

Antler Gold Inc.

**Unaudited Condensed Interim
Consolidated Financial Statements**

March 31, 2021

May 28, 2021

Management's Responsibility for Financial Reporting

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

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

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

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

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

Antler Gold Inc.

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2021 and December 31, 2020

(Expressed in Canadian dollars unless otherwise indicated)

	As at March 31, 2021 \$	As at December 31, 2020 \$
Assets		
Current assets		
Cash	1,102,527	1,667,955
Amounts recoverable	18,282	28,108
Prepaid expenses	28,372	28,650
Investments (note 4)	14,700	19,486
	<u>1,163,881</u>	<u>1,744,199</u>
Property and equipment (note 5)	41,070	-
Resource properties (note 6)		
Acquisition costs	160,479	149,791
Exploration expenditures, net of recoveries	1,826,372	1,228,112
	<u>1,986,851</u>	<u>1,377,903</u>
	<u>3,191,802</u>	<u>3,122,102</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	349,089	161,646
Shareholders' equity (note 7)		
Capital stock	7,965,214	7,965,214
Warrants	1,455,848	1,455,848
Contributed surplus	1,473,978	1,256,962
Deficit	(8,052,327)	(7,717,568)
	<u>2,842,713</u>	<u>2,960,456</u>
	<u>3,191,802</u>	<u>3,122,102</u>
Going concern (note 1)		
Commitments (note 11)		
Subsequent event (note 12)		

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 Consolidated Statements of Loss and Comprehensive Loss For the three-month periods ended March 31, 2021 and 2020 (Expressed in Canadian dollars unless otherwise indicated)

	Three-month period ended March 31, 2021	Three-month period ended March 31, 2020
	\$	\$
Expenses		
Professional fees	8,415	32,129
Consulting fees (note 8)	70,661	69,577
Regulatory and filing fees	5,895	5,941
Share-based compensation	217,016	1,049
Travel	-	18,524
Office costs (note 8)	16,860	16,395
Property investigation costs	5,312	27,689
Insurance	3,822	2,859
Foreign exchange loss	1,992	-
	(329,973)	(174,163)
Unrealized loss on investments (note 4)	(4,786)	(5,345)
Net loss and comprehensive loss for the period	(334,759)	(179,508)
Weighted-average number of shares outstanding during the period	61,348,191	54,664,345
Basic and diluted loss per share	(0.005)	(0.003)

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

Antler Gold Inc.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity (note 7)
For the periods ended March 31, 2021 and 2020 and December 31, 2020
(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares #	Share Capital \$	Warrants #	Warrants \$	Contributed Surplus \$	Deficit \$	Total Equity \$
Balance – January 1, 2020	45,691,818	6,740,337	243,943	26,247	663,499	(6,587,076)	843,007
Units issued for cash (note 7)	11,500,000	532,747	5,750,000	157,253	-	-	690,000
Financing issue costs (note 7)	-	(48,092)	-	-	-	-	(48,092)
Broker warrants (note 7)	-	(29,222)	495,000	29,222	-	-	-
Share-based compensation	-	-	-	-	1,049	-	1,049
Loss and comprehensive loss for the period	-	-	-	-	-	(179,508)	(179,508)
Balance – March 31, 2020	57,191,818	7,195,770	6,488,943	212,722	664,548	(6,766,584)	1,306,456
Units issued for cash (note 7)	12,000,000	2,057,434	6,000,000	942,566	-	-	3,000,000
Financing issue costs (note 7)	-	(257,493)	-	-	-	-	(257,493)
Broker warrants (note 7)	-	(326,807)	813,400	326,807	-	-	-
Shares cancelled (note 6)	(8,220,000)	(780,900)	-	-	-	-	(780,900)
Shares issued pursuant to resource property agreements (note 6)	132,430	14,372	-	-	-	-	14,372
Warrants exercised (note 7)	243,943	62,838	(243,943)	(26,247)	-	-	36,591
Share-based compensation	-	-	-	-	592,414	-	592,414
Loss and comprehensive loss for the period	-	-	-	-	-	(950,984)	(950,984)
Balance – December 31, 2020	61,348,191	7,965,214	13,058,400	1,455,848	1,256,962	(7,717,568)	2,960,456
Share-based compensation	-	-	-	-	217,016	-	217,016
Loss and comprehensive loss for the period	-	-	-	-	-	(334,759)	(334,759)
Balance – March 31, 2021	61,348,191	7,965,214	13,058,400	1,455,848	1,473,978	(8,052,327)	2,842,713

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

Antler Gold Inc.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the three-month periods ended March 31, 2021 and 2020

(Expressed in Canadian dollars unless otherwise indicated)

	Three-month period ended March 31, 2021 \$	Three-month period ended March 31, 2020 \$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(334,759)	(179,508)
<i>Non-cash items</i>		
Share-based compensation	217,016	1,049
Unrealized loss on investments	4,786	5,345
	<u>(112,957)</u>	<u>(173,114)</u>
Net changes in non-cash working capital balances related to operations:		
Decrease (increase) in amounts recoverable	9,826	(7,494)
Decrease (increase) in prepaid expenses	278	(4,111)
Increase in accounts payable and accrued liabilities	43,771	14,382
	<u>(59,082)</u>	<u>(170,337)</u>
Investing activities		
Purchases of property and equipment	(43,606)	-
Resource property expenditures	(462,740)	(145,960)
	<u>(506,346)</u>	<u>(145,960)</u>
Financing activities		
Proceeds from private placements, net of issuance costs (note 7)	-	641,908
	<u>-</u>	<u>641,908</u>
Net change in cash during the period	(565,428)	325,611
Cash – beginning of period	1,667,955	30,017
Cash – end of period	1,102,527	355,628

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

Antler Gold Inc.

Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended March 31, 2021 and 2020

(Expressed in Canadian dollars unless otherwise indicated)

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 is in the process of exploring its resource properties and has not yet determined whether these properties contain economically recoverable mineralization. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

Going concern

These unaudited condensed interim consolidated 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.

The Company incurred a net loss of \$334,759 for the three-month period ended March 31, 2021 (net loss of \$1,130,492 for the year ended December 31, 2020) 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. During the year ended December 31, 2020, the Company secured two financings for net proceeds of \$3,384,415 (note 7). 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 consolidated 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.

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2. Significant Accounting Policies

Statement of compliance

The Company prepares its unaudited condensed interim consolidated 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 consolidated 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 consolidated financial statements should be read in conjunction with the Company’s annual audited financial statements for the year ended December 31, 2020.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of May 28, 2021, 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, 2021 could result in the restatement of these unaudited condensed interim consolidated financial statements.

Basis of presentation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 6321593 Canada Inc., Minera Zapoteca, S.A. de C.V., and Antler Gold Namibia (Proprietary) Limited. All intercompany transactions and balances have been eliminated on consolidation of the accounts. These unaudited condensed interim consolidated 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 consolidated 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, 2020. Refer to note 2, *Significant Accounting Policies*, and note 3, *Capital Management*, of the Company’s annual financial statements for the year ended December 31, 2020 for information on the accounting policies as well as new accounting standards adopted.

Property and equipment

Property and equipment is 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.

COVID-19 Pandemic

During 2020 and the period ended March 31, 2021 and subsequent to the end of the period, the outbreak of the novel strain of coronavirus, specifically identified as “SARS-CoV-2,” and commonly referred to as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine

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periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. The Company incurred a delay of a number of months in its planned exploration activities in 2020 due to COVID-19 restrictions. If future delays are realized due to government-imposed restrictions, this may impact the Company's ability to meet obligations under current regulations or its agreements and may reduce its ability to source financing for future activities. However, it is not possible to reliably estimate the length and severity of these possible developments and the impact on the financial results and conditions of the Company in future periods at this time.

3. Capital management

Antler 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. There are no external restrictions on the Company's capital. No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2021 or the year ended December 31, 2020.

4. Investments

Changes in the Company's equity investments during the period ended March 31, 2021 and the year ended December 31, 2020 are as follows:

	\$
Balance – January 1, 2020	11,984
Fair value adjustment for the year	<u>7,502</u>
Balance – December 31, 2020	19,486
Fair value adjustment for the period	<u>(4,786)</u>
Balance – March 31, 2021	<u><u>14,700</u></u>

In accordance with the Company's accounting policy for equity investments, the shares are recorded at fair value at the end of an accounting period, with any change in the fair value of the investments recorded on the statement of loss and comprehensive loss. During the three-month period ended March 31, 2021, the Company recorded an unrealized loss of \$4,786 on its investments (March 31, 2020 - unrealized loss of \$5,345).

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(Expressed in Canadian dollars unless otherwise indicated)

5. Property and Equipment

Cost

	<u>Exploration vehicles</u>
	\$
As at December 31, 2020	-
Additions	43,606
As at March 31, 2021	<u>43,606</u>

Accumulated depreciation

	<u>Exploration vehicles</u>
	\$
As at December 31, 2020	-
Depreciation	2,536
As at March 31, 2021	<u>2,536</u>

Carrying amount

	<u>Exploration vehicles</u>
	\$
As at March 31, 2021	<u>41,070</u>
As at December 31, 2020	<u>-</u>

During the period ended March 31, 2021, the Company purchased exploration vehicles at a cost of \$43,606. Depreciation of \$2,536 was capitalized to resource properties during the period.

6. Resource Properties

	Namibia	Other	Total March 31, 2021	Total December 31, 2020
	\$	\$	\$	\$
<i>Acquisition Costs</i>				
Opening balance	149,791	-	149,791	288,045
Acquisition costs	10,688	-	10,688	92,080
Recoveries	-	-	-	(230,334)
Ending balance	<u>160,479</u>	<u>-</u>	<u>160,479</u>	<u>149,791</u>
<i>Exploration Expenditures</i>				
Opening balance	1,220,432	7,680	1,228,112	652,501
Additions incurred	596,940	1,320	598,260	1,126,177
Recoveries	-	-	-	(550,566)
Ending balance	<u>1,817,372</u>	<u>9,000</u>	<u>1,826,372</u>	<u>1,228,112</u>
<i>Total Resource Properties</i>	<u>1,977,851</u>	<u>9,000</u>	<u>1,986,851</u>	<u>1,377,903</u>

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The Company's interest in resource properties consists of:

Namibia

A shell subsidiary, Antler Gold Namibia (Proprietary) Limited ("Antler Pty"), was purchased from an independent third party for a nominal amount during the year ended December 31, 2020. The Company used Antler Pty to acquire certain properties in Namibia.

Erongo Central Project

On September 9, 2019 and amended October 6, 2019, the Company entered a Purchase Agreement to acquire EPL 6162, a gold exploration license in Namibia that is located within the Erongo region of central Namibia (the "EPL 6162 Agreement"). Antler can acquire a 100% interest in EPL 6162 by paying the arm's length EPL 6162 vendor a cash payment of \$2,000, issuing 10,000 common shares of Antler, and by issuing \$2,500 of common shares of Antler based on the 10-day volume weighted-average price per common share immediately prior to the date of the EPL 6162 Agreement. Once the license is renewed, Antler must make a further cash payment of \$5,000, issue an additional 10,000 common shares and a further \$2,500 of common shares of Antler based on the 10-day volume weighted-average price per common share immediately prior to the date of the EPL 6162 renewal. Antler must also incur an additional \$50,000 in exploration expenses on EPL 6162 within one year of the renewal date.

The Company paid the EPL 6162 vendor the acquisition fee of \$2,000 as well as \$5,711 in other acquisition costs and fees during the year ended December 31, 2019. An acquisition payment of \$3,700, which represents the value of 30,833 common shares issued per the EPL 6162 Agreement, being 10,000 common shares of Antler and a further \$2,500 of common shares, was made during the year ended December 31, 2020. The renewal date cash payment of \$5,000 was also made during the year ended December 31, 2020. Further share issuances pursuant to the EPL 6162 Agreement upon the renewal date, being \$2,500 of common shares and \$3,477 for the value of an additional 10,000 common shares of the Company, have been accrued as at March 31, 2021. These shares were issued subsequent to the period ended March 31, 2021.

Pursuant to the EPL 6162 Agreement, Antler has a right of first refusal to acquire a 100% interest in any gold exploration licenses in Namibia acquired by the vendor within two years from the date of the EPL 6162 Agreement. If Antler decides to acquire a new license from the vendor, the Company must make a cash payment of \$7,000, issue common shares of Antler Gold under similar terms as those issued under the EPL 6162 Agreement, and incur exploration expenditures of at least \$75,000 within one year of the new license acquisition.

During the year ended December 31, 2020, the Company entered an agreement to acquire 100% of a gold exploration license in Namibia known as EPL 7261, which is located adjacent to EPL 6162 (the "EPL 7261 Agreement"). Pursuant to the EPL 7261 Agreement, Antler may acquire a 100% interest in EPL 7261 by paying the arm's length vendor a cash payment of \$7,000, issuing 20,000 common shares of Antler and \$5,000 of common shares of Antler based on the 10-day volume weighted-average price per common share immediately prior to the EPL 7261 Agreement. Antler must also incur exploration expenditures of at least \$75,000 before the first anniversary of the agreement, which the Company has met.

During the year ended December 31, 2020, the Company paid the EPL 7261 acquisition fee of \$7,000 and issued 65,652 common shares valued at \$7,222, being \$5,000 of common shares as well as the value of 20,000 common shares issued.

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(Expressed in Canadian dollars unless otherwise indicated)

During the year ended December 31, 2020, the Company entered into an agreement to acquire 100% of a Namibian gold exploration license, EPL 6550 (the “EPL 6550 Agreement”) and referred to as the Etiro Dome Project. Pursuant to the EPL 6550 Agreement, Antler may acquire a 100% interest in EPL 6550 by paying the arm’s length vendor a cash payment of \$3,500, issuing 10,000 common shares of Antler and \$2,500 of common shares of Antler based on the 10-day volume weighted-average price per common share immediately prior to the EPL 6550 Agreement. Antler must also incur exploration expenditures of at least \$25,000 before the EPL 6550 renewal date of May 27, 2020. Once EPL 6550 is renewed, the Company must make a further cash payment of \$5,000 and issue an additional 10,000 common shares and a further \$2,500 of common shares of Antler based on the 10-day volume weighted-average price per common share immediately prior to the date of the EPL 6550 renewal. Antler must also incur additional exploration expenditures of at least \$50,000 within one year of renewal.

Pursuant to the EPL 6550 Agreement, Antler has a right of first refusal to acquire a 100% interest in any EPL acquired by the vendor within two years from the date of the EPL 6550 Agreement. If Antler decides to acquire a new EPL from the vendor, the Company must make a cash payment of \$8,500, issue common shares of Antler Gold under similar terms as those issued under the EPL 6550 Agreement and incur exploration expenditures of at least \$75,000 within one year of the vendor’s acquisition of the new EPL.

During the year ended December 31, 2020, the Company paid the EPL 6550 acquisition fee of \$3,500 and issued 35,945 common shares valued at \$3,450, which is \$2,500 of common shares as well as the value of 10,000 common shares issued.

During the year ended December 31, 2020, the Company entered into an agreement to acquire an 85% interest in a gold exploration license in Namibia known as EPL 6408 (the “EPL 6408 Agreement”). Pursuant to the EPL 6408 Agreement, Antler may acquire an 85% interest in EPL 6408 by paying the arm’s length vendor a cash payment of N\$6,500 (CAD\$517) upon signing and paying a further N\$25,000 (CAD\$2,040), as well as a final payment of N\$25,000 or the issuance of \$1,500 worth of Antler common shares (at the option of Antler) upon the successful transfer of EPL 6408 into Antler Namibia (Proprietary) Limited. Upon earning the 85% interest in EPL 6408, Antler and the vendor will enter into a standard participating joint venture agreement, including proportionate cash funding obligations, which shall contain terms providing that if the vendor’s interest is reduced to less than 10%, its interest will automatically be converted into a 5% free carried interest which can be purchased by Antler at any time for the payment of \$25,000 or the issuance of \$25,000 of Antler common shares. The decision to pay cash or issue shares will be at Antler’s option.

During the year ended December 31, 2020, the Company paid the acquisition fee of N\$6,500 (CAD\$517) and the N\$25,000 (\$2,040).

Erongo Western Project

In late 2019, the Company entered into an agreement to acquire a 75% interest in a private company, the sole asset of which is EPL 5455 in Namibia. EPL 5455 is located west of the town Usakos in the Erongo region of central Namibia. Antler has the right to acquire a 75% interest in the private company by paying the vendor, whose shareholders are arm's length parties to Antler, a non-refundable cash deposit of \$10,000 and a further cash payment of \$40,000 upon signing of the agreement.

Further amounts to be paid pursuant to the purchase agreement are cash payments of \$50,000 on December 16, 2020, which was paid during the year ended December 31, 2020, and \$75,000 on December 16, 2021, along with the issuance of \$25,000 worth of common shares of Antler based on the

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10-day volume weighted-average price per common share immediately prior to December 16, 2021. In addition to the cash and share consideration above, Antler must also incur exploration expenses of \$75,000 within 12 months and an additional \$125,000 within 24 months.

The Company has the right to accelerate the payment of cash and share consideration and the timeline for incurring exploration expenditures. Once Antler acquires the 75% interest in the private company, it has the right to purchase the remaining 25% minority interest at the fair market value determined by a professional business valuator selected by Antler. If Antler does not exercise its right to purchase the minority interest, all shareholders will contribute on a pro-rata basis to fund the company's activities, including exploration expenditures. Should the minority shareholder elect not to fund its portion of exploration expenditures and be diluted below 10%, then their interest will automatically convert to a free carried 5% interest in EPL 5455 which Antler can purchase at a price to be determined by a professional selected by Antler using international best practices for evaluating mining assets.

If within three years from the date of the EPL 5455 agreement, any vendor shareholder stakes or acquires an interest in any EPL in Namibia, then such additional interest must be offered in writing to Antler for an amount to be mutually agreed upon.

The vendor has performed past work exploring for graphite on a portion of the EPL 5455 and should a transaction be made to sell or joint venture the graphite area, the vendor shareholders will retain 90% of the proceeds and Antler is entitled to 10%.

Other – Ontario, Canada

In 2019, Antler acquired a 100% title and interest in and to certain mineral claims comprising the Crescent Lake/KM61 molybdenum-copper-silver project located in Armstrong, Ontario. The Company acquired the KM61 Property in consideration of the assumption of all liabilities associated with the KM61 Property (which were nominal) and the future payment to the vendor, Sona Nanotech Inc. (“Sona”) of contingent consideration if the Company disposes of the KM61 Property to a third party, or enters into an agreement or arrangement with a third party to otherwise monetize the KM61 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 KM61 Property and the date of such Future Transaction, to a maximum of \$3,000,000. The majority of the KM61 Property, including the mineralized zone, is subject to a 0.5% net smelter royalty (“NSR”). Of the remaining claims on the KM61 Property, certain portions are subject to a 3% NSR and the balance are not subject to any royalties. The Company can repurchase 50% of the 0.5% NSR for \$250,000 and/or 50% of the 3% NSR for \$1.0 million. Costs of \$9,000 have been incurred to March 31, 2021 for the maintenance of the KM61 Property.

Central Newfoundland, Canada

During the year ended December 31, 2020, the Company announced that it entered a binding letter agreement (the "Altius Agreement") with Altius Resources Inc. (“Altius”), to transfer the Company's remaining exploration properties located in Newfoundland to Altius in exchange for 8,220,000 common shares of Antler held by Altius, which will be cancelled. Completion of the transfer was subject to the satisfaction of certain conditions, including the approval of the TSX Venture Exchange and approval of shareholders of Antler in accordance with the TSXV policies, with closing expected to occur five

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business days after all conditions are satisfied. This transaction with Altius closed on April 16, 2020.

There were no costs incurred on the Central Newfoundland properties during the year ended December 31, 2020 as the Company was in the process of completing the transaction with Altius. The recovery of \$780,900 for the value of the shares cancelled as at the date of the Altius Agreement was recorded during the year ended December 31, 2020 when the transaction with Altius was closed on April 16, 2020.

7. Shareholders' Equity

i) Capital Stock

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

On July 21, 2020, the Company completed a private placement financing for gross proceeds of \$3,000,000 through the sale of 12,000,000 Units at \$0.25 per Unit. Each Unit consists of one common share of Antler and one-half share purchase warrant. Each whole warrant will be exercisable to purchase one common share of Antler at a price of \$0.40 per share until July 21, 2022. Insiders and certain other existing shareholders of Antler subscribed for 380,000 Units under the financing. All securities issued pursuant to the financing are subject to a four-month hold period.

The value allocated to the common shares issued on July 21, 2020 was \$2,057,434 and the value allocated to the common share purchase warrants was \$942,566. Total costs associated with the private placement, consisting primarily of professional and regulatory fees, as well as finder's fees, were \$257,493.

Numus Capital Corp. acted as agent for the financing (the "Agent"), in conjunction with Cormark Securities Inc. and PowerOne Capital Markets Limited acting as finders (the "Finders"). As compensation, the Agent and the Finders received cash compensation of \$203,350 and 813,400 broker warrants entitling the Agent and Finders to purchase that same number of common shares of Antler at a price of \$0.25 per share for a period of 24 months from the date of the financing. These broker warrants were valued at \$326,807.

On January 21, 2020, the Company completed a brokered private placement financing. Gross proceeds of \$690,000 were raised pursuant to the financing through the issuance of 11,500,000 Units at a price of \$0.06 per Unit. Each Unit consists of one common share of Antler and one-half share purchase warrant, with each whole warrant exercisable into one common share of Antler at an exercise price of \$0.15 per share until January 21, 2022. Insiders of the Company subscribed for a total of 3,800,000 Units under the financing. All securities issued pursuant to the January 21, 2020 financing were subject to a four-month hold period.

The value allocated to the common shares issued was \$532,747 and the value allocated to the common share purchase warrants was \$157,253. Total costs associated with the private placement, consisting primarily of professional and regulatory fees, as well as finder's fees, were \$48,092. Numus Capital acted as the agent for the Financing and received cash compensation of \$29,700. Antler also issued broker warrants entitling Numus Capital to purchase 495,000 common shares. These broker warrants have an exercise price of \$0.15 per common share, expire on January 21, 2022 and were valued at \$29,222.

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On February 3, 2020, the Company announced it had entered into a Binding Agreement with Altius to sell the Company's remaining exploration properties located in Newfoundland to Altius in exchange for 8,220,000 common shares of Antler held by Altius (note 6). This transaction closed on April 16, 2020, and the 8,220,000 common shares with a value of \$780,900 were transferred to Antler and cancelled.

During the year ended December 31, 2020, the Company issued 132,430 common shares to vendors of Namibian exploration licenses as part of the acquisition agreements on certain licenses (note 6). The value of the common shares issued was \$14,372.

On August 24, 2020, 243,943 common shares were issued upon the exercise of 243,943 share purchase warrants at \$0.15 per share, for gross proceeds of \$36,591. The share price on the date of exercise was \$0.34.

Subsequent to the period ended March 31, 2021, the Company issued 17,077 common shares pursuant to its EPL 6162 Agreement (note 6). The value of the shares on the date of issuance was \$5,977.

ii) Stock options

The Company has a stock option plan (the "Plan") for directors, officers, employees and consultants. The Board of Directors have the authority to issue up to 10% of the issued and outstanding common shares of the Company. The options can have up to a ten-year life and the vesting period is set by the Board. Options are granted at a price no lower than the market price of the common shares.

No options were issued during the period ended March 31, 2021. During the year ended December 31, 2020, the Company granted 2,532,500 stock options under the Company's Plan to officers, directors and consultants. Officers and directors were granted 1,350,000 of the options granted. 250,000 options are exercisable at a price of \$0.30 per share, and 2,282,500 are exercisable at a price of \$0.40 per share. The options vest at the rate of 50% of the total on each of the six and twelve-month anniversary dates of the grant and expire five years from the date of grant.

During the year ended December 31, 2020, 225,000 options with a weighted-average exercise price of \$0.53 were cancelled.

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, 2020 were as follows:

Risk-free interest rate	0.29%
Expected volatility	192%
Expected dividend yield	-
Expected life	5 years
Weighted-average fair value per option	\$0.392

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, the estimated fair value of the 262,500 options granted on June 23, 2017 is \$67,725, the estimated fair value of the 200,000 options granted on February 12, 2019 is \$16,777, the estimated fair value of the 2,282,500 options granted on August 5, 2020 is \$929,099, and the estimated fair value of the 250,000 options granted on November 10,

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2020 is \$62,544. This amount is amortized over the vesting period, and \$217,016 has been expensed during the period ended March 31, 2021 (2020 - \$1,049). As at March 31, 2021, 2,503,750 options have vested.

The options outstanding as at March 31, 2021 are:

Weighted-Average Exercise Price per Share	Number of Options Outstanding	Expiry Date	Weighted-Average Remaining Contractual Life (in years)	Number of Options Vested
\$0.533	937,500	March 5, 2022	0.9	937,500
\$0.500	225,000	June 23, 2022	1.2	225,000
\$0.150	200,000	February 12, 2024	2.9	200,000
\$0.400	2,282,500	August 5, 2025	4.4	1,141,250
\$0.300	250,000	November 10, 2025	4.6	-
\$0.419	3,895,000		3.0	2,503,750

iii) Warrants

Pursuant to the financing completed by the Company on July 21, 2020, Antler issued 6,000,000 common share purchase warrants and 813,400 broker warrants. The 6,000,000 warrants issued on July 21, 2020 have an exercise price of \$0.40 and expire on July 21, 2022. The 813,400 broker warrants have an exercise price of \$0.25 and expire on July 21, 2022.

Pursuant to the financing completed by the Company on January 21, 2020, Antler issued 5,750,000 common share purchase warrants and 495,000 broker warrants. The warrants issued on January 21, 2020 have an exercise price of \$0.15 and expire on January 21, 2022.

During the year ended December 31, 2020, 243,943 warrants with an exercise price of \$0.15 were exercised prior to expiry for gross proceeds of \$36,591. The share price on the date of exercise was \$0.34.

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

	Jan. 2020 Warrants	Jul. 2020 Warrants	Jul. 2020 Broker Warrants
Risk-free interest rate	2%	0.2%	0.2%
Expected volatility	134%	242%	242%
Expected dividend yield	-	-	-
Expected life	2 years	2 years	2 years
Fair value per warrant	\$0.059	\$0.394	\$0.402

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The changes in the Company's warrants during the year ended December 31, 2020 and the period ended March 31, 2021 are as follows:

	Expiry Date	Weighted-Average Exercise Price	Number	Value
		\$		\$
Balance – January 1, 2020	August 24, 2020	0.15	243,943	26,247
Warrants issued pursuant to financing	January 21, 2022	0.15	5,750,000	157,253
Broker warrants issued	January 21, 2022	0.15	495,000	29,222
Warrants issued pursuant to financing	July 21, 2022	0.40	6,000,000	942,566
Broker warrants issued	July 21, 2022	0.25	813,400	326,807
Warrants exercised	August 24, 2020	0.15	(243,943)	(26,247)
Balance – December 31, 2020 and March 31, 2021			<u>13,058,400</u>	<u>1,455,848</u>

8. Related Party Transactions

Amounts payable to officers, directors and companies owned thereby were \$29,985 at March 31, 2021 (December 31, 2020 - \$4,142). 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) Compensation of key management personnel:

Management and consulting fees in the amount of \$57,415 for the three-month period ended March 31, 2021 (year ended December 31, 2020 – \$232,843) were incurred for services of the President and CEO, a Strategic Advisor, and the CFO of the Company.

The Company has consulting arrangements with 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 (see note 11).

During the year ended December 31, 2020, the Company granted 2,532,500 stock options, of which 1,600,000 were granted to officers and directors of the Company. No stock options were issued to related parties during the period ended March 31, 2021.

b) Services agreement:

At March 31, 2021 and December 31, 2020, Antler had a services agreement with Numus Financial Inc. ("Numus"), a related party company owned by a director and an insider of Antler for the provision of consulting services, controller services, rent and other office costs, at a total 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, 2021, the Company incurred costs for consulting and controller services in the amount of \$12,450, and incurred rent, office costs and other cost reimbursements in the amount of \$7,884 (year ended December 31, 2020 – consulting and controller services of \$49,800 and rent, office costs and other cost reimbursements of \$31,864).

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As outlined in the services agreement dated September 1, 2018, if the services agreement is cancelled by the Company without cause, a break fee of six (6) months of remuneration, being \$40,200, will be payable to Numus, in addition to the service fees applicable for the 90 day notice period (see note 11).

c) Financing broker:

Numus Capital acted as the broker for the Company's January 21, 2020 private placement financing and as Agent for the Company's July 21, 2020 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 3,800,000 Units under the January 21, 2020 financing and 380,000 Units under the July 21, 2020 financing. As compensation for its services for the financings, Numus Capital received total cash commissions of \$100,050. Antler also issued broker warrants entitling Numus Capital to purchase 776,400 common shares. The 495,000 broker warrants issued on January 21, 2020 have an exercise price of \$0.15 per common share and expire on January 21, 2022. The 281,400 broker warrants issued on July 21, 2020 have an exercise price of \$0.25 per common share and expire on July 21, 2022.

d) Operating agreement with Altius:

During the year ended December 31, 2020, the Company announced that it entered into a Binding Agreement with Altius to sell the Company's remaining exploration properties located in Newfoundland to Altius in exchange for the 8,220,000 common shares of Antler held by Altius (note 6). This transaction closed on April 16, 2020 and the shares were returned to Antler and cancelled.

9. 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, 2021, the Company had a cash balance of \$1,102,527 and a working capital balance of \$814,792. 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, 2021, 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.

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	Level 1	Level 2	Level 3
Cash	\$1,102,527	\$ -	\$ -
Amounts recoverable	-	18,282	-
Accounts payable and accrued liabilities	-	349,089	-

10. 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 29% (March 31, 2020 – 31%) to net loss before income taxes. The reasons for the difference are as follows:

	March 31, 2021 \$	March 31, 2020 \$
Operating loss before income taxes	(334,759)	(179,508)
Income tax recovery based on substantively enacted rates	(97,080)	(55,647)
Current year loss and deductible temporary differences for which no asset recognized	33,428	54,960
Permanent differences and other	63,652	1,687
Income tax recovery	-	-

11. 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 within three months 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, without cause, an amount equal to one year's annual compensation will be payable.

At March 31, 2021 and December 31, 2020, the Company has an administrative agreement with a Company owned a director and Consultant of the Company for the provision of administrative and controller services, rent and other office costs.

12. Subsequent Event

Shares issued pursuant to resource property agreements

Subsequent to the period ended March 31, 2021, the Company issued 17,077 common shares pursuant to its EPL 6162 Agreement. The fair value of the shares on the date of issuance was \$5,977.