Antler Gold Inc.

Annual Financial Statements

For the years ended
December 31, 2017 and 2016

April 25, 2018

Management's Responsibility for Financial Reporting

The accompanying financial statements of Antler Gold Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting including those related to transactions which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS").

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

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

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

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Antler Gold Inc.

We have audited the accompanying financial statements of Antler Gold Inc., which comprise the statements of financial position as at December 31, 2016 and December 31, 2017, the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2017 and for the period from the date of incorporation on March 23, 2016 to December 31, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Antler Gold Inc. as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the year ended December 31, 2017 and for the period from incorporation on March 23, 2016 to December 31, 2016, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 1 in the financial statements which indicates that Antler Gold Inc. experienced losses in 2017 and 2016, has no significant sources of revenue and does not have sufficient capital to fund its operations beyond December 31, 2018. These conditions, along with other matters set forth in note 1 in the financial statements, indicate the existence of material uncertainties that cast significant doubt about Antler Gold Inc.'s ability to continue as a going concern.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
April 25, 2018
Halifax, Canada

Antler Gold Inc.
Statements of Financial Position
As at December 31, 2017 and 2016
(Expressed in Canadian dollars unless otherwise indicated)

	As at December 31, 2017	As at December 31, 2016
	$	$
Assets		
Current assets		
Cash	1,277,858	2,084,370
Amounts recoverable	172,490	84,912
Deposits and prepaid expenses	16,697	10,019
	1,467,045	2,179,301
Property and equipment (note 4)	35,972	-
Resource property (note 5)		
Acquisition cost	1,597,098	1,136,115
Exploration expenditures, net of recoveries	2,730,443	522,151
	4,327,541	1,658,266
	5,830,558	3,837,567
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	266,197	747,957
Shareholders' equity (note 6)		
Capital stock	6,180,997	3,342,070
Warrants	46,596	14,764
Contributed surplus	478,636	-
Deficit	(1,141,868)	(267,224)
	5,564,361	3,089,610
	5,830,558	3,837,567

Going concern (note 1)
Commitments (note 10)

Approved on behalf of the Board of Directors

(signed) "*Jim Megann*", Director (signed) "*Daniel Whittaker*", Director

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

(Expressed in Canadian dollars unless otherwise indicated)

	Year ended December 31, 2017 $	Period ended December 31, 2016 $
Expenses		
Salaries and benefits	48,378	-
Professional fees	52,984	117,968
Consulting fees	302,092	67,000
Financing fees	1,332	27,540
Regulatory and filing fees	83,250	22,738
Share-based compensation	478,636	-
Travel	46,213	21,951
Office costs	42,259	8,546
Insurance	11,500	1,481
	1,066,644	267,224
Income tax recovery (note 9)	(192,000)	-
Net loss and comprehensive loss for the year	874,644	267,224
Weighted-average number of shares outstanding during the year	39,665,056	15,304,257
Basic and diluted loss per share	(0.022)	(0.017)

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

Antler Gold Inc.

Statements of Changes in Equity

Year ended December 31, 2017, with comparative information for the period March 23, 2016, date of incorporation, to December 31, 2016

(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares (1) #	Share Capital $	Warrants #	Warrants $	Contributed Surplus	Deficit $	Total Equity $
Balance – March 23, 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	-	-	-
Shares issued for compensation	82,500	13,750	-	-	-	-	13,750
Shares issued for mineral property option	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	-	-	-	-	-	(267,224)	(267,224)
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 mineral property option (note 5)	1,470,000	441,000	-	-	-	-	441,000
Share-based compensation	-	-	-	-	478,636	-	478,636
Loss and comprehensive loss for the year	-	-	-	-	-	(874,644)	(874,644)
Balance – December 31, 2017	41,262,310	6,180,997	344,891	46,596	478,636	(1,141,868)	5,564,361

(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 years ended December 31, 2017 and 2016.

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

Antler Gold Inc.

Audited Statements of Cash Flows

Year ended December 31, 2017 and for the period March 23, 2016, date of incorporation, to December 31, 2016

(Expressed in Canadian dollars unless otherwise indicated)

	Year ended December 31, 2017 $	Period ended December 31, 2016 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(874,644)	(267,224)
Non-cash items:		
Share-based compensation	478,636	-
Income tax recovery	(192,000)	-
Financing fees	-	13,750
	(588,008)	(253,474)
Net changes in non-cash working capital balances related to operations:		
Increase in amounts recoverable	(17,578)	(84,912)
Increase in deposits and prepaid expenses	(6,678)	(10,019)
Increase (decrease) in accounts payable and accrued liabilities	(193,860)	262,440
	(806,124)	(85,965)
Investing activities		
Purchases of property and equipment	(46,200)	-
Resource property acquisition costs and expenditures	(2,575,947)	(47,749)
	(2,622,147)	(47,749)
Financing activities		
Proceeds from issuance of common shares - net	2,603,793	2,216,299
Proceeds on the exercise of warrants	17,966	1,785
	2,621,759	2,218,084
Net change in cash during the period	(806,512)	2,084,370
Cash – Beginning of period	2,084,370	-
Cash – End of period	1,277,858	2,084,370

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

1. Nature of operations and going concern

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 issued 1,470,000 common shares to Altius during the year ended December 31, 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.

Going concern

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

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

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

2. Significant accounting policies

Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements were authorized for issuance by the Board of Directors of the Company on April 25, 2018.

Basis of presentation

The financial statements have been prepared on a historical cost basis except for any financial assets and liabilities classified as available for sale.

a) Resource properties and related exploration costs:

Pre-exploration expenditures are expensed as incurred. All direct costs related to the acquisition of resource property interests are capitalized by property. Exploration and evaluation costs are capitalized.

Resource properties are initially measured at cost and include expenditures on acquisition of rights to explore, studies, exploratory drilling, trenching, sampling, metallurgical studies, and other direct costs related to exploration or evaluation of a project. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to supporting exploration activities in a particular area of interest.

Where a project is determined to be technically and commercially feasible and a decision has been made to proceed with development with respect to a particular area of interest, the relevant resource property asset is tested for impairment and the balance is reclassified as a resource property in property, plant and equipment.

b) Share-based compensation

The Company has a stock-based compensation plan that is described in note 6. Awards of options to employees and others providing similar services under this plan are expensed based on the estimated fair value of the options at the grant date, with a corresponding credit to contributed surplus in shareholders' equity. Fair value is measured using the Black-Scholes pricing model. If the options are subject to a vesting period, the compensation cost is recognized over this period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Consideration paid by employees on the exercise of stock options is credited to share capital together with the amounts originally recorded as share-based compensation in contributed surplus related to the exercised options.

c) Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

d) 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.

e) 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.

f) Loss per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to equity shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted-average number of common shares for the dilutive effect of share-based payments, employee incentive share units, and warrants using the treasury stock method (if, and when, applicable). Under this method, stock options, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted earnings per share.

g) Income taxes

The Company uses the liability method of accounting for income taxes.

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on deferred tax assets or liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- In respect of taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When results from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

h) Financial instruments

(i) Financial assets

The Company initially recognizes loans and receivables and deposits on the date that they originate. All other financial assets are recognized initially on the trade date at which the Company becomes party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flow from the asset expire, or the rights to receive the contractual cash flows on the financial asset are transferred.

The Company has the following non-derivative financial assets:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprised cash, short term deposits, and accounts receivable.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management.

Subsequent to initial recognition, they are measured at fair value, with changes in fair value recognized in other comprehensive income, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognized in other comprehensive income is transferred to profit or loss.

(ii) Financial liabilities

The Company initially recognizes other financial liabilities on the trade date at which the Company becomes party to the contractual provisions of the instrument. The Company derecognizes financial liabilities when its contractual obligations are discharged, cancelled, or expire.

a) Non-derivative financial liabilities:

   The Company has the following non-derivative other financial liabilities: accounts payable and accrued liabilities

   Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

b) Embedded derivatives:

   Embedded derivatives are contained in non-derivative host contacts and are treated as separate derivatives when they meet the definition of a derivative, and their risks and characteristics are not closely related to those of the host contracts. Embedded derivatives are recorded at fair market value with mark-to-market adjustments recorded in profit or loss.

(iii) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(iv) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts, volatility measurements used to value option contracts and observable credit default swap spreads to adjust for credit risk where appropriate), or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3: Inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

i) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgments based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results may differ from those estimates.

Critical accounting estimates:

Asset acquisitions:

The Company applies judgment in determining whether the exploration and evaluation assets it acquires are considered to be asset acquisitions or business combinations. Key factors in this determination are whether reserves have been established; whether the project is capable of being managed as a business by a market participant, and the nature of the additional work to convert resources into reserves.

Estimate of recovery for non-financial assets

Events or changes in circumstances may give rise to significant impairment charges or reversals of impairment in a particular year. In accordance with the Company’s accounting policy, each non-financial asset unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is made and an impairment loss is recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell and value in use.

Value in use is generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is determined based on the present value of estimated future cash flows from each long-lived asset or cash generating unit. The assumptions used in determining the fair value less costs of disposal are typically life of mine plans, long-term commodity prices, discount rates, foreign exchange rates, and net asset value multiples.

Future cash flow estimates are based on expected production and sales volumes, mineral prices (considering current and historical prices, price trends and related factors), reserves, operating costs, restoration and rehabilitation costs and future capital expenditures.

Share-based payments

Equity-settled share-based payments issued to employees are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. Fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities and expected lives based on information available at the time the fair value is measured.

Taxation

The Company's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from tax loss carry-forwards, capital losses, and temporary differences are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, mineral prices, reserves, operating costs, restoration and rehabilitation costs, capital expenditure, dividends, and other capital management transactions.

Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

j) Impairment

(i) Financial assets (including receivables)

Financial assets, other than those at fair value through profit or loss, are assessed for objective evidence of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructure of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for available for sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against accounts receivable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amount of the Company's non-financial assets, excluding resource properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets which generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The Company's assets do not generate separate cash inflows. If there is an indication that a company asset may be impaired, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized directly against the carrying amount of the asset whenever the carrying amount of an asset, or its CGU, exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to the goodwill and then to the carrying amounts of the assets in the unit (group of units) on a pro-rata basis.

k) New and revised IFRS Accounting Pronouncements

The following amendments were adopted by the Company in the fiscal year:

i) Amendments to IAS 7, Statement of Cash Flows

In January 2016, the IASB issued amendments to IAS 7, Statement of Cash Flows. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities. These amendments apply prospectively for annual periods beginning on or after January 1, 2017. The Company has adopted this amendment with no impact on the financial statements.

ii) Amendments to IAS 12, Income Taxes

In January 2016, the IASB issued amendments to IAS 12, Income Taxes. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. The Company has adopted this amendment with no impact on the financial statements.

A number of new standards and amendments to standards and interpretations are effective for the annual periods beginning on or after January 1, 2018 and have not been applied in preparing these financial statements. Accordingly, the Company expects to adopt these standards as set forth below.

i) IFRS 9, Financial Instruments

In July 2014, the IASB issued IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instruments, Recognition and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The Company does not expect the standard to have a material impact on the financial statements.

ii) Amendments to IFRS 2, Share-based Payments

In June 2016, the IASB issued amendment to IFRS 2, Share-based Payments, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; b) share-based payment transactions with a net settlement feature for withholding tax obligations; and c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively. The Company intends to adopt the amendments to IFRS 2 in its financial statements for the annual period beginning on January 1, 2018. The Company does not expect the standard to have a material impact on the financial statements.

iii) IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The standard replaces IAS 11, Construction Contracts; IAS 18, Revenue; IFRIC 13, Customer Loyalty Programmes; IFRIC 15, Agreements for the Construction of Real Estate; IFRIC 18, Transfer of Assets from Customers; and SIC 31, Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much, and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. This standard is effective for annual periods beginning on or after January 1, 2018 and permits early adoption. The Company intends to adopt IFRS 15 and the clarifications in its financial statements for the annual period beginning on January 1, 2018. As the Company currently has no sources of revenue, the adoption of the standard is not expected to impact the Company's financial statements.

iv) IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company does not expect the standard to have a material impact on the financial statements.

v) 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 intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019 and does not expect the Interpretation to have a material impact on the 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.

(Expressed in Canadian dollars unless otherwise indicated)

4. Capital assets

Cost	**Exploration equipment and vehicles**	**Total**
	$	$
As at December 31, 2016	-	-
Additions	46,200	46,200
As at December 31, 2017	46,200	46,200

Accumulated depreciation	**Exploration equipment and vehicles**	**Total**
	$	$
As at December 31, 2016	-	-
Depreciation	10,228	10,228
As at December 31, 2017	10,228	10,228

Carrying amount	**Exploration equipment and vehicles**	**Total**
	$	$
As at December 31, 2017	35,972	35,972
As at December 31, 2016	-	-

Depreciation of exploration equipment and vehicles is recorded as an addition to resource property 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 ("AOI") as outlined in the QT Option Agreement. The Company agreed to reimburse Altius a total of $11,115 for its staking claims and these claims have been included in the QT Option Agreement.

On March 30, 2017, the Company entered into the Second Option Agreement with Altius for the right to acquire an option to earn a 100% interest in 1,678 additional mineral claims (the "Second Option"). The acquisition of the Second Option closed June 23, 2017, was accounted for as an asset acquisition, and the 1,470,000 common shares issued were valued at $0.30 each for total acquisition cost of $441,000. The Company also incurred an additional $19,983 of acquisition costs associated with the Second Option Agreement.

(Expressed in Canadian dollars unless otherwise indicated)

The acquisition costs of the Project are summarized as follows:

	Value
	$
Balance – March 23, 2016	-
Issued 6,750,000 shares to acquire option on resource property	1,125,000
Acquired 171 additional claims within area of interest	11,115
Balance – December 31, 2016	1,136,115
Acquisition costs, including issuing 1,470,000 shares to acquire a Second Option on resource property	460,983
Balance – December 31, 2017	1,597,098

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 year ended December 31, 2017, the Company incurred a total of $2,278,292 of exploration expenses on the Project, including $329,869 of resource property expenditures incurred on the Second Option properties, and recorded resource property recoveries of $70,000. 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 year ended December 31, 2017:

	Period ended December 31, 2016	**Year ended December 31, 2017**	**Balance December 31, 2017**
	$	**$**	**$**
Personnel	140,322	552,920	693,242
Contractors	155,121	155,390	310,511
Consultants	54,546	19,200	73,746
Analytical	43,667	40,223	83,890
Field expenses and equipment	47,178	363,352	410,530
Geophysics	26,832	524,393	551,225
Travel and office	23,169	214,300	237,469
Trenching	-	111,845	111,845
Drilling	-	246,555	246,555
Services fee	31,316	50,114	81,430
	522,151	2,278,292	2,800,443
Recoveries	-	(70,000)	(70,000)
	522,151	2,208,292	2,730,443

6. Shareholders' equity

a) Capital stock

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

During the period from incorporation on March 23, 2016 to June 30, 2016, the Company issued a total of 12,600,000 common shares at $0.033 per common share for gross proceeds of $420,000. The Company incurred share issuance costs of $1,462. These common shares are held in escrow pursuant to the requirements of the Exchange. The terms of escrow agreement stipulate that 1,260,000 (10%) of the escrowed shares would be released upon final Exchange acceptance of the QT, which occurred on November 8, 2016. The remaining escrowed shares will be released at a rate of 1,890,000 (15%) every six months thereafter. As at December 31, 2017, 7,560,000 shares remained in escrow.

On September 12, 2016, the Company completed its IPO, issuing 4,500,000 common shares at $0.067 per share, qualified by the Company's prospectus dated August 19, 2016. The Company appointed Haywood Securities Inc. ("Haywood") as its agent for the IPO and incurred direct share issuance costs of $83,145. The Company also issued Haywood two year broker warrants to purchase 450,000 common shares at a price of $0.067 per share. The fair value of the warrants of $15,698 was recorded as a non-cash share issue cost.

As part of Haywood's IPO compensation, it was granted a right of first refusal to act as financial advisor, lead agent or lead underwriter with respect to a minimum 60% syndicate participation in any future financings by the Company until the earlier of the completion of the Company's QT and 24 months from the date of closing of the IPO (the "ROFR"). Subsequently, Haywood agreed to waive its ROFR with respect to the financing. In exchange, the Company agreed to pay Haywood compensation of $13,750 and 82,500 common shares, which were valued at $0.167 per share, for total financing fees of $27,500.

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

The Company also completed a private placement, concurrent with the QT, issuing 9,900,000 common shares at a price of $0.167 per share for gross proceeds of $1,650,000. The Company incurred share issuance costs of $69,094 with this financing.

On November 16, 2016, Haywood exercised 26,775 broker warrants for proceeds of $1,785. The share price on the date on which the warrants were exercised was $0.62.

On February 23, 2017, the Company completed an equity financing for gross proceeds of $2,835,000, comprised of the sale of 3,743,400 common shares at $0.467 per share and 1,920,141 flow-through common shares at $0.567 per share. Mackie Research Capital Company acted as lead agent on behalf of a syndicate including Haywood Securities Inc. and PowerOne Capital Markets Limited (the "Agents"). The Agents received cash commissions equal to $148,203 and were issued 191,160 broker warrants with an exercise price of $0.467 per common share and an expiry date of August 23, 2018. The commissions and fair value of these warrants of $41,219, as calculated using the Black-Scholes option pricing model, are recorded as share issuance costs. The Company incurred other direct share issuance costs of $83,004.

(Expressed in Canadian dollars unless otherwise indicated)

The Company also recorded a flow-through premium of $192,000 as a result of the issuance of flow-through shares as part of this financing (see note 9).

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

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

On July 5, 2017, the Company 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 for the year ended December 31, 2017 and the period ended December 31, 2016 have been adjusted retrospectively to reflect the Company's share split.

b) 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 year ended December 31, 2017 were as follows:

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

(Expressed in Canadian dollars unless otherwise indicated)

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the 1,125,000 options granted on March 5, 2017 is $538,248, and the estimated fair value of the 262,500 options granted on June 23, 2017 is $67,724. This amount is amortized over the vesting period, and $478,636 has been expensed during the year ended December 31, 2017. As at December 31, 2017, 693,750 options were vested.

Changes in stock options during the year ended December 31, 2017 are summarized as follows:

	Expiry Date	Weighted-Average 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 – December 31, 2017		$0.527	1,387,500

The options outstanding as at December 31, 2017 are:

Weighted-Average Exercise Price per Share ($)	Number of Options Outstanding	Expiry Date	Weighted-Average Remaining Contractual Life (years)	Number of Options Exercisable
$0.533	1,125,000	March 5, 2022	4.2	562,500
$0.500	262,500	June 23, 2022	4.5	131,250
$0.527	1,387,500		4.2	693,750

c) Warrants

Pursuant to the IPO, Haywood received 450,000 broker warrants to purchase 450,000 common shares at a price of $0.067 per share (the "IPO Warrants"). The IPO Warrants expire on September 12, 2018 and are recorded at fair value, which has been estimated using the Black-Scholes option pricing model. As part of the February 2017 financing, the Agents received 191,160 broker warrants with an exercise price of $0.467 (the "Feb. 2017 Warrants") and an expiry date of August 23, 2018.

(Expressed in Canadian dollars unless otherwise indicated)

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 year ended December 31, 2017 are as follows:

	Expiry Date	**Weighted-Average Exercise Price $**	**Weighted-Average Remaining Life (years)**	**Number of warrants**	**Ascribed Value $**
Balance – March 23, 2016				-	-
Broker warrants issued	September 12, 2018	$0.067	0.7	450,000	15,698
Warrants exercised				(26,775)	(934)
Balance – December 31, 2016				423,225	14,764
Warrants exercised				(269,494)	(9,387)
Broker warrants issued	August 23, 2018	$0.467	0.6	191,160	41,219
Balance – December 31, 2017		$0.289	0.7	344,891	46,596

The warrants outstanding as at December 31, 2017 are:

Weighted-Average Exercise Price ($)	**Number of Warrants Outstanding**	**Expiry Date**	**Number of Warrants Exercisable**
$0.067	153,731	September 12, 2018	153,731
$0.467	191,160	August 23, 2018	191,160
$0.289	344,891		344,891

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.

(Expressed in Canadian dollars unless otherwise indicated)

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 policies. The acquisition of the Second Option was completed on June 23, 2017 and Altius was issued 1,470,000 additional common shares. Altius currently owns 8,220,000 common shares, approximately 19.92% of the issued and outstanding shares of the Company.

Exploration services were provided by Altius as operator of the Project and a significant shareholder. These exploration activities included an administration fee of $23,196 for the year ended December 31, 2017 (period-ended December 31, 2016 - $31,316).

b) Compensation of key management personnel:

Key management includes all Directors, including Executive and Non-Executive Directors, as well as the President and Chief Executive Officer, the Chief Financial Officer, the Corporate Secretary, the Vice-President Exploration, and a Strategic Advisor.

Compensation earned by key management is summarized as follows:

	2017	**2016**
	$	**$**
Salaries, management and consulting fees	432,609	77,000
Share-based compensation	458,809	-
	891,418	77,000

The Company has consulting arrangements with certain executives, including the President and CEO and a Consultant of the Company which provides 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 $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 the 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 December 31, 2017, the Company has a management services agreement with a company owned by a director and an insider of Antler for the provision of management services, accounting services, rent and other office costs, at a fee of $4,500 per month and continuing until both parties mutually agree to terminate. Management service fees are incurred on a cost recovery basis and include general and administration charges such as utilities, accounting services and investor relations services of the Company.

(Expressed in Canadian dollars unless otherwise indicated)

During the year ended December 31, 2017, the Company incurred costs for management services in the amount of $36,150, and incurred rent, office costs, and other cost reimbursements, in the amount of $45,295.

8. Financial Instruments

Credit risk

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

Liquidity risk

The Company's approach to managing liquidity risk is to continue to maintain a cash balance to be able to meet the funding of its liabilities when required. As at December 31, 2017, the Company had a cash balance of $1,277,858 and a working capital balance of $1,200,848. 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 year ended December 31, 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 as at December 31, 2017 and 2016:

			December 31, 2017
	Level 1	**Level 2**	**Level 3**
Cash	$ 1,277,858	$ -	$ -
Amounts recoverable	-	172,490	-
Accounts payable and accrued liabilities	-	266,197	-

			December 31, 2016
	Level 1	**Level 2**	**Level 3**
Cash	$ 2,084,370	$ -	$ -
Amounts recoverable	-	84,912	-
Accounts payable and accrued liabilities	-	747,957	-

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:

(Expressed in Canadian dollars unless otherwise indicated)

	December 31, 2017 $	December 31, 2016 $
Operating loss before income taxes	(1,066,644)	(267,224)
Income tax recovery based on substantively enacted rates	(330,660)	(82,839)
Pro-rata reduction of flow-through premium liability	(192,000)	-
Current year loss and deductible temporary differences for which no asset recognized	198,858	82,839
Permanent differences and other	131,802	-
Income tax recovery	(192,000)	-

The Company has recognized the following deferred tax assets (liabilities):

	2017 $	2016 $
Resource properties	(489,343)	(61,728)
Property and equipment	3,171	-
Eligible capital property and deferred financing	92,047	45,330
Non-capital loss carryforwards	394,125	16,398
	-	-

The Company has $163,029 of non-capital loss carryforwards for which no deferred tax asset or liability is recognized in the Statement of Financial Position. These non-capital losses expire in 2036 and 2017.

b) Flow-through share premium liability

	December 31, 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	(192,000)
Ending balance	-

10. Commitments

The Company has consulting arrangements with the certain executives including the President and CEO and a Consultant of the Company which provides 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 December 31, 2017, the Company has a management services agreement with a Company owned a director and consultant of the Company for the provision of management services, rent and other office costs, at a fee of $4,500 per month and continuing until both parties mutually agree to terminate.