

**Antler Gold Inc.**

**Unaudited Condensed Interim  
Financial Statements**

**March 31, 2019**

May 27, 2019

### **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, 2019 and December 31, 2018

(Expressed in Canadian dollars unless otherwise indicated)

	As at March 31, 2019 \$	As at December 31, 2018 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	446,777	606,773
Amounts recoverable	55,458	58,970
Prepaid expenses	18,248	19,585
	<u>520,483</u>	<u>685,328</u>
<b>Capital assets (note 4)</b>	<u>23,317</u>	<u>25,180</u>
<b>Resource properties (note 5)</b>		
Acquisition cost	1,381,600	1,381,600
Exploration expenditures	3,323,706	3,283,300
	<u>4,705,306</u>	<u>4,664,900</u>
	<u>5,249,106</u>	<u>5,375,408</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	<u>77,711</u>	<u>62,628</u>
<b>Shareholders' equity (note 6)</b>		
Capital stock	6,740,337	6,740,337
Warrants	26,247	26,247
Contributed surplus	650,917	647,771
Deficit	<u>(2,246,106)</u>	<u>(2,101,575)</u>
	<u>5,171,395</u>	<u>5,312,780</u>
	<u>5,249,106</u>	<u>5,375,408</u>

**Going concern (note 1)**

**Commitments (note 10)**

**Subsequent event (note 11)**

**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, 2019 and 2018  
(Expressed in Canadian dollars unless otherwise indicated)

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	<b>Three-month period ended March 31, 2019</b>	<b>Three-month period ended March 31, 2018</b>
	\$	\$
<b>Expenses</b>		
Salaries and benefits	764	29,117
Professional fees	13,080	4,249
Consulting fees	69,729	66,646
Regulatory and filing fees	7,087	5,954
Share-based compensation	3,146	114,388
Travel	14,638	655
Office costs	12,826	5,370
Property investigation costs	20,000	-
Insurance	3,261	2,836
	<hr/>	<hr/>
<b>Loss and comprehensive loss for the period</b>	<b>(144,531)</b>	<b>(229,215)</b>
	<hr/>	<hr/>
<b>Weighted average number of shares outstanding during the period</b>	<b>45,691,818</b>	<b>41,262,310</b>
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<b>Basic and diluted loss per share</b>	<b>(0.003)</b>	<b>(0.006)</b>
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*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, 2019 and 2018 and December 31, 2018**  
*(Expressed in Canadian dollars unless otherwise indicated)*

	Common Shares	Share Capital	Warrants	Warrants	Contributed Surplus	Deficit	Total Equity
	#	\$	#	\$	\$	\$	\$
<b>Balance – January 1, 2018</b>	41,262,310	6,180,997	344,891	46,596	478,636	(1,141,868)	5,564,361
Share-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>
Shares issued for cash	4,292,316	678,232	-	-	-	-	678,232
Share issue costs	-	(72,589)	-	-	-	-	(72,589)
Flow-through premium	-	(34,000)	-	-	-	-	(34,000)
Broker warrants	-	(26,247)	243,943	26,247	-	-	-
Shares issued on exercise of broker warrants	137,192	13,944	(137,192)	(4,798)	-	-	9,146
Warrant expiry	-	-	(207,699)	(41,798)	41,798	-	-
Share-based compensation	-	-	-	-	12,949	-	12,949
Loss and comprehensive loss for the period	-	-	-	-	-	(730,492)	(730,492)
<b>Balance – December 31, 2018</b>	<b>45,691,818</b>	<b>6,740,337</b>	<b>243,943</b>	<b>26,247</b>	<b>647,771</b>	<b>(2,101,575)</b>	<b>5,312,780</b>
Share-based compensation	-	-	-	-	3,146	-	3,146
Loss and comprehensive loss for the period	-	-	-	-	-	(144,531)	(144,531)
<b>Balance – March 31, 2019</b>	<b>45,691,818</b>	<b>6,740,337</b>	<b>243,943</b>	<b>26,247</b>	<b>650,917</b>	<b>(2,246,106)</b>	<b>5,171,395</b>

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

# Antler Gold Inc.

## Unaudited Condensed Interim Statement of Cash Flows For the three-month periods ended March 31, 2019 and 2018 (Expressed in Canadian dollars unless otherwise indicated)

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	Three-month period ended March 31, 2019 \$	Three-month period ended March 31, 2018 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	(144,531)	(229,215)
<i>Non-cash items</i>		
Share-based compensation	3,146	114,388
	<u>(141,385)</u>	<u>(114,827)</u>
Net changes in non-cash working capital balances related to operations:		
Decrease in amounts recoverable	3,512	85,427
Decrease in prepaid expenses	1,337	3,053
Increase (decrease) in accounts payable and accrued liabilities	20,428	(25,486)
	<u>(116,108)</u>	<u>(51,833)</u>
<b>Investing activities</b>		
Resource property expenditures	<u>(43,888)</u>	<u>(242,057)</u>
<b>Net change in cash during the period</b>	<b>(159,996)</b>	<b>(293,890)</b>
<b>Cash – beginning of period</b>	<b>606,773</b>	<b>1,277,858</b>
<b>Cash – end of period</b>	<b>446,777</b>	<b>983,968</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, 2019 and 2018**

***(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.

Antler'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 year ended December 31, 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 March 31, 2019 and 2018**

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

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The Company incurred a net loss of \$144,531 for the period ended March 31, 2019 (net loss of \$959,707 for the year ended December 31, 2018) 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. 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, 2018.

The policies applied in these unaudited condensed interim financial statements are based on the IFRS as of May 27, 2019, 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, 2019 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, 2018, 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 March 31, 2019 and 2018**

***(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, 2018 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, 2019, the Company adopted IFRS 16, *Leases* ("IFRS 16"). 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, 2019.

#### *Description of IFRS 16*

IFRS 16, *Leases* ("IFRS 16"), a new standard on lease accounting, was issued on January 13, 2016 and replaces the current guidance in IAS 17. The new standard results in substantially all lessee leases being recorded on the statements of financial position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company has one operating lease for office space which the Company considers to be a short-term lease at the commencement date and therefore there was no impact to the financial statements when the standard was adopted. The Company will monitor all leases for appropriate recognition in future periods.

#### *IFRIC 23, Uncertainty over Income Tax Treatments*

On June 7, 2017, the IASB issued IFRIC Interpretation 23, *Uncertainty over Income Tax Treatments*. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Early application is permitted. The Interpretation clarifies the accounting for income tax treatments (current and deferred tax) that have yet to be accepted by tax authorities. The Company adopted the Interpretation in its financial statements for the annual period beginning on January 1, 2019, and it did not have a material impact on the Company's financial statements.

### **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.

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Financial Statements For the periods ended March 31, 2019 and 2018 (Expressed in Canadian dollars unless otherwise indicated)

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#### 4. Capital Assets

<b>Cost</b>	<b>Exploration equipment and vehicles</b>
As at December 31, 2018 and March 31, 2019	<u>\$ 46,200</u>
<b>Accumulated depreciation</b>	<b>Exploration equipment and vehicles</b>
As at December 31, 2018	\$ 21,020
Depreciation	<u>1,863</u>
As at March 31, 2019	<u>\$ 22,883</u>
<b>Carrying amount</b>	<b>Exploration equipment and vehicles</b>
As at December 31, 2018	<u>\$ 25,180</u>
As at March 31, 2019	<u>\$ 23,917</u>

Depreciation of exploration equipment and vehicles is recorded as an addition to resource exploration expenditures.

#### 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 (“AOP”) 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 year ended December 31, 2018.

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Financial Statements

**For the periods ended March 31, 2019 and 2018**

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

The acquisition costs of the Project are summarized as follows:

	Value \$
<b>Balance – December 31, 2016</b>	1,136,115
Acquisition costs	<u>460,983</u>
<b>Balance – December 31, 2017</b>	1,597,098
Acquisition costs	4,680
Write-off of acquisition costs (see below)	<u>(220,178)</u>
<b>Balance – December 31, 2018 and March 31, 2019</b>	<u>1,381,600</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, 2018 and the exploration expenditures incurred during the period ended March 31, 2019:

	Balance December 31, 2018 \$	Period ended March 31, 2019 \$	Balance March 31, 2019 \$
Personnel	1,107,904	32,699	1,140,603
Contractors	314,011	-	314,011
Consultants	73,746	-	73,746
Analytical	404,507	4,806	409,313
Field expenses and equipment	263,443	2,697	266,140
Geophysics	636,185	-	636,185
Travel and office	281,939	-	281,939
Trenching	135,428	-	135,428
Drilling	246,555	-	246,555
Services fee	82,858	204	83,062
	<u>3,546,576</u>	<u>40,406</u>	<u>3,586,982</u>
Recoveries	(107,670)	-	(107,670)
Write-off of resource properties	(155,606)	-	(155,606)
	<u>3,283,300</u>	<u>40,406</u>	<u>3,323,706</u>

During the year ended December 31, 2018, the Company completed a strategic review of its claim holdings. As a result, claims on certain Second Option properties, including Intersection, Victoria Lake, Victoria River, and Wilding Lake East, were surrendered during the period ended March 31, 2019. A write-off of the costs associated with these non-core blocks was recorded during the year ended December 31, 2018 in the amount of \$375,784, including \$220,178 of acquisition costs and \$155,606 of exploration expenditures.

## **Antler Gold Inc.**

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

**For the periods ended March 31, 2019 and 2018**

***(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

On August 24, 2018, the Company completed a private placement financing. 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 consisted 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 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 310,757 Units under the Financing. As compensation for its services, Numus Capital received a cash commission of \$37,851, 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"). Antler also issued compensation warrants entitling Numus Capital ("Broker Warrants") to purchase 243,943 common shares, which is equal to 8.0% of the number of shares sold under the Financing other than the Excluded Shares. These Broker Warrants have an exercise price of \$0.15 per common share and expire on August 24, 2020. The Company has allocated a value of \$26,247 to the value of the Broker Warrants issued, calculated using the Black-Scholes option pricing model. The Company incurred other direct share issuance costs of \$34,738, consisting primarily of professional fees and regulatory costs. The Company also recorded a flow-through premium of \$34,000 related to the issuance of flow-through shares pursuant to the financing (see note 9).

All securities issued pursuant to the August 24, 2018 financing were subject to a four-month statutory hold period from the date of issue, which expired on December 25, 2018.

In August 2018, the Company received proceeds of \$7,056 from the exercise of 105,847 warrants. The share price on the date the warrants were exercised was \$0.16.

On September 24, 2018, the Company received proceeds of \$2,090 from the exercise of 31,345 warrants. The share price on the date the warrants were exercised was \$0.15.

During the year ended December 31, 2018, 16,539 warrants with an exercise price of \$0.067 and 191,160 warrants with an exercise price of \$0.467 expired unexercised.

##### **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 February 12, 2019, the Company granted 200,000 stock options to a consultant of the Company. The options are exercisable at a price of \$0.15 per share and expire on February 12, 2024. 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 year ended December 31, 2018.

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Financial Statements

For the periods ended March 31, 2019 and 2018

(Expressed in Canadian dollars unless otherwise indicated)

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 vested 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 vested at a rate of 50% of the total on each of the six and 12-month anniversaries of the grant date.

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. Weighted-average assumptions used in the pricing model for the options issued during the period ended March 31, 2019 were as follows:

Risk-free interest rate	1.79%
Expected volatility	121%
Expected dividend yield	-
Expected life	5 years
Weighted-average fair value per option	\$0.084

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the 200,000 options granted on February 12, 2019 is \$16,777, 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. \$127,337 was expensed during the year ended December 31, 2018, and \$3,146 has been expensed during the three-month period ended March 31, 2019. As at March 31, 2019, 1,387,500 options had vested. The 200,000 options issued on February 12, 2019 remain unvested as at March 31, 2019.

The options outstanding as at March 31, 2019 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	2.9	1,125,000
\$0.500	262,500	June 23, 2022	3.2	262,500
\$0.150	<u>200,000</u>	February 12, 2024	4.9	<u>-</u>
\$0.392	<u>1,587,500</u>		2.6	<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 were recorded at fair value, which was estimated using the Black-Scholes option pricing model, and the unexercised IPO Warrants expired on September 12, 2018. 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"). These 191,160 broker warrants

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Financial Statements

For the periods ended March 31, 2019 and 2018

(Expressed in Canadian dollars unless otherwise indicated)

expired unexercised on August 23, 2018. Pursuant to the August 24, 2018 financing, the Company issued 243,943 warrants with an exercise price of \$0.15, expiring August 24, 2020. There were no warrants issued during the period ended March 31, 2019.

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

	IPO Warrants	Feb. 2017 Warrants	Aug. 2018 Warrants
Risk-free interest rate	1%	1%	2%
Expected volatility	100%	100%	119%
Expected dividend yield	-	-	-
Expected life	2 years	2 years	2 years
Fair value per warrant	\$0.035	\$0.215	\$0.108
Share issue costs – non-cash	\$15,698	\$41,219	\$26,247

The changes in the Company's warrants during the year ended December 31, 2018 and the period ended March 31, 2019 are as follows:

	Expiry Date	Weighted- Average Exercise Price \$	Number	Value \$
<b>Balance – January 1, 2018</b>			344,891	46,596
Warrants exercised		\$0.067	(137,192)	(4,798)
Broker warrants issued	August 24, 2020	\$0.15	243,943	26,247
Warrants expired		\$0.435	(207,699)	(41,798)
<b>Balance – December 31, 2018 and March 31, 2019</b>			<u>243,943</u>	<u>26,247</u>

The warrants outstanding as at March 31, 2019 are:

Exercise Price	Number of Warrants Outstanding	Expiry Date	Number of Warrants Exercisable
\$0.15	243,943	August 24, 2020	243,943

## 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 19.95% of the issued and outstanding common shares at the time of the QT. 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 18% of the issued and outstanding shares of the Company.

## **Antler Gold Inc.**

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

**For the periods ended March 31, 2019 and 2018**

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

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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 year ended December 31, 2018 or the period ended March 31, 2019.

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

Management and consulting fees in the amount of \$57,279 for the three-month period ended March 31, 2019 (year ended December 31, 2018 – \$416,923) 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) Financing broker:**

Numus Capital acted as the broker for the Company's August 24, 2018 private placement financing. Numus Capital is an Exempt Market Dealer and a related party owned by a director and an insider of Antler. Insiders and certain other existing shareholders of Antler ("Excluded Purchasers") subscribed for 310,757 Units under the Financing. As compensation for its services, Numus Capital received a cash commission of \$37,851, 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"). Antler also issued compensation warrants entitling Numus Capital ("Broker Warrants") to purchase 243,943 common shares, which is equal to 8.0% of the number of shares sold under the Financing other than the Excluded Shares. These Broker Warrants have an exercise price of \$0.15 per common share and expire on August 24, 2020.

#### **d) Services agreement:**

At March 31, 2019 and December 31, 2018, Antler had a services agreement with a company owned by a director and an insider of Antler for the provision of consulting services, accounting services, rent and other office costs, at a fee of \$6,700 per month and continuing until both parties mutually agree to terminate. Service fees are incurred on a cost recovery basis and include general and administration charges such as utilities and accounting services of the Company.

During the period ended March 31, 2019, the Company incurred costs for consulting and accounting services in the amount of \$12,450, and incurred rent, office costs and other cost reimbursements, in the amount of \$8,943 (year ended December 31, 2018 – consulting and accounting services of \$42,800 and rent, office costs and other cost reimbursements of \$37,320).

# Antler Gold Inc.

## Notes to Unaudited Condensed Interim Financial Statements

For the periods ended March 31, 2019 and 2018

(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 March 31, 2019, the Company had a cash balance of \$446,777 and a working capital balance of \$442,772. 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, 2019, 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	\$446,777	\$ -	\$ -
Amounts recoverable	-	55,458	-
Accounts payable and accrued liabilities	-	77,711	-

### 9. Income Taxes

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, 2019 \$	March 31, 2018 \$
Operating loss before income taxes	(144,531)	(229,215)
Income tax recovery based on substantively enacted rates	(44,805)	(71,057)
Current year loss and deductible temporary differences for which no asset recognized	43,715	35,588
Permanent differences and other	1,090	35,469
Income tax recovery	-	-



## **Antler Gold Inc.**

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

**For the periods ended March 31, 2019 and 2018**

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

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#### **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, 2019 and December 31, 2018, 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 \$6,700 per month and continuing until both parties mutually agree to terminate.

#### **11. Subsequent Event**

Subsequent to the period ended March 31, 2019, the Company and Sona Nanotech Inc. ("Sona") entered into an asset purchase agreement ("Purchase Agreement") pursuant to which the Company will acquire Sona's 100% title and interest in and to certain mineral claims comprising the Crescent Lake/KM61 molybdenum-copper-silver project located in Armstrong, Ontario (the "Property").

Pursuant to the Purchase Agreement, the Corporation will acquire the Property (the "Acquisition") in consideration of the assumption of all liabilities of Sona associated with the Property (which are nominal) and the future payment to Sona of contingent consideration if the Company disposes of the Property to a third party, or enters into an agreement or arrangement with a third party to otherwise monetize the Property by way of joint venture, option or other form of transaction (a "Future Transaction"). The amount of the contingent consideration payable to Sona will be equal to 50% of the consideration received by the Company in the Future Transaction (net of the Company's aggregate expenses related to the marketing, selling, upkeep and maintenance of the Property incurred between the acquisition of the Property and the date of such Future Transaction), to a maximum of \$3,000,000 ("Future Consideration").

Antler has also agreed to purchase two subsidiaries of Sona that own technical and physical data on historical mineral interests in Mexico, and associated offsetting intercompany receivables, for a purchase price of \$1.00 (together with the property Acquisition, the "Transactions"). The assets and third party liabilities other than the data referred to above are nominal for both subsidiaries, and Antler and the subsidiaries will not owe any amounts to Sona in relation to the intercompany receivables following the purchase. The purchase of these subsidiaries is expected to be completed prior to the completion of the Acquisition.

The Acquisition is a Non-Arm's Length transaction pursuant to TSX Venture Exchange policies, as certain officers, directors and insiders of the Company are also insiders of Sona. Pursuant to TSX Venture Exchange requirements, the Acquisition (including the payment of the Future Consideration) requires disinterested shareholder approval. In order to obtain disinterested shareholder approval, the resolution must be passed by a simple majority of the votes cast by Shareholders other than the disinterested shareholders. As of the date of these financial statements, the Transactions have not been completed.