

Antler Gold Inc.
(formerly Northwest Arm Capital Inc.)

**Unaudited Condensed Interim
Financial Statements**

September 30, 2017

November 28, 2017

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 September 30, 2017 and December 31, 2016

(Expressed in Canadian dollars unless otherwise indicated)

	As at September 30, 2017 \$	As at December 31, 2016 \$
Assets		
Current assets		
Cash	2,264,301	2,084,370
Amounts recoverable	70,265	84,912
Deposits and prepaid expenses	14,364	10,019
	<u>2,348,930</u>	<u>2,179,301</u>
Capital assets (note 4)	<u>39,465</u>	-
Resource properties (note 5)		
Acquisition cost	1,597,098	1,136,115
Exploration expenditures	2,047,906	522,151
	<u>3,645,004</u>	<u>1,658,266</u>
	<u>6,033,399</u>	<u>3,837,567</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	322,794	747,957
Premium liability (note 9)	2,987	-
	<u>325,781</u>	<u>747,957</u>
Shareholders' equity (note 6)		
Capital stock	6,180,997	3,342,070
Warrants	46,596	14,764
Contributed surplus	353,356	-
Deficit	(873,331)	(267,224)
	<u>5,707,618</u>	<u>3,089,610</u>
	<u>6,033,399</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 and nine-month periods ended September 30, 2017 and 2016
(Expressed in Canadian dollars unless otherwise indicated)**

	Three-month period ended September 30, 2017 \$	Three-month period ended September 30, 2016 \$	Nine-month period ended September 30, 2017 \$	Nine-month period ended September 30, 2016 \$
Expenses				
Salaries and benefits	14,005	-	36,933	-
Professional fees	7,952	25,000	47,909	26,750
Consulting fees	71,896	-	192,196	-
Financing fees (note 6)	-	27,500	-	27,500
Regulatory and filing fees	39,506	665	76,156	3,165
Share-based compensation	142,170	-	353,356	-
Travel	15,323	-	43,705	-
Office costs	20,176	-	36,264	-
Insurance	2,899	-	8,601	-
Loss from operations before income taxes	(313,927)	(53,165)	(795,120)	(57,415)
Income tax recovery (note 9)	95,790	-	189,013	-
Loss and comprehensive loss for the period	(218,137)	(53,165)	(606,107)	(57,415)
Weighted average number of shares outstanding during the period	41,260,354	13,497,363	39,118,936	9,773,089
Basic and diluted loss per share	(0.005)	(0.004)	(0.015)	(0.006)

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 September 30, 2017 and 2016 and December 31, 2016 (Expressed in Canadian dollars unless otherwise indicated)

	Common Shares ¹	Share Capital	Warrants ¹	Warrants	Contributed Surplus	Deficit	Total Equity
	#	\$	#	\$	\$	\$	\$
Balance – March 31, 2016	-	-	-	-	-	-	-
Shares issued for cash	12,600,000	420,000	-	-	-	-	420,000
Shares issued for cash	4,500,000	300,000	-	-	-	-	300,000
Share issue costs	-	(84,607)	-	-	-	-	(84,607)
Broker warrants	-	(15,698)	450,000	15,698	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	-	(57,415)	(57,415)
Balance – September 30, 2016	17,100,000	619,695	450,000	15,698	-	(57,415)	577,978
Shares issued for compensation	82,500	13,750	-	-	-	-	13,750
Shares issued for mineral property option (note 5)	6,750,000	1,125,000	-	-	-	-	1,125,000
Shares issued for cash	9,900,000	1,650,000	-	-	-	-	1,650,000
Share issue costs	-	(69,094)	-	-	-	-	(69,094)
Shares issued on exercise of broker warrants	26,775	2,719	(26,775)	(934)	-	-	1,785
Loss and comprehensive loss for the period	-	-	-	-	-	(209,809)	(209,809)
Balance – December 31, 2016	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	269,494	27,353	(269,494)	(9,387)	-	-	17,966
Shares issued pursuant to option agreement (note 5)	1,470,000	441,000	-	-	-	-	441,000
Stock-based compensation	-	-	-	-	353,356	-	353,356
Loss and comprehensive loss for the period	-	-	-	-	-	(606,107)	(606,107)
Balance – September 30, 2017	41,262,310	6,180,997	344,891	46,596	353,356	(873,331)	5,707,618

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

¹ 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 September 30, 2017 and 2016 and December 31, 2016.

Antler Gold Inc.

Unaudited Condensed Interim Statement of Cash Flows For the nine-month periods ended September 30, 2017 and 2016 (Expressed in Canadian dollars unless otherwise indicated)

	Nine-month period ended September 30, 2017 \$	Nine-month period ended September 30, 2016 \$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(606,107)	(57,415)
<i>Non-cash items</i>		
Share-based compensation	353,356	-
Income tax recovery	(189,013)	-
	<u>(441,764)</u>	<u>(57,415)</u>
Net changes in non-cash working capital balances related to operations:		
Decrease (increase) in amounts recoverable	14,647	(9,211)
Increase in prepaid expenses	(4,345)	-
Increase (decrease) in accounts payable and accrued liabilities	(163,512)	63,031
	<u>(594,974)</u>	<u>(3,595)</u>
Investing activities		
Acquisition of capital assets	(46,200)	-
Resource property expenditures	(1,800,654)	-
	<u>(1,846,854)</u>	<u>-</u>
Financing activities		
Proceeds from issuance of common shares - net	2,603,793	635,393
Increase in deferred share issuance costs	-	(10,750)
Proceeds on the exercise of warrants	17,966	-
	<u>2,621,759</u>	<u>624,643</u>
Net change in cash during the period	179,931	621,048
Cash – beginning of period	2,084,370	-
Cash – end of period	2,264,301	621,048

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 September 30, 2017 and September 30, 2016 (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 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”). To exercise the Second Option, the Company will have to issue 1,470,000 common shares to Altius, which was completed during the period ended September 30, 2017, and must incur exploration expenditures of at least \$300,000 on these claims within 12 months. Altius will retain a 2% NSR in the event the Second Option is exercised by the Company.

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

Antler Gold Inc.

Notes to Unaudited Condensed Interim Financial Statements

For the periods ended September 30, 2017 and September 30, 2016

(Expressed in Canadian dollars unless otherwise indicated)

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 period-ended December 31, 2016.

The policies applied in these unaudited condensed interim financial statements are based on the IFRS as of November 28, 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 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 period-ended December 31, 2016. Refer to note 2, *Significant Accounting Policies*, of the Company's annual financial statements for the period-ended December 31, 2016 for information on the accounting policies as well as new accounting standards not yet effective.

a) Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. As permitted under the Income Tax Act (Canada), the tax attributes of eligible expenditures incurred with the proceeds of flow-through share issuances are renounced to the flow-through shareholders. At the time of share issuance, the proceeds are allocated between share capital and the obligation to deliver the tax deduction. The allocation is based on the estimated fair value of the tax deduction to the flow-through shareholders. The fair value is estimated using market data at the date of the flow-through share issuance.

In accordance with IFRS, deferred income taxes related to the temporary differences created by the renouncement of flow-through share tax benefits to subscribers are recorded on a pro-rata basis when the qualified expenditures are incurred. When the qualified expenditures are incurred, the tax value of the renunciation is recorded on a pro-rata basis as a deferred income tax liability with a corresponding charge to income tax expense in the statements of loss and comprehensive loss. Additionally, as qualified expenditures are incurred, the Company recognizes a pro-rata reduction of the flow-through premium liability as a recovery of deferred income taxes in the statements of loss and comprehensive loss.

b) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the declining-balance method at the annual rate of 30% for exploration equipment and vehicles.

Antler Gold Inc.

Notes to Unaudited Condensed Interim Financial Statements For the periods ended September 30, 2017 and September 30, 2016 (Expressed in Canadian dollars unless otherwise indicated)

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, 2016	\$ -	\$ -
Additions	46,200	46,200
As at September 30, 2017	\$ 46,200	\$ 46,200

Accumulated depreciation	Exploration equipment and vehicles	Total
As at December 31, 2016	\$ -	\$ -
Depreciation	6,735	6,735
As at September 30, 2017	\$ 6,735	\$ 6,735

Carrying amount	Exploration equipment and vehicles	Total
As at September 30, 2017	\$ 39,465	\$ 39,465
As at December 31, 2016	\$ -	\$ -

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.

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Notes to Unaudited Condensed Interim Financial Statements

For the periods ended September 30, 2017 and September 30, 2016

(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:

	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>460,983</u>
Balance – September 30, 2017	<u>1,597,098</u>

During the period from September 16, 2016, the signing of the QT 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. During the nine-month period ended September 30, 2017, the Company incurred a total of \$1,525,755 of exploration expenses on the Project. The Company completed its earn-in on the QT Option Agreement and exercised the QT Option during the quarter-ended June 30, 2017.

The following table details the exploration expenditures incurred during the period from September 16, 2016 to December 31, 2016 and the nine-month period ended September 30, 2017:

	Period ended December 31, 2016 \$	Period ended September 30, 2017 \$	Balance September 30, 2017 \$
Personnel	140,322	348,990	489,312
Contractors	155,121	119,283	274,404
Consultants	54,546	19,200	73,746
Analytical	43,667	32,021	75,688
Field expenses and equipment	47,178	239,848	287,026
Geophysics	26,832	524,393	551,225
Travel and office	23,169	167,860	191,029
Trenching	-	50,250	50,250
Services fee	31,316	23,910	55,226
	<u>522,151</u>	<u>1,525,755</u>	<u>2,047,906</u>

Antler Gold Inc.

Notes to Unaudited Condensed Interim Financial Statements For the periods ended September 30, 2017 and September 30, 2016 (Expressed in Canadian dollars unless otherwise indicated)

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. On September 30, 2017, 9,450,000 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 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 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 24, 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 September 30, 2017 and September 30, 2016 (Expressed in Canadian dollars unless otherwise indicated)

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 have been adjusted retrospectively to reflect the Company's share split for the periods ended September 30, 2017 and 2016 and December 31, 2016.

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.

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 nine-month period ended September 30, 2017 were as follows:

Risk-free interest rate	1%
Expected volatility	105%
Expected dividend yield	-
Expected life	5 years
Weighted average fair value per option	\$0.339

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 \$406,666, and the estimated fair value of the 262,500 options granted on June 23, 2017 is \$62,825. This amount is amortized over the vesting period, and \$353,356 has been expensed during the nine-month period ended September 30, 2017. As at September 30, 2017, 562,500 options were vested.

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Notes to Unaudited Condensed Interim Financial Statements For the periods ended September 30, 2017 and September 30, 2016 (Expressed in Canadian dollars unless otherwise indicated)

Changes in stock options during the nine-month period ended September 30, 2017 are summarized as follows:

	Expiry Date	Exercise Price \$	Number of Options
Balance – December 31, 2016			-
Options granted	March 5, 2022	\$0.533	1,125,000
Options granted	June 23, 2022	\$0.500	262,500
Balance – September 30, 2017		\$0.527	<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 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	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

The changes in the Company’s warrants during the nine-month period ended September 30, 2017 are as follows:

	Expiry Date	Exercise Price \$	Number	Ascribed Value \$
Balance – March 23, 2016			-	-
Broker warrants issued	Sept 12, 2018	\$0.067	450,000	15,698
Warrants exercised			<u>(26,775)</u>	<u>(934)</u>
Balance – December 31, 2016			423,225	14,764
Warrants exercised			<u>(269,494)</u>	<u>(9,387)</u>
Broker warrants issued	August 24, 2018	\$0.467	191,160	41,219
Balance – September 30, 2017			<u>344,891</u>	<u>46,596</u>

Antler Gold Inc.

Notes to Unaudited Condensed Interim Financial Statements For the periods ended September 30, 2017 and September 30, 2016 (Expressed in Canadian dollars unless otherwise indicated)

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 (4,500,000 common shares pre-split), or approximately 17% of the issued and outstanding common shares. Therefore, the Second Option Agreement constituted a Related Party Transaction under TSX Venture Exchange (the "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 nine-month period ended September 30, 2017 (period-ended December 31, 2016 - \$31,316).

b) Compensation of key management personnel:

Management and consulting fees in the amount of \$274,163 for the nine-month period ended September 30, 2017 (period ended December 31, 2016 – accrued \$77,000) were incurred for services of the President and CEO, a Strategic Advisor, the CFO and a Director of the Company.

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.

c) Management services agreement:

At September 30, 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 September 30, 2017, the Company incurred costs for management services in the amount of \$23,450, and incurred rent, office costs, and other cost reimbursements, in the amount of \$37,821.

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Notes to Unaudited Condensed Interim Financial Statements For the periods ended September 30, 2017 and September 30, 2016 (Expressed in Canadian dollars unless otherwise indicated)

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 September 30, 2017, the Company had a cash balance of \$2,264,301 and a working capital balance of \$2,023,149. 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 nine-month period ended September 30, 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	\$ 2,264,301	\$ -	\$ -
Amounts recoverable	-	70,265	-
Accounts payable and accrued liabilities	-	322,794	-

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:

	September 30, 2017 \$	September 30, 2016 \$
Operating loss before income taxes	(606,107)	(57,415)
Income tax recovery based on substantively enacted rates	(187,893)	(17,799)
Pro-rata reduction of flow-through premium liability	(189,013)	-
Current year loss and deductible temporary differences for which no asset recognized	77,716	17,799
Permanent differences and other	110,177	-
Income tax recovery	(189,013)	-

Antler Gold Inc.

Notes to Unaudited Condensed Interim Financial Statements For the periods ended September 30, 2017 and September 30, 2016 (Expressed in Canadian dollars unless otherwise indicated)

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

	September 30, 2017	December 31, 2016
	\$	\$
Non-capital loss carry-forwards	764,066	266,888
Financing fees	295,263	151,903

The non-capital losses expire between 2036 and 2037.

b) Flow-through share premium liability

	September 30, 2017
	\$
Opening balance	-
Flow-through shares premium liability recorded on issuance of flow-through shares (Note 6)	192,000
Pro-rata reduction of flow-through premium liability	(189,013)
Ending balance	2,987