

**Antler Gold Inc.**

**Unaudited Condensed Interim  
Consolidated Financial Statements**

**September 30, 2022**

November 29, 2022

### **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) "*Christopher Drysdale*"  
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 September 30, 2022 and December 31, 2021

(Expressed in Canadian dollars unless otherwise indicated)

	As at September 30, 2022 \$	As at December 31, 2021 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	912,633	338,511
Amounts recoverable (note 4)	82,501	65,046
Prepaid expenses	26,844	30,841
Investments (note 5)	4,847	14,186
	<u>1,026,825</u>	<u>448,584</u>
<b>Property and equipment (note 6)</b>	33,655	34,268
<b>Resource properties (note 7)</b>		
Acquisition costs	216,740	146,740
Exploration expenditures, net of recoveries	2,916,506	2,500,539
	<u>3,133,246</u>	<u>2,647,279</u>
	<u>4,193,726</u>	<u>3,130,131</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	284,465	241,290
<b>Shareholders' equity (note 8)</b>		
Capital stock	9,428,378	8,306,148
Warrants	617,198	1,610,618
Contributed surplus	3,247,556	1,675,673
Deficit	(9,383,871)	(8,703,598)
	<u>3,909,261</u>	<u>2,888,841</u>
	<u>4,193,726</u>	<u>3,130,131</u>
<b>Going concern (note 1)</b>		
<b>Commitments (note 12)</b>		

### Approved on behalf of the Board of Directors

(signed) "Carl Hansen", 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 and nine-month periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)

	Three- months ended September 30, 2022 \$	Three- months ended September 30, 2021 \$	Nine- months ended September 30, 2022 \$	Nine- months ended September 30, 2021 \$
<b>Expenses</b>				
Professional fees	21,632	15,951	85,249	40,295
Consulting fees (note 9)	69,864	69,864	209,594	210,390
Regulatory and filing fees	6,930	7,218	23,127	20,437
Share-based compensation	78,681	46,530	186,229	395,319
Travel	1,419	3,000	18,431	3,000
Office costs (note 9)	33,870	15,241	83,129	41,790
Property investigation costs	17,990	3,600	46,365	10,912
Insurance	5,079	3,907	15,071	11,593
Depreciation (note 6)	779	111	1,140	111
Foreign exchange loss (gain)	296	(1,083)	2,599	8,916
	<u>(236,540)</u>	<u>(164,339)</u>	<u>(670,934)</u>	<u>(742,763)</u>
Unrealized loss on investments (note 5)	<u>(1,936)</u>	<u>(3,858)</u>	<u>(9,339)</u>	<u>(439)</u>
<b>Net loss and comprehensive loss for the period</b>	<u><b>(238,476)</b></u>	<u><b>(168,197)</b></u>	<u><b>(680,273)</b></u>	<u><b>(743,202)</b></u>
<b>Weighted-average number of shares outstanding during the period</b>	<u><b>80,054,913</b></u>	<u>62,615,268</u>	<u><b>72,492,304</b></u>	<u>61,780,196</u>
<b>Basic and diluted loss per share</b>	<u><b>(0.003)</b></u>	<u>(0.003)</u>	<u><b>(0.009)</b></u>	<u>(0.012)</u>

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

## Antler Gold Inc.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity (note 8)  
**For the periods ended September 30, 2022 and 2021 and December 31, 2021**  
*(Expressed in Canadian dollars unless otherwise indicated)*

	Common Shares #	Share Capital \$	Warrants #	Warrants \$	Contributed Surplus \$	Deficit \$	Total Equity \$
<b>Balance – January 1, 2021</b>	<b>61,348,191</b>	<b>7,965,214</b>	<b>13,058,400</b>	<b>1,455,848</b>	<b>1,256,962</b>	<b>(7,717,568)</b>	<b>2,960,456</b>
Units issued for cash (note 8)	5,000,000	345,230	2,500,000	154,770	-	-	500,000
Financing issue costs (note 8)	-	(8,296)	-	-	-	-	(8,296)
Shares issued pursuant to resource property agreements (note 7)	17,077	4,000	-	-	-	-	4,000
Share-based compensation	-	-	-	-	395,319	-	395,319
Loss and comprehensive loss for the period	-	-	-	-	-	(743,202)	(743,202)
<b>Balance – September 30, 2021</b>	<b>66,365,268</b>	<b>8,306,148</b>	<b>15,558,400</b>	<b>1,610,618</b>	<b>1,652,281</b>	<b>(8,460,770)</b>	<b>3,108,277</b>
Share-based compensation	-	-	-	-	23,392	-	23,392
Loss and comprehensive loss for the period	-	-	-	-	-	(242,828)	(242,828)
<b>Balance – December 31, 2021</b>	<b>66,365,268</b>	<b>8,306,148</b>	<b>15,558,400</b>	<b>1,610,618</b>	<b>1,675,673</b>	<b>(8,703,598)</b>	<b>2,888,841</b>
Units issued for cash (note 8)	11,500,000	718,700	11,500,000	431,300	-	-	1,150,000
Shares issued for finders fee (note 8)	399,000	39,900	-	-	-	-	39,900
Financing issue costs (note 8)	-	(60,436)	-	-	-	-	(60,436)
Broker warrants (note 8)	-	(31,128)	399,000	31,128	-	-	-
Shares issued upon exercise of warrants (note 8)	2,566,667	455,194	(2,566,667)	(70,194)	-	-	385,000
Warrants expired (note 8)	-	-	(10,491,733)	(1,385,654)	1,385,654	-	-
Share-based compensation	-	-	-	-	186,229	-	186,229
Loss and comprehensive loss for the period	-	-	-	-	-	(680,273)	(680,273)
<b>Balance – September 30, 2022</b>	<b>80,830,935</b>	<b>9,428,378</b>	<b>14,399,000</b>	<b>617,198</b>	<b>3,247,556</b>	<b>(9,383,871)</b>	<b>3,909,261</b>

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

# Antler Gold Inc.

## Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2022 and 2021

(Expressed in Canadian dollars unless otherwise indicated)

	Nine-months ended September 30, 2022 \$	Nine-months ended September 30, 2021 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the period	(680,273)	(743,202)
<i>Non-cash items</i>		
Share-based compensation	186,229	395,319
Depreciation	1,140	111
Unrealized loss on investments	9,339	439
	<u>(483,565)</u>	<u>(347,333)</u>
Net changes in non-cash working capital balances related to operations:		
Increase in amounts recoverable	(17,455)	(22,223)
Decrease in prepaid expenses	3,997	6,906
Increase in accounts payable and accrued liabilities	41,417	97,335
	<u>(455,606)</u>	<u>(265,315)</u>
<b>Investing activities</b>		
Purchases of property and equipment	(7,531)	(46,938)
Resource property expenditures	(477,205)	(1,225,894)
	<u>(484,736)</u>	<u>(1,272,832)</u>
<b>Financing activities</b>		
Proceeds from private placements, net of issuance costs (note 8)	1,129,464	491,704
Proceeds from exercise of warrants (note 8)	385,000	-
	<u>1,514,464</u>	<u>491,704</u>
<b>Net change in cash during the period</b>	<b>574,122</b>	<b>(1,046,443)</b>
<b>Cash – beginning of period</b>	<b>338,511</b>	<b>1,667,955</b>
<b>Cash – end of period</b>	<b>912,633</b>	<b>621,512</b>

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 September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)**

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### **1. Nature of Operations and Going Concern**

#### **Nature of operations**

Antler Gold Inc. (“Antler” or the “Company”) was incorporated under the Canada Business Corporations Act on March 23, 2016. The Company is classified as a Tier 2 Company as defined in the TSX Venture Exchange (the “Exchange”) Policies. The principal business of the Company is the exploration and development of mineral properties. The Company’s corporate and registered office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, B3J 3R7. The Company’s technical office is located at 18 Liliencron Street, Windhoek, Namibia.

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 \$680,273 for the nine-month period ended September 30, 2022 (net loss of \$986,030 for the year ended December 31, 2021) 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 the successful issue of equity to investors. There is no certainty that investors will subscribe to future offerings of equity by the Company. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern and, therefore, that it may not be able to realize its assets and discharge its liabilities in the normal course of business.

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.

# **Antler Gold Inc.**

## **Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)**

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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, 2021.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of November 29, 2022, 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, 2022 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., Antler Gold Namibia (Proprietary) Limited (“Antler Pty”), Antler Exploration Zambia Limited, and 87.5% owned Antler Gold PG Inc. 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.

#### **Foreign currency translation**

The Canadian dollar is the functional and presentation currency of the Company and its subsidiaries, as this is the principal currency of the economic environment in which the Company operates. Foreign currency transactions are translated as follows: (i) monetary assets and liabilities denominated in currencies other than the Canadian dollar are translated into Canadian dollars at the exchange rate prevailing at the consolidated statements of financial position dates; and (ii) non-monetary assets and liabilities denominated in foreign currencies and measured in terms of historic costs are translated using rates of exchange at the transaction dates.

#### **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, 2021. 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, 2021 for information on the accounting policies as well as new accounting standards adopted.

# Antler Gold Inc.

## Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)

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### COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of the coronavirus, also known as "COVID-19". The pandemic spread across the globe and has impacting worldwide economic activity. Conditions surrounding the coronavirus continue to evolve. Other than limited delays in its planned exploration activities in 2020 and 2021, COVID-19 and the various government responses have had a limited impact on the Company since the beginning of the pandemic. 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 nine-month period ended September 30, 2022 or the year ended December 31, 2021.

### 4. Accounts receivable

	September 30, 2022	December 31, 2021
	\$	\$
Sales taxes recoverable	30,576	19,728
Other accounts receivable	51,925	45,318
	<u>82,501</u>	<u>65,046</u>

### 5. Investments

Changes in the Company's equity investments during the nine-month period ended September 30, 2022 and the year ended December 31, 2021 are as follows:

	\$
<b>Balance – January 1, 2021</b>	19,486
Fair value adjustment for the year	<u>(5,300)</u>
<b>Balance – December 31, 2021</b>	14,186
Fair value adjustment for the period	<u>(9,339)</u>
<b>Balance – September 30, 2022</b>	<u>4,847</u>

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended September 30, 2022 and 2021

(Expressed in Canadian dollars unless otherwise indicated)

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 nine-month period ended September 30, 2022, the Company recorded an unrealized loss of \$9,339 on its investments (September 30, 2021 - unrealized loss of \$439).

#### 6. Property and Equipment

<b>Cost</b>	<b>Exploration vehicles</b>	<b>Office equipment</b>	<b>Total</b>
	\$	\$	\$
As at January 1, 2021	-	-	-
Additions	43,606	3,332	46,938
As at December 31, 2021	43,606	3,332	46,938
Additions	-	7,531	7,531
As at September 30, 2022	43,606	10,863	54,469
<b>Accumulated depreciation</b>	<b>Exploration vehicles</b>	<b>Office equipment</b>	<b>Total</b>
	\$	\$	\$
As at January 1, 2021	-	-	-
Depreciation	12,392	278	12,670
As at December 31, 2021	12,392	278	12,670
Depreciation	7,004	1,140	8,144
As at September 30, 2022	19,396	1,418	20,814
<b>Carrying amount</b>	<b>Exploration vehicles</b>	<b>Office equipment</b>	<b>Total</b>
	\$	\$	\$
As at December 31, 2021	31,214	3,054	34,268
As at September 30, 2022	24,210	9,445	33,655

During the nine-month ended September 30, 2022, depreciation of \$7,004 was capitalized to resource properties (September 30, 2021 - \$9,095).

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)

#### 7. Resource Properties

	Namibia	Zambia	Other	Total September 30, 2022	Total December 31, 2021
	\$	\$	\$	\$	\$
<i>Acquisition Costs</i>					
Opening balance	141,740	5,000	-	146,740	149,791
Acquisition costs	70,000	-	-	70,000	5,000
Write-down	-	-	-	-	(8,051)
Ending balance	211,740	5,000	-	216,740	146,740
<i>Exploration Expenditures</i>					
Opening balance	2,388,786	98,793	12,960	2,500,539	1,228,112
Additions incurred	301,964	110,043	3,960	415,967	1,344,669
Write-down	-	-	-	-	(72,242)
Ending balance	2,690,750	208,836	16,920	2,916,506	2,500,539
<i>Total Resource Properties</i>	2,902,490	213,836	16,920	3,133,246	2,647,279

The Company's interest in resource properties consists of:

#### *Namibia*

##### *Erongo Central Project*

In 2019, the Company entered a purchase agreement with an arms-length vendor to acquire Exclusive Prospective License ("EPL") 6162, a gold exploration license in Namibia that is located within the Erongo region of central Namibia (the "EPL 6162 Agreement"). Antler has acquired a 100% interest in EPL 6162 by completing all terms of the earn-in, including:

- paying the vendor \$12,000;
- issuing to the vendor 47,910 common shares of Antler with an implied value of \$7,700; and
- incurring \$50,000 of exploration expenditures on EPL 6162 within one year of the renewal date.

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 four 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.

In 2020, the Company entered a purchase agreement with an arms-length vendor to acquire a 100% interest in the gold exploration license EPL 7261 (the "EPL 7261 Agreement"), which is located adjacent to EPL6162. Antler has acquired a 100% interest in EPL 7261 by completing all terms of the earn-in, including:

- paying the vendor \$7,000;
- issuing to the vendor 65,652 common shares of Antler with an implied value of \$7,222; and
- incurring at least \$75,000 of exploration expenditures before the first anniversary of the agreement.

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)**

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In 2020, the Company entered into a purchase agreement to acquire 100% of a Namibian gold exploration license EPL 6550 (the “EPL 6550 Agreement”) and specifically referred to as the Etiro Dome Project. However, during the year ended December 31, 2021, the Company did not renew EPL 6550 and recorded a write-down of the exploration and acquisition costs on EPL 6550 of \$80,293.

In 2020, the Company entered into a purchase agreement with an arms-length vendor 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 completing all terms of the earn-in, including:

- paying the vendor \$2,557, which has been paid; and
- paying 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 Pty.

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.

#### *Erongo Western Project*

In December 2019, the Company entered into an agreement with an arms-length vendor to acquire a 75% interest in a private company, the sole asset of which is gold exploration license EPL 5455, 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 completing all terms of the earn-in, including:

- paying the vendor initial payments totalling \$50,000, which have been paid;
- paying the vendor an additional payment of \$50,000 on December 16, 2020, which has been paid;
- during the period ended September 30, 2022, the Company renegotiated the final payments with the vendor. Under the new terms, Antler must make a cash payment of \$40,000 on or before January 31, 2022 and a second cash payment of \$42,000 on or before January 31, 2023 to acquire its 75% interest. The first cash payment of \$40,000 was paid during the nine-month period ended September 30, 2022; and
- In addition to the cash and share consideration, Antler must also incur exploration expenses in the aggregate amount of \$200,000, which the Company has spent.

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 initial 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.

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)**

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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%.

#### *Zambia*

During the year ended December 31, 2021, the Company entered into a binding letter agreement (the “Zambia Agreement”) with an arm’s length vendor to acquire a greenfield rare earth elements project in Zambia (the “Kesya Project”). The Kesya Project is located within the vendor's currently held mineral license. Under the Zambia Agreement, Antler has the right to create a new license over the Kesya Project and to transfer that license into a newly incorporated entity once certain terms and conditions are met, including:

- paying the vendor an initial \$5,000 on signing of the Agreement, which has been paid;
- \$25,000 of exploration work in respect of the Project within six (6) months of expiration of the 30-day due diligence period commencing on the date of the Agreement, which has been spent; and
- an additional \$10,000 payment to the vendor should Antler decide to proceed to establish an entity (“Newco”) with the vendor and transfer the license to Newco.

Terms of the proposed agreement between Antler and the vendor will include, among other things, an initial 75% interest for Antler and 25% for the vendor in Newco. Antler will act as the operator of the Kesya Project and each party will be expected to contribute its proportionate share of exploration expenditures in respect of the Kesya Project or be diluted. In the event that either party's interest in Newco is diluted to 10% or less, that party's interest will automatically be converted into a 5% carried interest.

During the nine-month period ended September 30, 2022, the Company incurred exploration expenditures of \$110,043 in Zambia. During the year ended December 31, 2021, the Company paid the acquisition fee of \$5,000 and incurred exploration expenditures of \$98,793 in Zambia.

#### *Project generation agreement*

During the nine-month period ended September 30, 2022, the Company entered a Project Generator Agreement (“PG Agreement”) with an arms-length party, Sherpa Resource Holdings (“Sherpa”), to form a new corporation, the Project Generator (“PG”), for the purposes of generating exploration opportunities and projects in Africa. Sherpa is a company set up to hold the interests in the PG and it is a related party to Remote Exploration Services (Pty) Ltd., a geological services contractor headquartered in South Africa.

Under the terms of the PG Agreement, Antler and Sherpa agreed to jointly target, evaluate and advance new project opportunities in Africa. Antler has established Antler Gold PG Inc., which is owned 87.5% by Antler and 12.5% by Sherpa. Antler will appoint the majority of the Board of Directors of PG and Antler will be appointed to manage and carry out the mineral exploration operations of PG. Antler and Sherpa will enter a shareholders’ agreement to govern their respective rights as shareholders of PG.

Antler and Sherpa have the right to purchase each other’s interest in the PG under specified terms and times. Sherpa may also earn an additional 2.5% interest at the project level if it is involved or technically responsible for making an economically significant discovery on a property to be held by PG. The initial term of the PG Agreement is for three years and can be extended if mutually agreed.

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)**

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#### *Acquisition of the Onkoshi Gold Project*

During the period ended September 30, 2022, Antler Gold Inc. and its subsidiary, Antler Pty, entered a binding agreement (the "Onkoshi Agreement") to acquire 90% of the Onkoshi Gold Project ("Onkoshi Project") in Namibia from an arm's length vendor. The Onkoshi Project will be held in Antler's 87.5%-owned PG. The terms of the Onkoshi Agreement are for Antler Pty to pay the vendor \$30,000 on signing, which was paid during the period ended September 30, 2022, and to pay an additional \$50,000 upon the issuance of an Environmental Clearance Certificate ("ECC") and the successful transfer of the Onkoshi Project EPL to PG. In addition, Antler Pty must pay a further \$20,000 on the one-year anniversary of the date of ECC issuance and Antler must issue the vendor or their nominee \$100,000 of Antler common shares based on the 10-day Volume Weighted-Average price ("VWAP") immediately prior to issuance. A finder's fee of \$20,000 has been paid to an arm's length party who introduced the Onkoshi Project to the Company.

#### *Other – Ontario, Canada*

In 2019, Antler acquired a 100% title and interest in and to certain mineral claims comprising the Crescent Lake molybdenum-copper-silver project located in Armstrong, Ontario. The Company acquired the Crescent Lake Property in consideration of the assumption of all liabilities associated with the Crescent Lake Property (which were nominal) and the future payment to the vendor, Sona Nanotech Inc. ("Sona") of contingent consideration if the Company disposes of the Crescent Lake Property to a third party, or enters into an agreement or arrangement with a third party to otherwise monetize the Crescent Lake 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 Crescent Lake Property and the date of such Future Transaction, to a maximum of \$3,000,000. The majority of the Crescent Lake Property, including the mineralized zone, is subject to a 0.5% net smelter royalty ("NSR"). Of the remaining claims on the Crescent Lake 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 \$16,920 have been incurred to September 30, 2022 for the maintenance of the Crescent Lake Property.

## **8. Shareholders' Equity**

### **i) Capital Stock**

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

On July 7, 2022, the Company completed a private placement financing from the sale of 11.5 million units of the Company at \$0.10 per unit, for gross proceeds of \$1,150,000. Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant is exercisable to purchase one common share of the Company at an exercise price of \$0.15 per share for a period of 24 months from the closing date of the private placement. Insiders subscribed for a total of 5.8 million units, including 2.9 million units subscribed for by officers and directors.

Numus Capital Corp. acted as an agent for the July 7, 2022 financing (the "Agent"). The Agent is a non-arm's length party, as the Agent is controlled by a director and an insider of Antler. As compensation for its services, the Agent received compensation in the form of 399,000 compensation units, being equal to 7.0% of the units sold, other than to insiders and certain other existing shareholders of the Company. Each compensation unit consists of one common share and one common share purchase warrant, with each warrant being exercisable to purchase one common share of the Company at a price of \$0.15 per share for

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)

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a period of 24 months from the closing date of the private placement. All securities issued pursuant to the private placement financing are subject to a four-month hold period which expires on November 8, 2022.

The value allocated to the common shares issued on July 7, 2022 was \$718,700, and the value allocated to the common share purchase warrants was \$431,300. The value allocated to the common shares issued as compensation was \$39,900, and the value allocated to the common share purchase warrants issued as compensation was \$31,128. Other costs associated with the private placement, consisting of professional and regulatory fees, were \$20,536.

During the period ended September 30, 2022, 2,566,667 common shares were issued upon the exercise of 2,566,667 common share purchase warrants at \$0.15 per share, for gross proceeds of \$385,000. The share price on the date of exercise was \$0.145.

On September 8, 2021, the Company completed a private placement financing for gross proceeds of \$500,000 through the sale of 5.0 million units at \$0.10 per unit. Each unit consists of one common share of Antler and one-half common share purchase warrant. Each whole warrant will be exercisable to purchase one common share of Antler at a price of \$0.15 per share until September 8, 2023. Insiders and certain other existing shareholders of Antler subscribed for 3.3 million units under the financing.

The value allocated to the common shares issued on September 8, 2021 was \$345,230 and the value allocated to the common share purchase warrants was \$154,770. Total costs associated with the private placement, consisting primarily of professional and regulatory fees, were \$8,296.

On April 12, 2021, the Company issued 17,077 common shares pursuant to its EPL 6162 Agreement (note 7) with a value of \$4,000.

#### 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.

The changes in the Company's stock options during the period ended September 30, 2022 and the year ended December 31, 2021 are as follows:

	Number of options	Weighted- average exercise price
Balance, January 1, 2021	3,895,000	\$ 0.42
Granted	1,150,000	0.205
Balance, December 31, 2021	5,045,000	\$ 0.42
Granted	1,250,000	0.15
Expired	(1,162,500)	0.53
Balance, September 30, 2022	5,132,500	\$ 0.28

During the nine-month period ended September 30, 2022, the Company granted 1,250,000 incentive stock options to officers, directors and consultants. Officers and directors received 1,000,000 of the options granted. Each option is exercisable into one common share of the Company at an exercise price of \$0.15

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per share. 750,000 of the options will vest at the rate of one-third of the total each year for three years, 300,000 options will vest at the rate of one quarter of the total every six months, and the remaining 200,000 options will be fully vested. The options expire five years from the date of grant.

During the year ended December 31, 2021, the Company granted 1,150,000 stock options under the Company's Plan to officers, directors, employees, and consultants. Each option is exercisable into one common share of the Company at a price of \$0.205 per share and will vest at the rate of 25% of the total every six months. The options expire five years from the date of grant.

On March 5, 2022, 937,500 stock options with an exercise price of \$0.533 expired unexercised. On June 23, 2022, 225,000 stock options with an exercise price of \$0.50 expired unexercised.

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. Weighted-average assumptions used in the pricing model for the options issued during the nine-month period ended September 30, 2022 and the year ended December 31, 2021 were as follows:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Risk-free interest rate	3.09%	0.95%
Expected volatility	179%	176%
Expected dividend yield	-	-
Expected life	5 years	5 years
Weighted-average fair value per option	\$0.134	\$0.195

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the options granted during the nine-month period ended September 30, 2022 is \$167,391 (year ended December 31, 2021 - \$224,447). The fair value of the options is amortized over the vesting period, and \$186,229 has been expensed during the nine-month period ended September 30, 2022 (September 30, 2021 - \$395,319). As at September 30, 2022, 3,220,000 options have vested.

The options outstanding as at September 30, 2022 are:

<b>Weighted-Average Exercise Price per Share</b>	<b>Number of Options Outstanding</b>	<b>Expiry Date</b>	<b>Weighted-Average Remaining Contractual Life (in years)</b>	<b>Number of Options Vested</b>
\$0.150	200,000	February 12, 2024	1.4	200,000
\$0.400	2,282,500	August 5, 2025	2.8	2,282,500
\$0.200	250,000	November 10, 2025	3.1	250,000
\$0.205	1,150,000	November 30, 2026	4.2	287,500
\$0.150	1,250,000	July 18, 2027	4.8	200,000
\$0.281	5,132,500		3.6	3,220,000

## Antler Gold Inc.

### Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)

#### iii) Warrants

The changes in the Company's warrants during the period ended September 30, 2022 and the year ended December 31, 2021 are as follows:

	Expiry Date	Weighted-Average Exercise Price \$	Number	Value \$
Balance – January 1, 2021			13,058,400	1,455,848
Warrants issued pursuant to financing	September 8, 2023	0.15	2,500,000	154,770
Balance – December 31, 2021			15,558,400	1,610,618
Warrants exercised		0.15	(2,566,667)	(70,194)
Warrants and broker warrants expired		0.37	(10,491,733)	(1,385,654)
Warrants issued	July 7, 2024	0.15	11,500,000	431,300
Broker warrants issued	July 7, 2024	0.15	399,000	31,128
Balance – September 30, 2022			14,399,000	617,198

Pursuant to the financing completed by the Company on July 7, 2022, Antler issued 11,500,000 common share purchase warrants and 399,000 broker warrants. The warrants issued on July 7, 2022 have an exercise price of \$0.15 and expire on July 7, 2024.

During the period ended September 30, 2022, 2,566,667 common shares were issued upon the exercise of 2,566,667 warrants at an exercise price of \$0.15 for gross proceeds of \$385,000. The share price on the date of exercise was \$0.145. On January 21, 2022, 3,678,333 warrants, including 495,000 broker warrants, with an exercise price of \$0.15 expired unexercised. On July 21, 2022, 6,000,000 warrants with an exercise price of \$0.40 and 813,400 broker warrants with an exercise price of \$0.25 expired unexercised.

Pursuant to the financing completed by the Company on September 8, 2021, Antler issued 2,500,000 common share purchase warrants. The 2,500,000 warrants issued on September 8, 2021 have an exercise price of \$0.15 and expire on September 8, 2023.

The assumptions used in the pricing model and fair value results for the warrants issued during the nine-month period ended September 30, 2022 and the year ended December 31, 2021 are as follows:

	July 2022 Warrants	Sept. 2021 Warrants
Risk-free interest rate	3.2%	0.4%
Expected volatility	123%	239%
Expected dividend yield	-	-
Expected life	2 years	2 years
Fair value per warrant	\$0.078	\$0.103

## **Antler Gold Inc.**

### **Notes to Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2022 and 2021 (Expressed in Canadian dollars unless otherwise indicated)**

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The warrants outstanding as at September 30, 2022 are:

<b>Number of warrants outstanding</b>	<b>Exercise price</b>	<b>Expiry Date</b>
2,500,000	\$0.15	September 8, 2023
11,500,000	\$0.15	July 7, 2024
399,000	\$0.15	July 7, 2024
<u>14,399,000</u>		

#### **9. Related Party Transactions**

Amounts payable to officers, directors and companies owned thereby were \$127,174 at September 30, 2022 (December 31, 2021 - \$164,714). In addition, a related party company with common directors and officers owed Antler \$36,530 at September 30, 2022 (December 31, 2021 - \$nil). 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 \$246,908 were incurred for the nine-month period ended September 30, 2022 (year ended December 31, 2021 – \$338,659) for services of the President and CEO, the Executive Chair, a Strategic Advisor, the Vice-President of Operations and Corporate Development, and the CFO of the Company. Including in the consulting fees paid to key management are \$74,664 in fees that were capitalized to resource properties for services of the Vice-President of Operations and Corporate Development during the period (December 31, 2021 - \$83,000).

During the nine-month period ended September 30, 2022, the Company granted 1,250,000 stock options, of which 1,000,000 were granted to officers and directors of the Company. The options are exercisable at an exercise price of \$0.15 and expire on July 18, 2027. During the year ended December 31, 2021, the Company granted 1,150,000 stock options, of which 400,000 were granted to an officer of the Company. The options are exercisable at an exercise price of \$0.205 per share and expire on November 30, 2026.

##### **b) Financing agent:**

Numus Capital Corp. acted as the Agent for the Company's July 7, 2022 financing. Numus Capital Corp. is controlled by a director and an insider of Antler and is therefore considered related to the Company. As compensation for its services, Numus Capital Corp. received compensation in the form of 399,000 compensation units, being equal to 7.0% of the units sold, other than to insiders and certain other existing shareholders of the Company. Each compensation unit consists of one common share and one common share purchase warrant, with each warrant being exercisable to purchase one common share of the Company at a price of \$0.15 per share for a period of 24 months from the closing date of the private placement.

##### **c) Services agreement:**

At September 30, 2022 and December 31, 2021, 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.

# **Antler Gold Inc.**

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

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During the period ended September 30, 2022, the Company incurred costs for consulting and controller services in the amount of \$37,350 (December 31, 2021 - \$49,800), and incurred rent, office costs and other cost reimbursements in the amount of \$23,955 (December 31, 2021 - \$34,439).

As outlined in the services agreement dated September 1, 2018, if the services agreement is cancelled by the Company, 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.

### **10. 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. The sales taxes recoverable are primarily with the Government of Canada.

#### **Liquidity risk**

The Company's approach to managing liquidity risk is to continue to maintain a cash balance to be able to meet the funding of its liabilities when required. As at September 30, 2022, the Company had a cash balance of \$912,633 and a working capital balance of \$742,360 (December 31, 2021 – cash balance of \$338,511 and a working capital balance of \$207,294). Working capital is determined by deducting current liabilities of \$284,465 (December 31, 2021 - \$241,290) from current assets of \$1,026,825 (December 31, 2021 - \$448,584). The Company's ability to continue to meet its liabilities, beyond the current cash balance, is dependent on raising funds by means of public or private equity offerings.

#### **Foreign currency rate risk**

A portion of the Company's transactions occur in United States, Zambian and Namibian currencies; accordingly, the related financial assets and liabilities are subject to fluctuations in the respective exchange rates. For the period ended September 30, 2022, the sensitivity of the Company's net loss due to changes in the exchange rate between the Canadian dollar and foreign currencies (primarily the Namibian dollar and the Zambian Kwacha) would have impacted net loss by \$2,725 for a 5% increase or decrease in the Canadian dollar.

#### **Fair value**

During the nine-month period ended September 30, 2022, there were no transfers between Level 1, Level 2 and Level 3 classified assets and liabilities. The fair values of the Company's cash, amounts recoverable, and accounts payable and accrued liabilities are considered to approximate the carrying amounts due to their short term to maturity. Investments are recorded at fair value based on prices quoted in an active market for identical instruments held by the Company, which is a Level 1 fair value category.

## Antler Gold Inc.

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#### 11. Income Taxes

Deferred income tax recovery differs from the amount that would be computed by applying the federal and provincial statutory income tax rate of 29% to net loss before income taxes. The reasons for the difference are as follows:

	September 30, 2022 \$	September 30, 2021 \$
Operating loss before income taxes	(680,273)	(743,202)
Income tax recovery based on substantively enacted rates	(197,279)	(215,529)
Current year loss and deductible temporary differences for which no asset recognized	142,519	126,999
Permanent differences and other	54,760	72,740
Income tax recovery	-	-

#### 12. Commitments

Antler has agreements with certain executives, including the Executive Chair 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.

At September 30, 2022 and December 31, 2021, Antler had a management services agreement with a company owned by a director and consultant of the Company for the provision of management services, rent and other office costs, at a fee of \$6,700 per month and continuing until both parties mutually agree to terminate.