fund all of the Company's planned expenditures in 2018. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on securing financing or monetizing assets. There is no certainty that the Company will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, adjustments would be necessary to the carrying values of assets and liabilities the reported revenues and expenses, and the statement of financial position classifications used.

## **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 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, 2017.

The policies applied in these unaudited condensed interim financial statements are based on the IFRS as of August 28, 2018, 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, 2018 could result in the restatement of these unaudited condensed interim financial statements.

### **Basis of presentation**

The condensed interim 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 financial statements of the Company for the year ended December 31, 2017, with the exception of the changes as the result of the adoption of new accounting standards as outlined below. Refer to note 2,

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Financial Statements**

**For the periods ended June 30, 2018 and 2017**

***(Expressed in Canadian dollars unless otherwise indicated)***

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*Significant Accounting Policies*, of the Company's annual financial statements for the year ended December 31, 2017 for information on the accounting policies as well as new accounting standards not yet effective.

#### **New accounting standards adopted during the period**

Effective January 1, 2018, the Company adopted IFRS 9, *Financial Instruments* ("IFRS 9"). This change in accounting policy will also be reflected in the Company's subsequent quarters and annual financial statements as at and for the year ended December 31, 2018.

#### *Description of IFRS 9*

IFRS 9 replaces provisions of the IASB's IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Company has adopted IFRS 9 using the retrospective approach from January 1, 2018.

#### *Impact of adoption of IFRS 9*

Financial liabilities that are considered modified must be accounted for by discounting the new cash flows at the original effective interest rate, resulting in an immediate impact to the Company's net loss. Management identified no financial liabilities that were modified prior to January 1, 2018.

IFRS 9 requires the Company to use the Expected Credit Loss ("ECL") impairment model in calculating impairment provisions, which differs from the incurred credit loss model under IAS 39. The ECL model is a probability weighted estimate of credit losses. Management has determined that there is no impact on the financial statements due to this change in impairment models.

The Company determines the measurement of financial assets and liabilities at initial recognition and classifies them at amortized cost. The Company completed an assessment of its financial assets and liabilities as at January 1, 2018 and concluded that there were no changes in measurement due to the transition to IFRS 9.

Cash and amounts recoverable that were classified as loans and receivables under IAS 39 are classified as financial assets measured at amortized cost under IFRS 9. There has been no impact on classification of the Company's financial liabilities.

#### *Accounting policies associated with IFRS 9*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are initially measured at fair value. Financial assets are classified into one of the following specified categories: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the consolidated statement of loss.

# Antler Gold Inc.

## Notes to Unaudited Condensed Interim Financial Statements

For the periods ended June 30, 2018 and 2017

(Expressed in Canadian dollars unless otherwise indicated)

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The Company's financial instruments are classified and subsequently measured as follows:

Asset / liability	Classification	Measurement model
Cash	Amortized cost	Amortized cost
Amounts recoverable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

### *Impairment of financial assets at amortized cost*

The Company recognizes an allowance using the ECL model on financial assets classified as amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss.

### 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. Capital Assets

Cost	Exploration equipment and vehicles	Total
As at December 31, 2017	\$ 46,200	\$46,200
Additions	-	-
As at June 30, 2018	\$ 46,200	\$ 46,200

Accumulated depreciation	Exploration equipment and vehicles	Total
As at December 31, 2017	\$ 10,228	\$ 10,228
Depreciation	5,351	5,351
As at June 30, 2018	\$ 15,579	\$ 15,579

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Financial Statements

For the periods ended June 30, 2018 and 2017

(Expressed in Canadian dollars unless otherwise indicated)

Carrying amount	Exploration equipment and vehicles	Total
As at December 31, 2017	\$ 35,972	\$ 35,972
As at June 30, 2018	\$ 30,621	\$ 30,621

#### 5. Resource Properties

On November 8, 2016, the Company completed its QT – the acquisition of the QT Option. The acquisition was accounted for as an asset acquisition, and the 6,750,000 common shares issued were valued at \$0.167 each for a 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 kilometre Area of Interest (“AOI”) as outlined in the QT 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 QT Option Agreement.

On March 30, 2017, the Company entered into the Second Option Agreement with Altius for the right to acquire an option to earn a 100% interest in 1,678 additional mineral claims (the “Second Option”). The acquisition of the Second Option closed June 23, 2017, was accounted for as an asset acquisition, and the 1,470,000 common shares issued were valued at \$0.30 each for total acquisition cost of \$441,000. The Company also incurred an additional \$19,983 of acquisition costs associated with the Second Option Agreement during the year ended December 31, 2017 and \$4,160 of acquisition costs on the Noel Paul block during the period ended June 30, 2018.

The acquisition costs of the Project are summarized as follows:

	Value \$
<b>Balance – March 23, 2016</b>	-
Issued 4,500,000 shares to acquire option on resource property	1,125,000
Acquired 171 additional claims within area of interest	11,115
<b>Balance – December 31, 2016</b>	1,136,115
Acquisition costs	460,983
<b>Balance – December 31, 2017</b>	1,597,098
Acquisition costs	4,160
<b>Balance – June 30, 2018</b>	1,601,258

The Company completed its earn-in on the QT Option Agreement and exercised the QT Option during the year ended December 31, 2017. The following table details the exploration expenditures incurred by the Company to December 31, 2017 and the exploration expenditures incurred during the period ended June 30, 2018:

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Financial Statements For the periods ended June 30, 2018 and 2017 (Expressed in Canadian dollars unless otherwise indicated)

	Balance December 31, 2017 \$	Period ended June 30, 2018 \$	Balance June 30, 2018 \$
Personnel	693,242	159,741	852,983
Contractors	310,511	3,500	314,011
Consultants	73,746	-	73,746
Analytical	83,890	8,471	92,361
Field expenses and equipment	410,530	32,656	443,186
Geophysics	551,225	-	551,225
Travel and office	237,469	5,184	242,653
Trenching	111,845	-	111,845
Drilling	246,555	-	246,555
Services fee	81,430	816	82,246
	2,800,443	210,368	3,010,811
Recoveries	(70,000)	-	(70,000)
	2,730,443	210,368	2,940,811

## 6. Shareholders' Equity

### i) Capital Stock

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

During the period from incorporation on March 23, 2016 to June 30, 2016, the Company issued a total of 12,600,000 common shares at \$0.033 per common share for gross proceeds of \$420,000. The Company incurred share issuance costs of \$1,462. These common shares are held in escrow pursuant to the requirements of the Exchange. The terms of escrow agreement stipulate that 1,260,000 (10%) of the escrowed shares would 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 1,890,000 (15%) every six months thereafter. As at June 30, 2018, 5,670,000 shares remained in escrow.

On September 12, 2016, the Company completed its IPO, issuing 4,500,000 common shares at \$0.067 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 450,000 common shares at a price of \$0.067 per share. The fair value of the warrants of \$15,698 was 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 82,500 common shares, which were valued at \$0.167 per share, for total financing fees of \$27,500.

On November 8, 2016, the Company completed its QT, being the acquisition of the QT Option from Altius to acquire a 100% interest in the Project in exchange for 6,750,000 common shares valued at \$1,125,000 and granting a 2% net smelter royalty (see note 5).

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Financial Statements**

**For the periods ended June 30, 2018 and 2017**

***(Expressed in Canadian dollars unless otherwise indicated)***

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The Company also completed a private placement, concurrent with the QT, issuing 9,900,000 common shares at a price of \$0.167 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 26,775 broker warrants for proceeds of \$1,785. The share price on the date on which the warrants were exercised was \$0.62.

On February 23, 2017, the Company completed an equity financing for gross proceeds of \$2,835,000 comprised of the sale of 3,743,400 common shares at \$0.467 per share and 1,920,141 flow-through common shares at \$0.567 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 commissions equal to \$148,203 and were issued 191,160 broker warrants with an exercise price of \$0.467 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 \$83,004. The Company also recorded a flow-through premium of \$192,000 (see note 9).

On March 7, 2017, the Company received proceeds of \$15,000 from the exercise of 225,000 warrants. The share price on the date the warrants were exercised was \$0.467.

On June 23, 2017, the Company issued 1,470,000 common shares, valued at \$441,000, to Altius pursuant to the closing of the Second Option (see note 5).

On July 5, 2017, the received proceeds of \$2,966 from the exercise of 44,494 warrants. The share price on the date the warrants were exercised was \$0.30.

On July 14, 2017, the Company completed a one and a half (1.5) for one share split of its common shares. All references to the number of common shares, stock options and warrants in these financial statements have been adjusted retrospectively to reflect the Company's share split during the year ended December 31, 2017.

#### **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.

On March 5, 2017, the Company granted 1,125,000 stock options to directors, officers, employees and consultants. The options are exercisable at a price of \$0.533 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.

On June 23, 2017, the Company granted 262,500 stock options to employees and a director. The options are exercisable at a price of \$0.50 per share and expire on June 23, 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.

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Financial Statements

For the periods ended June 30, 2018 and 2017

(Expressed in Canadian dollars unless otherwise indicated)

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There were no options granted during the period ended June 30, 2018.

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 year ended December 31, 2017 were as follows:

Risk-free interest rate	1.16%
Expected volatility	184%
Expected dividend yield	-
Expected life	5 years
Weighted-average fair value per option	\$0.437

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the 1,125,000 options granted on March 5, 2017 is \$538,248 and the estimated fair value of the 262,500 options granted on June 23, 2017 is \$67,725. This amount is amortized over the vesting period. \$478,636 was expensed during the year ended December 31, 2017 and \$127,337 has been expensed during the six-month period ended June 30, 2018. As at June 30, 2018, 1,387,500 options were vested.

The options outstanding as at June 30, 2018 are:

Weighted-Average Exercise Price per Share	Number of Options Outstanding	Expiry Date	Weighted-Average Remaining Contractual Life (in years)	Number of Options Exercisable
\$0.533	1,125,000	March 5, 2022	3.7	1,125,000
\$0.500	<u>262,500</u>	June 23, 2022	4.0	<u>262,500</u>
\$0.527	<u>1,387,500</u>		3.7	<u>1,387,500</u>

#### ii) Warrants

Pursuant to the IPO, Haywood received 450,000 broker warrants to purchase 450,000 common shares at a price of \$0.067 per share (the "IPO Warrants"). The IPO Warrants expire on September 12, 2018 and 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 191,160 broker warrants with an exercise price of \$0.467 (the "Feb. 2017 Warrants") and an expiry date of August 23, 2018.

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

	IPO Warrants	Feb. 2017 Warrants
Risk-free interest rate	1%	1%
Expected volatility	100%	100%
Expected dividend yield	-	-
Expected life	2 years	2 years
Fair value per warrant	\$0.035	\$0.215
Share issue costs – non-cash	\$15,698	\$41,219

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There were no warrants issued during the period ended June 30, 2018. The changes in the Company's warrants during the year ended December 31, 2017 are as follows:

	Expiry Date	Exercise Price	Number	Ascribed Value
		\$		\$
<b>Balance – January 1, 2017</b>			423,225	14,764
Warrants exercised			(269,494)	(9,387)
Broker warrants issued	August 23, 2018	\$0.467	191,160	41,219
<b>Balance – December 31, 2017 and June 30, 2018</b>			<u>344,891</u>	<u>46,596</u>

The warrants outstanding as at June 30, 2018 are:

Exercise Price	Number of Warrants Outstanding	Expiry Date	Number of Warrants Exercisable
\$0.067	153,731	September 12, 2018	153,731
\$0.467	<u>191,160</u>	August 23, 2018	<u>191,160</u>
	<u>344,891</u>		<u>344,891</u>

## 7. Related Party Transactions

The following related party 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.

### a) Operating agreement with Altius:

In connection with the QT Option Agreement, Altius became an insider of the Company, as it held 6,750,000 common shares, or approximately 17% of the issued and outstanding common shares. Therefore, the Second Option Agreement constituted a Related Party Transaction under TSX Venture Exchange policies. The acquisition of the Second Option was completed on June 23, 2017 and Altius was issued 1,470,000 additional common shares. Altius currently owns 8,220,000 common shares, approximately 19.92% of the issued and outstanding shares of the Company.

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 year ended December 31, 2017. No exploration services were provided by Altius during the six-month period ended June 30, 2018.

### b) Compensation of key management personnel:

Management and consulting fees in the amount of \$216,948 for the six-month period ended June 30, 2018 (year ended December 31, 2017 – \$432,609) were incurred for services of the President and CEO, a Strategic Advisor, the CFO, and the VP, Exploration of the Company.

The Company has consulting arrangements with the certain executives including the President and CEO and a Consultant of the Company which provide 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

# Antler Gold Inc.

## Notes to Unaudited Condensed Interim Financial Statements

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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.

### c) Administrative agreement:

At June 30, 2018 and December 31, 2017, the Company has an administrative agreement with a company owned by a director and an insider of Antler for the provision of administrative, accounting services, rent and other office costs, at a fee of \$4,500 per month and continuing until both parties mutually agree to terminate. Administrative service fees are incurred on a cost recovery basis and include general and administration charges such as utilities, accounting services and investor relations services of the Company.

During the period ended June 30, 2018, the Company incurred costs for administrative and accounting services in the amount of \$18,900 (year ended December 31, 2017 - \$36,150) and incurred rent, office costs, and other cost reimbursements, in the amount of \$14,664 (year ended December 31, 2017 - \$45,295).

## 8. Financial Instruments

### Credit risk

The Company's maximum exposure to credit risk is represented by the carrying amount of the Company's cash and amounts recoverable. The Company manages credit risk by maintaining its cash with high-credit quality financial institutions or in trust with the Company's lawyer. All of the sales taxes recoverable are with the Government of Canada.

### Liquidity risk

The Company's approach to managing liquidity risk is to continue to maintain a cash balance to be able to meet the funding of its liabilities when required. As at June 30, 2018, the Company had a cash balance of \$819,154 and a working capital balance of \$751,062. The Company's ability to continue to meet its liabilities, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

### Fair value

During the six-month period ended June 30, 2018, 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	\$819,154	\$ -	\$ -
Amounts recoverable	-	22,086	-
Accounts payable and accrued liabilities	-	113,065	-

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#### 9. 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:

	June 30, 2018 \$	June 30, 2017 \$
Operating loss before income taxes	(367,946)	(481,193)
Income tax recovery based on substantively enacted rates	(114,063)	(149,170)
Pro-rata reduction of flow-through premium liability	-	(93,223)
Current year loss and deductible temporary differences for which no asset recognized	74,410	83,138
Permanent differences and other	39,653	66,032
Income tax recovery	-	(93,223)

#### b) Flow-through share premium liability

	June 30, 2018 \$	June 30, 2017 \$
Opening balance	-	-
Flow-through share premium liability recorded on issuance of flow-through shares	-	192,000
Pro-rate reduction of flow-through premium liability	-	(93,223)
Ending balance	-	98,777

#### 10. Commitments

The Company has consulting arrangements with the certain executives including the President and CEO and a Consultant of the Company which provide that, should any 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 June 30, 2018 and December 31, 2017, the Company has an administrative agreement with a Company owned a director and consultant of the Company for the provision of administrative and accounting services, rent and other office costs, at a fee of \$4,500 per month and continuing until both parties mutually agree to terminate.

## **Antler Gold Inc.**

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#### **11. Subsequent events**

Subsequent to the end of the period on August 24, 2018, the Company closed financings previously announced on June 21, 2018 and August 14, 2018 subject to final acceptance of the TSX Venture Exchange. Gross proceeds of \$678,232 were raised pursuant to the financing through the issuance of 573,079 Units at a price of \$0.66 per Unit and 2,000,000 additional common shares at a price of \$0.15 per common share. Each Unit consists of three flow-through shares priced at \$0.17 per flow-through share and one common share priced at \$0.15 per common share. The total number of common shares issued was 4,292,316, of which 1,719,237 were issued as flow-through shares.

Numus Capital Corp. ("Numus Capital"), an Exempt Market Dealer and a related party owned by a director and an insider of Antler, acted as the broker for the Financing. Insiders and certain other existing shareholders of Antler ("Excluded Purchasers") subscribed for 250,758 Units under the Financing. As compensation for its services, Numus Capital received a cash commission of \$41,019, or 8.0% of the gross proceeds of the Financing, other than proceeds from the sale of any Units sold to Excluded Purchasers (the "Excluded Shares"). In addition, as further compensation, Antler has issued compensation warrants entitling Numus Capital ("Agent's Warrants") to purchase 263,143 common shares, which is equal to 8.0% of the number of Units sold under the Financing other than the Excluded Shares. These Agent's Warrants will be exercisable for a period of two years from the closing of the Financing with an exercise price of \$0.15 per common share.

All securities issued pursuant to the financings are subject to a four-month statutory hold period from the date of issue, which expires on December 25, 2018.

Subsequent to the end of the period, 105,847 warrants were issued at an exercise price of \$0.067, for gross proceeds of \$7,057. The share price at the time of exercise was \$0.15 per share.

On August 23, 2018, 191,160 warrants with an exercise price of \$0.467 expired unexercised.