



SNOWLINE
GOLD CORP

SNOWLINE GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended June 30, 2023 and 2022
(*Unaudited - Expressed in Canadian Dollars*)

Snowline Gold Corp.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	June 30, 2023	December 31, 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		36,351,972	21,895,300
Receivables		363,617	531,194
Prepays and deposits		405,025	496,091
		37,120,614	22,922,585
Property and equipment	4	640,206	411,581
Deposits		60,000	60,000
Right of use asset		77,100	87,156
Exploration and evaluation assets	3	9,741,906	8,501,675
Total Assets		47,639,826	31,982,997
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	3,018,079	548,591
Lease liability		20,219	22,684
Deferred acquisition payments	3	198,134	184,900
Flow through share premium	6	5,370,695	1,368,339
		8,607,127	2,124,514
Lease liability		38,735	57,824
Deferred acquisition payments	3	228,213	457,455
Total Liabilities		8,874,075	2,639,793
Equity (Deficiency) Attributable to Shareholders			
Share capital	7	59,763,547	43,640,371
Contributed surplus	7	8,739,357	5,710,033
Deficit		(29,737,153)	(20,007,200)
Total Shareholders' Equity		38,765,751	29,343,204
Total Liabilities and Shareholders' Equity		47,639,826	31,982,997

Nature of operations and going concern (Note 1 and 2)

Subsequent events (Note 7 and 9)

Approved by the Board of Directors on August 23, 2023:

"Gunther Roehlig"

Gunther Roehlig

Director

"C. Morrison"

Calum Morrison

Snowline Gold Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2023 \$	2022 \$	2023 \$	2022 \$
Operating expenses					
Exploration expenditures	5	6,216,728	2,648,091	7,380,849	3,220,080
Share-based payment expense	7, 8	1,611,952	223,228	3,226,930	368,735
Wages and salaries	8	230,911	91,582	454,505	178,986
Professional fees	8	223,593	65,707	277,754	89,675
Investor relations		130,141	67,891	243,907	149,897
Office and miscellaneous	8	74,278	97,158	127,665	120,565
Depreciation	4	56,936	40,696	107,683	40,696
Transfer agent and regulatory fees		78,877	27,762	102,580	40,583
Consulting		33,855	13,464	62,230	14,405
Lease interest		4,717	-	8,446	-
Total operating expenses		(8,661,988)	(3,275,579)	(11,992,549)	(4,223,622)
Loss before other expenses		(8,661,988)	(3,275,579)	(11,992,549)	(4,223,622)
Other income (expenses)					
Accretion expense	3	(10,868)	(20,497)	(33,992)	(45,575)
Foreign exchange (loss) gain		(1,806)	(22)	(3,163)	(54)
Finance income (cost)		343,840	(1,400)	540,295	(2,335)
Recovery on flow through share premium	6	1,487,625	703,894	1,759,456	809,766
Other expenses		-	804	-	-
Total other income		1,818,791	682,779	2,262,596	761,802
Net loss and comprehensive loss		(6,843,197)	(2,592,800)	(9,729,953)	(3,461,820)
Loss per share – basic and diluted		(0.05)	(0.02)	(0.07)	(0.03)
Weighted average number of shares outstanding – basic and diluted		140,026,011	104,570,891	136,747,131	103,954,676

Snowline Gold Corp.

Condensed Interim Consolidated Statements of Cash Flows
 For the three and six months ended June 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Six months ended June 30,	
	2023	2022
	\$	\$
Cash Provided From (Used In)		
Operating Activities		
Loss for the period	(9,729,953)	(3,461,820)
Items not affecting cash:		
Depreciation	107,683	40,696
Accretion expense	33,992	45,575
Recovery on flow through share premium	(1,759,456)	(809,766)
Share-based payment expense	3,226,930	368,735
Lease interest	8,446	-
Cash used in operations before working capital items	(8,112,358)	(3,816,580)
Net change in working capital items		
Accounts receivable	167,577	(144,507)
Prepaid expenses	91,066	(319,334)
Accounts payable and accrued liabilities	2,469,487	1,115,337
	(5,384,228)	(3,165,084)
Investing Activity		
Purchase of property, plant and equipment	(326,252)	(489,498)
Acquisition of exploration and evaluation assets	(1,000,000)	-
Lease payment	(30,000)	-
Deferred acquisition payment	(250,000)	(250,000)
	(1,606,252)	(739,498)
Financing Activities		
Proceeds from private placement, net of share issuance costs	19,100,694	-
Proceeds from warrant exercise	2,259,458	1,096,733
Proceeds from option exercise	87,000	225,000
	21,447,152	1,321,733
Change in cash and cash equivalents	14,456,672	(2,582,849)
Cash and cash equivalents – beginning of the period	21,895,300	8,741,162
Cash and cash equivalents – end of the period	36,351,972	6,158,313
Cash and cash equivalents consisted of		
Cash deposited with a Canadian Senior Bank	2,635,255	6,158,313
Term deposits and guaranteed investment certificates issued	33,716,717	-
	36,351,972	6,158,313

Snowline Gold Corp.

Condensed Interim Consolidated Statements of Changes in Equity
 For the three and six months ended June 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

	Common Shares #	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance – December 31, 2022	132,150,993	43,640,371	5,710,033	(20,007,200)	29,343,204
Issued during the period:					
Private placement, net of issuance costs	3,941,048	19,100,694	-	-	19,100,694
Flow through liability	-	(5,761,813)	-	-	(5,761,813)
Warrants exercised	3,848,915	2,651,986	(392,528)	-	2,259,458
Options exercised	240,000	132,309	(45,309)	-	87,000
Warrants issued for acquisition of exploration and evaluation assets	-	-	240,231	-	240,231
Share-based payment expense	-	-	3,226,930	-	3,226,930
Net loss for the period	-	-	-	(9,729,953)	(9,729,953)
Balance – June 30, 2023	140,180,956	59,763,547	8,739,357	(29,737,153)	38,765,751
 Balance – December 31, 2021					
Issued during the period:					
Warrants exercised	2,168,465	1,218,655	(121,923)	-	1,096,733
Options exercised	750,000	318,750	(93,750)	-	225,000
Share-based payment expense	-	-	368,735	-	368,735
Net loss for the period	-	-	-	(3,461,820)	(3,461,820)
Balance – June 30, 2022	105,613,433	18,157,278	2,453,603	(10,650,854)	9,960,027

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(*Unaudited - Expressed in Canadian Dollars*)

1. Corporate Information

Snowline Gold Corp. (the “Company” or “Snowline”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on November 29, 2017. The Company’s corporate head office is located at 1012 – 1030 West Georgia Street, Vancouver, British Columbia, Canada.

On December 1, 2020, the Company entered into a purchase and sale agreement (the “Purchase Agreement”), as amended, with 18526 Yukon Inc. (“18526”) and Senoa Gold Corp. (“Senoa”), pursuant to which the Company acquired all of the issued and outstanding shares of Senoa from 18526 (the “Transaction”). On February 25, 2021, upon closing of the Transaction, the Company changed its name from Skylegger Tech Corp. to Snowline Gold Corp., and the Company’s principal business has now become the acquisition and exploration of mineral properties. The Company’s common shares are listed on the TSX Venture Exchange under the symbol “SGD”.

2. Basis of Preparation

Statement of Compliance with International Financial Reporting Standards (“IFRS”)

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

The Company has used the same accounting policies and methods of computation in these condensed interim consolidated financial statements as in the annual consolidated financial statements for the year ended December 31, 2022.

The Company’s interim results are not necessarily indicative of its results for a full year.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain assets and liabilities measured at fair value.

The condensed interim consolidated interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

The preparation of condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

Going Concern and Continuance of Operations

These condensed interim consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At June 30, 2023, the Company had an accumulated deficit of \$29,737,153 (December 31, 2022 \$20,007,200) since inception, and the Company’s working capital was \$28,513,487 (December 31, 2022: \$20,798,071). The Company is expected to incur further losses in the development of its business. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

necessary capital to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Basis of consolidation

These condensed interim consolidated financial statements include the results or financial information of Snowline Gold Corp. and its wholly owned subsidiary, Senoa Gold Corp. All intercompany transactions and balances have been eliminated upon consolidation.

3. Exploration and Evaluation Assets

The Company has capitalized the following acquisition costs of its exploration and evaluation assets during the period ended June 30, 2023 and the year ended December 31, 2022:

Balance, December 31, 2021	\$	6,000,675
Share issuance – acquisition cost (b,c)		1,951,000
Cash component – acquisition cost (b,c)		550,000
Balance, December 31, 2022	\$	8,501,675
Warrant issuance – acquisition cost (d)		240,231
Cash component – acquisition cost (d)		1,000,000
Balance, June 30, 2023	\$	9,741,906

a) Acquisition of Senoa Gold Corp.

On December 1, 2020, the Company entered into the Purchase Agreement, pursuant to which the Company agreed to acquire all of the issued and outstanding shares in the capital of Senoa then held by 18526 Yukon Inc. ("18526"). As a result of the Transaction, the Company now owns the Einarson (as to 70% with the balance owned by a third party), Rogue, Tosh, Cliff, Rainbow, Cynthia and Ursa claims located in the Yukon (the "Properties"). The consideration of the Transaction consists of:

- (i) 25,650,000 common shares issued; and
- (ii) cash payments to 18526 as follows:
 - \$1,000,000 on closing of the Transaction (paid);
 - \$250,000 on the first anniversary of closing of the Transaction (paid);
 - \$250,000 on the second anniversary of closing of the Transaction (paid);
 - \$250,000 on the third anniversary of the closing of the Transaction;
 - \$250,000 on the fourth anniversary of closing of the Transaction; and
 - a contingent \$1,000,000 resource bonus (to be paid on each of the seven Properties for an aggregate of up to \$7,000,000 (the "Resource Bonus") upon Snowline establishing a Measured Mineral Resource, an Indicated Mineral Resource or an Inferred Mineral Resource (or any combination thereof) of at least 1,000,000 ounces of gold on any of the seven Properties. The Resource Bonus is a one-time payment for each of the Properties.

18526 will retain a royalty equal to 2.0% of the net smelter returns in respect of each of the Properties, of which the Company may buy back one half (1.0%) at any time for 1,000 ounces of gold (.9999 fine) which

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(*Unaudited - Expressed in Canadian Dollars*)

may be satisfied in cash or in kind. The Transaction received Canadian Securities Exchange approval on February 25, 2021.

The Transaction does not meet the definition of a business combination and has therefore been accounted for as an asset purchase of mineral property interests. The consideration for the acquisition has been allocated to the relative fair values of the assets acquired and liabilities assumed, based on management's best estimate and taking into account all available information on the acquisition date.

The acquisition price of the mineral property interests was determined to be \$5,710,675 and is comprised of the following consideration:

25,650,000 common shares issued	\$ 3,847,500
Cash payment	1,000,000
Deferred cash payments	713,690
Transaction costs	149,485
Acquisition price allocated to mineral property interests	\$ 5,710,675

The 25,650,000 common shares issued were determined to have a fair value of \$3,847,500 at a price of \$0.15 per share. The fair value of the deferred payments of \$1,000,000 over a four-year period was determined to be \$713,690 on the acquisition date using a discounted cash flow model. A discount rate of 15% was used. During the period ended June 30, 2023, the Company recorded accretion expense of \$33,992 related to the deferred cash payments. The Company has elected not to recognize a liability for the contingent consideration related to the Resource Bonus at the acquisition date. Any liability for the Resource Bonus will be recognized when it becomes probable that the precedent conditions will be met. The Company incurred costs of \$149,485 associated with the Transaction.

The changes in the deferred acquisition payments are as follows:

Balance, December 31, 2021	\$ 803,097
Accretion	89,258
Payment	(250,000)
Balance, December, 2022	\$ 642,355
Accretion	33,992
Payment	(250,000)
Balance, June 30, 2023	\$ 426,347

	June 30, 2023	December 31, 2022
Current portion of deferred acquisition payments	\$198,134	\$184,900
Long-term portion of deferred acquisition payments	\$228,213	457,455
	\$426,347	\$ 642,355

b) Property option agreement

On September 1, 2021, the Company entered into a property option agreement with Epica Gold Inc., a wholly owned subsidiary of HighGold Mining Inc., and Carlin Gold Corporation (together the "Optionors"), pursuant to which the Company acquired the option (the "Option") to purchase a 100% interest in 812 mining claims surrounding the Cynthia project.

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(*Unaudited - Expressed in Canadian Dollars*)

Under the terms of the Agreement, the Company can acquire the properties in exchange for payments to the Optionors of \$100,000 (\$50,000 which was paid on signing and \$50,000 which was paid on the first anniversary), and issuing 1,000,000 common shares to the optionors, (500,000 common shares which were issued on signing and 500,000 on the first anniversary).

The agreement is subject to a 2% net smelter returns royalty, with a 1% buy-back provision for \$2,000,000.

The acquisition price of the mineral property interests was determined to be \$290,000 and is comprised of the cash payment of \$50,000 and 500,000 common shares valued at \$240,000 or \$0.48 per common share.

On August 31, 2022, option agreement was amended to allow for the optionee to extend the term of the option agreement by one year and to split the remaining option payment over two years as follows:

- a) On or before September 15, 2022 the Optionee will pay the Optionor \$50,000 cash and issue 200,000 common shares of Snowline Gold Corp. to the Optionor.
- b) On or before September 1, 2023, the Optionee will pay the Optionor 300,000 common shares of Snowline Gold Corp.

During the year ended December 31, 2022, the company made the \$50,000 payment, and issued the 200,000 common shares determined to have a fair value of \$576,000 at a price of \$2.88 per share.

c) Strikepoint claims acquisition

On September 13, 2022, the Company entered into an agreement with Strikepoint Gold, whereby the Company acquired 4,713 mineral claims from Strikepoint Gold, forming the Olympus project, in exchange for (i) the payment of \$500,000 in cash, and (ii) the issuance of 500,000 common shares of the Company. On October 20, 2022, the Company received the necessary approvals from the Canadian Securities Exchange, a necessary closing condition to complete the acquisition. The cash payment of \$500,000 was delivered, as well as the 500,000 common shares determined to have a fair value of \$1,375,000 at a price of \$2.75 per share.

d) Botto claims acquisition

On May 30, 2023, the Company entered into an agreement with arm's length parties RST Klondike Discoveries Ltd. and Whistler Minerals Corp. (the "Vendors"), whereby the Company acquired 92 mineral claims in exchange for (i) the payment of \$1,000,000 in cash and (ii) the issuance of 200,000 warrants, each for purchase of a single common share of the Company at a price of \$3.50 for a period of two years (the "Acquisition"). The value of warrants was estimated at \$240,231 using the Black-Scholes Model with the following assumptions:

Risk free interest rate	4.24%
Expected life in years	2
Expected volatility	89.49%
Expected dividends	Nil

The Vendors will retain a 1.0% NSR on the claims and will be entitled to up to two bonus payments of \$1,000,000 each if a measured or indicated mineral resource of >1 million ounces of gold is disclosed in compliance with NI 43-101 standards on certain claims.

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

4. Property and equipment

The continuity of property, plant and equipment for the year ended December 31, 2022 and the six months ended June 30, 2023 is as follows:

	Camp	Equipment	Total
	\$	\$	\$
Cost			
Balance, December 31, 2021	-	17,993	17,993
Additions	379,091	124,642	503,733
Balance, December 31, 2022	379,091	142,635	521,726
Additions	-	326,252	326,252
Balance, June 30, 2023	379,091	468,887	847,978
 Accumulated depreciation			
Balance, December 31, 2021	-	-	-
Depreciation	79,058	31,087	110,145
Balance, December 31, 2022	79,058	31,087	110,145
Depreciation	43,317	54,310	97,627
Balance, June 30, 2023	122,375	85,397	207,772
 Net book value			
December 31, 2022	300,033	111,548	411,581
June 30, 2023	256,715	383,490	640,206

In addition to the above depreciation, depreciation expense associated with the right of use asset for the three and the six months June 30, 2023 was \$5,028 and \$10,056 respectively. There was no depreciation expense with the right or use asset for the three and six months ended June 30, 2022.

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

5. Exploration expenditures

During the six months ended June 30, 2023, the Company incurred exploration expenses on its properties, as follows:

Exploration expenses	Cliff	Cynthia	Einarson	Rainbow	Rogue	Tosh	Ursa	Olympus	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Consulting	-	2,349	23,739	-	515,239	4,550	8,930	-	554,807
Licenses and permits	-	23	40,536	-	20,102	-	92	-	60,753
Staking	-	30,732	45,714	-	301,558	-	6,146	-	384,150
Assaying	3,857	2,032	15,011	4,527	758,182	5,042	5,402	-	794,053
Drilling	18,656	2	23	-	1,348,528	13,899	9	-	1,381,117
Field labour and lodging	5,993	12,497	124,911	-	1,062,358	4,939	49,960	-	1,260,658
Field equipment and supplies	4,580	8,053	69,159	10,941	658,399	5,353	26,526	-	783,011
Fixed wing air support	-	9,351	88,848	-	755,208	-	34,902	-	888,309
Helicopters		238	3,083	-	704,335	28,741	3,067	-	739,463
Surveying	-	90,625	4,316	1,533	207,416	-	-	142,970	446,860
Travel	-	1,265	12,122	-	93,870	19	4,849	-	112,123
Other Government assistance	374	57	569	-	3,523	374	228	-	5,125
	-	-	-	-	(29,583)	-	-	-	(29,583)
Total	33,460	157,224	428,031	17,001	6,399,135	62,917	140,111	142,970	7,380,849

During the six months ended June 30, 2022, the Company incurred exploration expenses on its properties, as follows:

Exploration expenses	Cliff	Cynthia	Einarson	Rainbow	Rogue	Tosh	Ursa	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Consulting	-	1,801	18,013	-	153,108	-	33,510	206,432
Staking	-	2,013	20,125	-	171,063	-	8,050	201,251
Assaying	-	777	7,771	-	66,052	-	3,108	77,708
Camp		3,494	34,940		276,992		13,976	329,402
Drilling	-	4,322	43,220	-	357,932	-	17,288	422,762
Field labour and lodging	-	5,905	59,049	-	501,919	-	23,620	590,493
Field equipment and supplies	-	3,462	34,621	-	294,282	-	13,849	346,214
Fixed wing air support	-	9,046	90,463	-	768,936	-	36,185	904,630
Other	-	1,412	14,119	-	120,009	-	5,648	141,188
	-	32,232	322,321	-	2,710,293	-	155,234	3,220,080

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
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6. Flow Through Share Premium

The flow through share premium liability does not represent a cash liability to the Company and is to be fully amortized to the statement of loss and comprehensive loss pro-rata with the amount of qualifying expenditures that will be incurred.

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuance.

Balance at December 31, 2021	\$2,185,203
Liability incurred on flow-through shares	2,744,000
Settlement of flow-through share liability on incurring expenditures	(3,560,864)
Balance at December 31, 2022	\$1,368,339
Liability incurred on flow-through shares	5,761,812
Settlement of flow-through share liability on incurring expenditures	(1,759,456)
Balance at June 30, 2023	\$5,370,695

During the period ended June 30, 2023, the Company raised \$19,161,375 flow through dollars from the issuance of common shares and must spend \$19,161,375 of Qualifying CEE by December 31, 2024 to satisfy the flow through liability associated with the financing of \$5,761,812.

During the year ended December 31, 2022, the Company raised \$9,800,000 flow through dollars from the issuance of common shares and must spend \$9,800,000 of Qualifying CEE by December 31, 2023 to satisfy the flow through liability associated with the financing of \$2,744,000.

As of June 30, 2023, the company has incurred \$18,100,693 (December 31, 2022: \$11,913,073) of Qualifying CEE and must incur an additional \$17,860,982 by December 31, 2024, to satisfy the remaining flow through liability of \$5,370,695. Flow-through commitment due by December 31, 2023 has been satisfied as of June 30, 2023.

7. Share capital and Reserves

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

a) Current period ended June 30, 2023

- i. On February 8, 2023, the Company issued 20,000 common shares associated with stock options exercised with an exercise price of \$0.55 for total cash consideration of \$11,000.
- ii. In February 2023, the Company issued 2,508,915 common shares associated with warrant exercises with an exercise price of \$0.50 for total cash consideration of \$1,254,458.
- iii. On February 28, 2023, the Company issued 200,000 common shares associated with stock options exercised with an exercise price of \$0.30 for total cash consideration of \$60,000.
- iv. On March 28, 2023, the Company issued 1,000,000 common shares associated with warrant exercises with an exercise price of \$0.75 for total cash consideration of \$750,000.
- v. On March 28, 2023, the Company closed a non-brokered private placement of 3,941,048 flow-through common shares at a price of \$4.862 per flow through share for aggregate gross proceeds of \$19,161,375. The Offering was structured as a charity donation arrangement pursuant to which B2Gold acquired 3,941,048 common shares of the Company.
- vi. On April 10, 2023, the Company issued 200,000 common shares associated with warrant exercises with an exercise price of \$0.75 for total cash consideration of \$150,000.

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

- vii. On April 24, 2023, the Company issued 20,000 common shares associated with stock options exercised with an exercise price of \$0.80 for total cash consideration of \$16,000.
- viii. On June 22, 2023, the Company issued 140,000 common shares associated with warrant exercises with an exercise price of \$0.75 for total cash consideration of \$105,000.

b) For the year ended December 31, 2022

- i. The Company issued 7,659,096 common shares associated with warrants exercised with an exercise price of \$0.50 for total cash consideration of \$3,829,548.
- ii. The Company issued 704,636 common shares associated with warrants exercised with an exercise price of \$0.75 for total cash consideration of \$528,477.
- iii. The Company issued 750,000 common shares associated with stock options exercised with an exercise price of \$0.30 for total cash consideration of \$225,000.
- iv. The Company issued 20,000 common shares associated with stock options exercised with an exercise price of \$0.55 for total cash consideration of \$11,000.
- v. The Company issued 280,000 common shares associated with stock options exercised with an exercise price of \$0.35 for total cash consideration of \$98,000.
- vi. The Company issued 200,000 common shares per the terms of the Epica and Carlin Gold option agreement (note 3(b)).
- vii. The Company issued 500,000 common shares per the terms of the Strikepoint agreement (note 3(c)).
- viii. On July 22, 2022, the Company completed a non-brokered private placement of 10,000,000 Units (the "Units") at a price of \$1.25 per Unit for aggregate gross proceeds of \$12,500,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each Warrant is exercisable for one common share of the Company at an exercise price of \$2.50 until July 22, 2024.

The company has allocated \$10,178,179 of the proceeds from the private placement to the shares, and \$2,321,821 to the fair value of the warrants: expected dividend yield 0%, expected volatility of 100%, risk free rate of return of 3.06%, expected life of 2 years, and share price of \$1.80.

- ix. On July 22, 2022, the Company completed a non-brokered private placement of 7,000,000 flow-through common shares ("FT Shares") at a price of \$1.40 per FT Share.
The Company has allocated \$7,056,000 of the proceeds from the private placement to the shares, and \$2,744,000 to the flow through share premium on a proportionate fair value basis.
- x. On August 2, 2022, the Company completed a non-brokered private placement of 2,342,293 Units (the "Units") at a price of \$1.25 per Unit for aggregate gross proceeds of \$2,927,866. Each unit consists of one common share and one-half of one common share purchase warrant. Each Warrant is exercisable for one common share of the Company at an exercise price of \$2.50 until August 2, 2024.

The company has allocated \$2,390,466 of the proceeds from the private placement to the shares, and \$537,400 to the fair value of the warrants: expected dividend yield 0%, expected volatility of 100%, risk free rate of return of 3.10%, expected life of 2 years, and share price of \$1.75.

b) Stock options

The Company has a stock option plan pursuant to which it may issue options to purchase common shares to directors, officers, and management company employees. Options issued under the stock option plan will have an exercise price not less than the market price of the Company's common shares on the grant date and expire no later than ten years from the grant date. The aggregate number of common shares reserved for issuance under the stock option plan is 10% of the number of issued and outstanding common shares.

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

During the six months ended June 30, 2023, the Company granted 800,000 stock options of the Company (2022 – 1,590,000) and recorded share-based payment expense related to options granted and vested during the period of \$3,226,930 (2022 – \$386,735). The fair value of the stock options granted during the six months ended June 30, 2023 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2023	June 30, 2022
Risk free interest rate	3.47%	2.39%
Expected life in years	5	5
Expected volatility	102%	100%
Expected dividends	Nil	Nil

A summary of stock options outstanding as at June 30, 2023 and December 31, 2022 and the changes for the periods then ended is presented below:

	Number of stock options	Weighted average exercise price \$	Weighted average remaining life (Years)
Balance outstanding – December 31, 2022	7,871,950	1.36	4.04
Granted	800,000	2.54	
Exercised	(240,000)	0.36	
Expired/forfeited	(54,900)	3.02	
Balance outstanding – June 30, 2023	8,377,050	1.49	3.73

As at June 30, 2023, options enabling the holders to acquire common shares are as follows:

Expiry date	Number of options	Number of vested options	Weighted average remaining life in years	Weighted average exercise price
February 25, 2026	2,550,000	2,040,000	2.66	\$ 0.30
July 12, 2026	120,000	120,000	3.04	\$ 0.35
January 18, 2027	1,150,000	436,000	3.56	\$ 0.55
March 8, 2027	330,000	132,000	3.69	\$ 0.80
July 22, 2027	1,000,000	200,000	4.06	\$1.76
August 23, 2027	77,050	77,050	4.15	\$3.02
December 29, 2027	2,350,000	470,000	4.50	\$2.88
February 22, 2028	500,000	-	4.65	\$2.17
May 30, 2028	300,000	-	4.92	\$3.15
	8,377,050	3,475,050	3.73	\$1.49

*Subsequent to June 30, 2023, the Company had 20,000 stock options with an exercise price of \$0.55 and 80,000 stock options with an exercise price of \$0.35 exercised for gross proceeds of \$39,000.

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(Unaudited - Expressed in Canadian Dollars)

c) Warrants:

A summary of warrants outstanding as at June 30, 2023 and December 31, 2022 and the changes for the periods then ended is presented below:

	Number of warrants	Weighted average exercise price \$	Weighted average remaining life (Years)
Balance outstanding – December 31, 2022	14,258,007	1.44	1.42
Granted	200,000	3.50	1.92
Exercised	(3,848,915)	0.59	
Expired	(83,333)	0.50	
Balance outstanding – June 30, 2023	10,525,759	1.80	0.79

As at June 30, 2023 warrants enabling the holders to acquire common shares are as follows:

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
July 16, 2023*	1,428,572	0.04	\$ 0.53
December 17, 2023	2,726,042	0.47	\$ 0.75
July 22, 2024	5,000,000	1.06	\$ 2.50
August 2, 2024	1,171,145	1.09	\$2.50
May 30, 2025	200,000	1.92	\$3.50
	10,525,759	0.79	\$ 1.80

* Subsequent to June 30, 2023 1,428,572 warrants with an exercise price of \$0.53 and 283,019 warrants with an exercise price of \$0.75 exercised for total gross proceeds of \$969,407.

f) Escrow shares:

On February 25, 2021, the Company entered into an escrow agreement with certain shareholders of the Company. 25,650,000 common shares of the Company were placed into escrow. These escrow shares will be released as follows:

Date of Automatic Timed Release	Amount of Escrow Shares Released
On the date that the Company's common shares were listed on the CSE under new Name and new ticker symbol, March 1, 2021	1/10 of the escrow shares
6 months after the listing date (September 1, 2021)	1/6 of the remainder of the escrow shares
12 months after the listing date (March 1, 2022)	1/5 of the remainder of the escrow shares
18 months after the listing date (September 1, 2022)	1/4 of the remainder of the escrow shares
24 months after the listing date (March 1, 2023)	1/3 of the remainder of the escrow shares
30 months after the listing date (September 1, 2023)	1/2 of the remainder of the escrow shares
36 months after the listing date (March 1, 2024)	The remainder of the escrow shares

As at June 30, 2023, a total of 7,695,000 (December 31, 2022 – 11,542,500) common shares remained in escrow.

8. Related party transactions

During the three and six months ended June 30, 2023, and June 30, 2022, the Company incurred the following expenditures charged by directors and officers of the Company and/or companies controlled or significantly influenced by directors and officers:

Snowline Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30,		Six months ended June 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
Wages and salaries	110,071	65,750	220,143	131,500
Office and miscellaneous (rent)	8,102	-	14,854	-
Professional fees	43,749	24,225	87,498	48,600
Share-based payment expense	864,950	64,568	1,640,708	107,777
	1,026,872	154,543	1,963,203	287,877

At June 30, 2023, accounts payable and accrued liabilities included \$nil (December 31, 2022 - \$12,326) owing to directors and officers of the Company or companies controlled or significantly influenced by directors and officers. The amounts owing include amounts related to expenditures charged to the Company. The amounts are unsecured, non-interest bearing and are due on demand. The amounts have been recorded at their exchange amount, being the amount agreed to by the parties.

During the period ended June 30, 2023, the Company amended change of control clauses of its agreements with the CEO and CFO, whereby under the amended terms, CEO and CFO of the Company are entitled to 12 months payment in the event of a change of control.

9. Subsequent events

- i) On August 15, 2023, the Company announced it has entered into an agreement pursuant to which Cormark Securities Inc., as lead underwriter, on behalf of a syndicate of underwriters, has agreed to purchase, on a “bought deal” private placement basis, 2,000,000 “flow-through” shares of the Company (the “Charity FT Share”) at a price of \$7.50 per Charity FT Share for gross proceeds of \$15,000,000.