

**Antler Gold Inc.**  
**Unaudited Condensed Interim  
Financial Statements**

**March 31, 2018**

May 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 March 31, 2018 and December 31, 2017

*(Expressed in Canadian dollars unless otherwise indicated)*

	As at March 31, 2018 \$	As at December 31, 2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	983,968	1,277,858
Amounts recoverable	87,063	172,490
Prepaid expenses	13,644	16,697
	<u>1,084,675</u>	<u>1,467,045</u>
<b>Capital assets (note 4)</b>	33,311	35,972
<b>Resource properties (note 5)</b>		
Acquisition cost	1,597,098	1,597,098
Exploration expenditures	2,819,340	2,730,443
	<u>4,416,438</u>	<u>4,327,541</u>
	<u>5,534,424</u>	<u>5,830,558</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	84,890	266,197
<b>Shareholders' equity (note 6)</b>		
Capital stock	6,180,997	6,180,997
Warrants	46,596	46,596
Contributed surplus	593,024	478,636
Deficit	(1,371,083)	(1,141,868)
	<u>5,449,534</u>	<u>5,564,361</u>
	<u>5,534,424</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-month periods ended March 31, 2018 and 2017  
(Expressed in Canadian dollars unless otherwise indicated)**

	Three-month period ended March 31, 2018	Three-month period ended March 31, 2017
	\$	\$
<b>Expenses</b>		
Salaries and benefits	29,117	-
Professional fees	4,249	21,123
Consulting fees	66,646	58,800
Banking fees	109	292
Regulatory and filing fees	5,954	11,255
Share-based compensation	114,388	50,833
Travel	655	19,975
Office costs	5,261	6,230
Insurance	2,836	2,834
	<hr/>	<hr/>
<b>Loss and comprehensive loss for the period</b>	<b>(229,215)</b>	<b>(171,342)</b>
	<hr/>	<hr/>
<b>Weighted average number of shares outstanding during the period</b>	<b>41,262,310</b>	<b>36,147,184</b>
	<hr/>	<hr/>
<b>Basic and diluted loss per share</b>	<b>(0.006)</b>	<b>(0.005)</b>
	<hr/>	<hr/>

*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 March 31, 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
Share-based compensation	-	-	-	-	50,833	-	50,833
Loss and comprehensive loss for the period	-	-	-	-	-	(171,342)	(171,342)
<b>Balance – March 31, 2017</b>	<b>39,747,816</b>	<b>5,735,489</b>	<b>389,385</b>	<b>48,138</b>	<b>50,833</b>	<b>(438,566)</b>	<b>5,395,894</b>
Shares issued on exercise of broker warrants	44,494	4,508	(44,494)	(1,542)	-	-	2,966
Shares issued pursuant to mineral property option (note 5)	1,470,000	441,000	-	-	-	-	441,000
Share-based compensation	-	-	-	-	427,803	-	427,803
Loss and comprehensive loss for the period	-	-	-	-	-	(703,302)	(703,302)
<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	-	-	-	-	114,388	-	114,388
Loss and comprehensive loss for the period	-	-	-	-	-	(229,215)	(229,215)
<b>Balance – March 31, 2018</b>	<b>41,262,310</b>	<b>6,180,997</b>	<b>344,891</b>	<b>46,596</b>	<b>593,024</b>	<b>(1,371,083)</b>	<b>5,449,534</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 March 31, 2017 and December 31, 2017.

# Antler Gold Inc.

## Unaudited Condensed Interim Statement of Cash Flows For the three-month periods ended March 31, 2018 and 2017 (Expressed in Canadian dollars unless otherwise indicated)

	Three-month period ended March 31, 2018	Three-month period ended March 31, 2017
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	(229,215)	(171,342)
<i>Non-cash items</i>		
Share-based compensation	114,388	50,833
	<u>(114,827)</u>	<u>(120,509)</u>
Net changes in non-cash working capital balances related to operations:		
Decrease (increase) in amounts recoverable	85,427	(99,033)
Decrease (increase) in prepaid expenses	3,053	(11,849)
Increase (decrease) in accounts payable and accrued liabilities	(25,486)	149,805
	<u>(51,833)</u>	<u>(81,586)</u>
<b>Investing activities</b>		
Acquisition of capital assets	-	(7,905)
Resource property expenditures	(242,057)	(436,665)
	<u>(242,057)</u>	<u>(444,570)</u>
<b>Financing activities</b>		
Proceeds from issuance of common shares - net	-	2,602,260
Proceeds on the exercise of warrants	-	15,000
	<u>-</u>	<u>2,617,260</u>
<b>Net change in cash during the period</b>	<b>(293,890)</b>	<b>2,091,104</b>
<b>Cash – beginning of period</b>	<b>1,277,858</b>	<b>2,084,370</b>
<b>Cash – end of period</b>	<b>983,968</b>	<b>4,175,474</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 March 31, 2018 and March 31, 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 and must provide notice to Altius 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 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 March 31, 2018 and March 31, 2017**

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

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The Company incurred a net loss of \$229,215 for the period-ended March 31, 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 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, 2017.

The policies applied in these unaudited condensed interim financial statements are based on the IFRS as of May 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. Refer to note 2, *Significant Accounting Policies*, of the Company's annual financial statements for the year ended



## **Antler Gold Inc.**

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

**For the periods ended March 31, 2018 and March 31, 2017**

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

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December 31, 2017 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. Capital Assets**

<b>Cost</b>	<b>Exploration equipment and vehicles</b>	<b>Total</b>
As at December 31, 2017	\$ 46,200	\$46,200
Additions	-	-
As at March 31, 2018	\$ 46,200	\$ 46,200

<b>Accumulated depreciation</b>	<b>Exploration equipment and vehicles</b>	<b>Total</b>
As at December 31, 2017	\$ 10,228	\$ 10,228
Depreciation	2,661	2,661
As at March 31, 2018	\$ 12,889	\$ 12,889

<b>Carrying amount</b>	<b>Exploration equipment and vehicles</b>	<b>Total</b>
As at March 31, 2018	\$ 33,311	\$ 33,311
As at December 31, 2017	\$ 35,972	\$ 35,972

#### **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.

## **Antler Gold Inc.**

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

**For the periods ended March 31, 2018 and March 31, 2017**

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

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.

The acquisition costs of the Project are summarized as follows:

	<b>Value</b>
	<b>\$</b>
<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	<u>11,115</u>
<b>Balance – December 31, 2016</b>	1,136,115
Acquisition costs	<u>460,983</u>
<b>Balance – December 31, 2017 and March 31, 2018</b>	<u>1,597,098</u>

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 March 31, 2018:

	<b>Balance</b>	<b>Period ended</b>	<b>Balance</b>
	<b>December 31,</b>	<b>March 31,</b>	<b>March 31,</b>
	<b>2017</b>	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Personnel	693,242	58,811	752,053
Contractors	310,511	3,000	313,511
Consultants	73,746	-	73,746
Analytical	83,890	4,598	88,488
Field expenses and equipment	410,530	21,876	432,406
Geophysics	551,225	-	551,225
Travel and office	237,469	-	237,469
Trenching	111,845	-	111,845
Drilling	246,555	-	246,555
Services fee	81,430	612	82,042
	<u>2,800,443</u>	<u>88,897</u>	<u>2,889,340</u>
Recoveries	(70,000)	-	(70,000)
	<u>2,730,443</u>	<u>88,897</u>	<u>2,819,340</u>

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Financial Statements For the periods ended March 31, 2018 and March 31, 2017 (Expressed in Canadian dollars unless otherwise indicated)**

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#### **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 March 31, 2018, 7,560,000 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).

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).

## **Antler Gold Inc.**

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

**For the periods ended March 31, 2018 and March 31, 2017**

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

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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.

There were no options granted during the period-ended March 31, 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 \$67,724. This amount is amortized over the vesting period.

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Financial Statements For the periods ended March 31, 2018 and March 31, 2017 (Expressed in Canadian dollars unless otherwise indicated)

\$478,636 was expensed during the year ended December 31, 2017 and \$114,388 has been expensed during the three-month period ended March 31, 2018. As at March 31, 2018, 1,256,250 options were vested.

The options outstanding as at March 31, 2018 are:

Weighted-Average Exercise Price per Share (\$)	Number of Options Outstanding	Expiry Date	Weighted-Average Remaining Contractual Life (years)	Number of Options Exercisable
\$0.533	1,125,000	March 5, 2022	3.9	1,125,000
\$0.500	<u>262,500</u>	June 23, 2022	4.2	<u>131,250</u>
\$0.527	<u>1,387,500</u>		4.0	<u>1,256,250</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

There were no warrants issued during the three-month period ended March 31, 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 \$
Balance – January 1, 2017			423,225	14,764
Warrants exercised			(269,494)	(9,387)
Broker warrants issued	August 23, 2018	\$0.467	<u>191,160</u>	<u>41,219</u>
Balance – December 31, 2017 and March 31, 2018			<u>344,891</u>	<u>46,596</u>

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Financial Statements For the periods ended March 31, 2018 and March 31, 2017 (Expressed in Canadian dollars unless otherwise indicated)**

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#### **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 three-month period ended March 31, 2018.

##### **b) Compensation of key management personnel:**

Management and consulting fees in the amount of \$108,446 for the three-month period ended March 31, 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 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) Management services agreement:**

At March 31, 2018 and December 31, 2017, the Company has a management services agreement with a company owned by a director and an insider of Antler for the provision of management services, accounting services, rent and other office costs, at a fee of \$4,500 per month and continuing until both parties mutually agree to terminate. Management 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 March 31, 2018, the Company incurred costs for management and accounting services in the amount of \$9,450 (year ended December 31, 2017 - \$36,150) and incurred rent, office costs, and other cost reimbursements, in the amount of \$6,121 (year ended December 31, 2017 - \$45,295).

# Antler Gold Inc.

## Notes to Unaudited Condensed Interim Financial Statements For the periods ended March 31, 2018 and March 31, 2017 (Expressed in Canadian dollars unless otherwise indicated)

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### 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 March 31, 2018, the Company had a cash balance of \$983,968 and a working capital balance of \$999,785. 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 three-month period ended March 31, 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	\$ 983,968	\$ -	\$ -
Amounts recoverable	-	87,063	-
Accounts payable and accrued liabilities	-	84,890	-

### 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:

	March 31, 2018 \$	March 31, 2017 \$
Operating loss before income taxes	(229,215)	(171,342)
Income tax recovery based on substantively enacted rates	(71,057)	(53,116)
Current year loss and deductible temporary differences for which no asset recognized	35,588	37,358
Permanent differences and other	35,469	15,758
Income tax recovery	-	-

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Financial Statements For the periods ended March 31, 2018 and March 31, 2017 (Expressed in Canadian dollars unless otherwise indicated)**

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

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>\$</b>	<b>\$</b>
Opening balance	-	-
Flow-through share premium liability recorded on issuance of flow-through shares	-	192,000
Pro-rate reduction of flow-through premium liability	-	-
Ending balance	<u>-</u>	<u>192,000</u>

#### **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 March 31, 2018 and December 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 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