SNOWLINE GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Snowline Gold Corp.

Opinion

We have audited the consolidated financial statements of Snowline Gold Corp. (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022 and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pejman Mahlooji.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
April 29, 2024

Snowline Gold Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2023 $	December 31, 2022 $
Assets			
Current assets			
Cash and cash equivalents		**35,794,481**	21,895,300
Receivables		**90,774**	531,194
Prepaids and deposits		**425,400**	496,091
		36,310,655	22,922,585
Property and equipment	6	**1,593,679**	411,581
Deposits		**60,000**	60,000
Right of use asset		**101,043**	87,156
Resource properties	5	**11,238,906**	8,501,675
Total Assets		**49,304,283**	31,982,997
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	**530,563**	548,591
Lease liability		**21,698**	22,684
Deferred acquisition payments	5	**212,591**	184,900
Flow-through premium liability	8	**8,137,553**	1,368,339
Share-based compensation liabilities	9	**7,037**	-
		8,909,442	2,124,514
Rehabilitation provision	14	**364,364**	-
Lease liability		**40,459**	57,824
Deferred acquisition payments	5	**244,864**	457,455
Total Liabilities		**9,559,129**	2,639,793
Equity Attributable to Shareholders			
Share capital	9	**73,315,510**	43,640,371
Contributed surplus	9	**10,382,767**	5,710,033
Deficit		**(43,953,123)**	(20,007,200)
Total Shareholders' Equity		**39,745,154**	29,343,204
Total Liabilities and Shareholders' Equity		**49,304,283**	31,982,997

Nature of operations and going concern (Note 1 and 2)
Contingency (Note 5)
Subsequent events (Note 18)

Approved by the Board of Directors on April 29, 2024:

"C. Hart" Director
Craig Hart

"C. Morrison" Director
Calum Morrison

The accompanying notes are an integral part of these consolidated financial statements

Snowline Gold Corp.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	2023 $	2022 $
Operating expenses			
Exploration expenditures	7	**22,716,273**	13,531,073
Share-based payment expense	9, 10	**5,623,085**	1,303,099
Wages and salaries	10	**966,643**	518,927
Investor relations		**525,106**	310,657
Professional fees	10	**593,535**	330,115
Office and miscellaneous	10	**293,125**	261,934
Depreciation	6	**236,118**	123,554
Transfer agent and regulatory fees		**159,149**	69,617
Consulting		**77,155**	29,130
Total operating expenses		**31,190,189**	16,478,106
Loss before other expenses		**(31,190,189)**	(16,478,106)
Other income (expenses)			
Accretion and lease interest expense	5	**(76,749)**	(99,202)
Foreign exchange loss		**(8,336)**	(1,277)
Finance income		**1,304,106**	199,555
Recovery on flow-through share premium	8	**6,072,117**	3,560,864
Other expenses		**(46,872)**	-
Total other income		**7,244,266**	3,659,940
Net loss and comprehensive loss		**(23,945,923)**	(12,818,166)
Loss per share – basic and diluted	12	**(0.17)**	(0.11)
Weighted average number of shares outstanding – basic and diluted		**140,260,654**	116,163,304

The accompanying notes are an integral part of these consolidated financial statements

Snowline Gold Corp.
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023 $	2022 $
Cash Provided From (Used In)		
Operating Activities		
Net loss	**(23,945,923)**	(12,818,166)
Items not affecting cash:		
Share-based payment expense	**5,623,085**	1,303,099
Depreciation	**236,118**	123,554
Accretion and lease interest expense	**76,749**	99,202
Recognition of rehabilitation provision	**188,024**	-
Recovery on flow-through share premium	**(6,072,117)**	(3,560,864)
Cash used in operations before working capital items	**(23,894,064)**	(14,853,175)
Net change in working capital items		
Receivables	**440,420**	(504,868)
Prepaids and deposits	**70,691**	(408,079)
Accounts payable and accrued liabilities	**(52,028)**	334,102
	(23,434,981)	(15,432,020)
Investing Activities		
Purchase of property and equipment	**(1,221,763)**	(503,733)
Acquisition of resource properties	**(1,000,000)**	(550,000)
Lease payment	**(30,000)**	(30,000)
Deferred acquisition payment	**(250,000)**	(250,000)
	(2,501,763)	(1,333,733)
Financing Activities		
Proceeds from private placement, net of share issuance costs	**34,651,755**	25,227,866
Proceeds from warrants exercised	**5,023,632**	4,358,025
Proceeds from options exercised	**160,538**	334,000
	39,835,925	29,919,891
Change in cash and cash equivalents	**13,899,181**	13,154,138
Cash and cash equivalents – beginning	**21,895,300**	8,741,162
Cash and cash equivalents – end	**35,794,481**	21,895,300
Cash and cash equivalents consisted of:		
Cash deposited with a Canadian Senior Bank	$ 3,387,304	$ 1,707,545
Term deposits and guaranteed investment certificates issued	32,407,177	20,187,755
	$ 35,794,481	**$ 21,895,300**

Supplemental cash flow (Note 11)

The accompanying notes are an integral part of these consolidated financial statements

Snowline Gold Corp.

Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31, 2023 and 2022
(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 year:					
Private placement, net of issuance costs	6,141,048	34,651,755	-	-	34,651,755
Flow through liability	-	(12,841,331)	-	-	(12,841,331)
Warrants exercised	7,953,529	6,111,207	(1,087,575)	-	5,023,632
Options exercised	351,900	256,508	(95,970)	-	160,538
Shares issued for acquisition of resource properties	300,000	1,497,000	-	-	1,497,000
Warrants issued for acquisition of resource properties	-	-	240,231	-	240,231
Share-based payment expense	-	-	5,616,048	-	5,616,048
Net loss for the year	-	-	-	(23,945,923)	(23,945,923)
Balance – December 31, 2023	146,897,470	73,315,510	10,382,767	(43,953,123)	39,745,154
Balance – December 31, 2021	102,694,968	16,619,873	2,300,541	(7,189,034)	11,731,380
Issued during the year:					
Pursuant to private placements	19,342,293	22,368,645	2,859,221	-	25,227,866
Flow through liability	-	(2,744,000)	-	-	(2,744,000)
Pursuant to property acquisition	700,000	1,951,000	-	-	1,951,000
Warrants exercised	8,363,732	4,966,463	(608,438)	-	4,358,025
Options exercised	1,050,000	478,390	(144,390)	-	334,000
Net loss for the year	-	-	-	(12,818,166)	(12,818,166)
Share based payment expense	-	-	1,303,099	-	1,303,099
Balance – December 31, 2022	**132,150,993**	**43,640,371**	**5,710,033**	**(20,007,200)**	**29,343,204**

The accompanying notes are an integral part of these consolidated financial statements

1. Corporate Information and nature of operations

Snowline Gold Corp. (the "Company" or "Snowline") is a Canadian publicly traded mineral exploration company headquartered in Vancouver, BC, that is listed on the TSX Venture Exchange ("TSX-V") under the symbol "SGD". The Company's registered office is 1012 – 1030 West Georgia Street, Vancouver, British Columbia, Canada.

The Company is in the process of exploring its resource properties and has not yet determined whether the resource properties contain reserves that are economically recoverable. The business of mining and exploring for resources involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of amounts capitalized for the resource properties are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties and upon future profitable production or proceeds from the disposition thereof. Changes in future conditions could require material write-downs of the carrying values of resource properties.

2. Basis of Presentation

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") effective for the year ended December 31, 2023.

These consolidated financial statements were approved by the Board of Directors and authorized for issue on April 29, 2024.

Basis of Measurement

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

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

The preparation of 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 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 December 31, 2023, the Company had an accumulated deficit of $43,953,123 (December 31, 2022 $20,007,200) since inception, and the Company's working capital was $27,401,213 (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 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 financing 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.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances.

Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

3. Material Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts and results of operations of the Company and its wholly owned subsidiaries listed in the following table below.

A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

Name of Parent	**Place of Incorporation**	**Percentage Ownership**
Snowline Gold Corp.	Canada	N/A
Name of Subsidiary	**Place of Incorporation**	
Senoa Gold Corp.	Canada	100%

The material accounting policies used in the preparation of these consolidated financial statements are as follows:

Cash and cash equivalents

Cash and equivalents are composed of deposits held with banks and may also include cash on hand and short-term highly liquid investments with original maturities of less than 90 days.

Income Taxes

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for those taxable temporary differences arising on the initial recognition of goodwill or on 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 accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassess unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Resource Properties and Expenditures

Acquisition costs for resource properties, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model, for mineral property interests pursuant to the terms of the agreement.

Resource properties acquired under an option agreement where payments are made at the sole discretion of the Company are capitalized at the time of payment. Property interests granted to others under an option agreement where payments to be made to the Company are at the sole discretion of the optionee, are recorded as recoveries at the time of receipt. Where recoveries exceed costs, such amounts are recognized in profit or loss. From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as resource property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of resource property.

Once the legal right to explore has been acquired, the Company capitalizes on a property-by-property basis acquisition costs until such time as the mineral properties are abandoned, sold, or are considered impaired in value.

Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development, and costs not directly attributable to exploration and evaluation activities, including general and administrative costs, are charged to statement of comprehensive loss as incurred. Resource properties are not amortized during the exploration and evaluation stage. Technical feasibility and commercial viability are established once all of the following conditions have been met:

- The Company has established a National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43101”) compliant estimate of property resources and/or reserves; The Company has obtained a mining permit or otherwise has the right to extract the resources and/or reserves; and

- The Company has established that it is economically viable to mine the resources and/or reserves. This includes the completion of a NI 43-101 compliant study to a pre-feasibility level at a minimum, board approval to proceed and binding approval of project financing for the development of the project.

If it is determined that capitalized acquisition costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Resource properties are reviewed for indicators of impairment, when such indicators exist, the Company evaluates the carrying amount may exceed its recoverable amount.

Impairment of Non-Financial Assets

Impairment is assessed at the CGU level, which is identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including resource properties, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income/loss.

Provisions

Rehabilitation Provision

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reliable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the exploration permit. Rehabilitation provision as at December 31, 2023 was $364,364 (2022 - $Nil).

Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

Loss per Share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The weighted average number of common shares outstanding used for the calculation of the diluted per common share amount assumes that the proceeds to be received on the exercise of dilutive share options are used to repurchase common shares at the average market price during the period. In a loss year, potentially dilutive equity instruments are excluded from the loss per share calculation, as the effect would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The Company uses the pro-rata method when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement.

Share-based Payments

Where equity-settled share options are awarded, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Where restricted stock units ("RSUs") are granted, the fair value of those RSUs are measured at the grant date based on the closing market price of the Company's common shares on the date prior to the grant date.

Where terms and conditions of options are modified before they vest, any incremental increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

All equity-settled share-based payments are reflected in contributed surplus until exercised. Upon exercise, shares are issued, and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. The value of share-based payments in connection with RSUs is reflected in contributed surplus. Once RSUs vest, the value previously recorded in contributed surplus is credited to share capital.

Where a grant of options or RSUs is cancelled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. Changes for stock options and RSUs that are forfeited before vesting are reversed from contributed surplus. Options that are expired remain in contributed surplus.

Share-based payment expense related to cash-settled RSUs is valued based on the market price of the Company's shares on the date prior to grant date and is recognized as a liability in the consolidated statement of financial position over the vesting term. The liability is revalued every reporting period for the changes in the underlying share price or rate of forfeitures. Any adjustments to the fair value of liability are recognized in the consolidated statement of loss and comprehensive loss.

Flow-through Shares

The Company will from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as recovery of flow-through premium liability and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are required to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with the Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

Financial Instruments

Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company’s business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (“OCI”).

Fair value through profit or loss (“FVTPL”) - Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed to profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Fair value through other comprehensive income (“FVTOCI”) - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

The Company has classified its financial instruments as follows:

Financial instrument	IFRS 9 Classification
Cash and cash equivalents	FVTPL
Receivables	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost
RSU liability	FVTPL
Deferred acquisition payments	Amortized cost

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The Company depreciates the cost of property and equipment over their estimated useful lives at the following annual rates:

Building	25 years	Straight line basis
Equipment	4 years	Straight line basis
Camp	4 years	Straight line basis

New and Amended IFRS Standards that are not yet Effective for the Future Period

The amendments to IAS1 – Presentation of Financial Statements – Non-Current Liabilities with Covenants. The goal of amendments was to improve the information provided about liabilities with covenants and to provide additional information to stakeholders. The amendments clarify that liabilities should be classified as non-current where a company has a right to defer settlement for at least 12 months after the reporting period. These amendments are effective January 1, 2024. The Company does not expect a material impact on its consolidated financial statements.

New accounting standards and interpretations adopted during the year

Effective January 1, 2023, the Company adopted narrow-scope amendments to IAS 1 that require entities to disclose "material accounting policy information" instead of "significant accounting policies". The adoption of this amendment did not result in material changes to the consolidated financial statements.

Effective January 1, 2023, the Company adopted amendments to IAS 8 – Definition of Accounting Estimates. These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The adoption of this amendment did not have a significant impact on the consolidated financial statements.

4. Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions based on current available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from those estimated. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments which have a significant effect on the amounts recognized in the financial statements:

(i) *Going concern* – The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves management's judgement. Factors considered by management are disclosed in Note 2.

(ii) *Valuation of Options Granted and Warrants Issued* – The fair value of common share purchase options granted, and warrants issued is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an options, which are: risk free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of stock-based compensation expense, share capital, and contributed surplus.

(iii) *Shares issued to Acquire Resource Properties* – From time to time, the Company may issue common shares in the course of acquiring resource properties. When shares are issued without cash consideration, the transaction is recognized at the fair value of the assets received. In the event that the fair value of the assets cannot be reliably determined, the Company will recognize the transaction at the fair value of the shares issued. These estimates impact the value of share capital and resource properties.

(iv) *Impairment of Resource Properties* – Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The carrying value of each resource property is reviewed regularly for conditions that may suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

(v) *Valuation of flow-through premium* – The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the pro rata allocated value of the total proceeds relative to the tax deduction resulting from qualifying expenditures for the investors.

(Expressed in Canadian Dollars)

5. Resource Properties

The Company has capitalized the following acquisition costs of its resource properties during the years ended December 31, 2023 and 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
Share issuance – acquisition cost of (b)		1,497,000
Balance, December 31, 2023	**$**	**11,238,906**

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 (paid subsequent to year-end);
- $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 may be satisfied in cash or in kind. The Transaction received Canadian Securities Exchange approval on February 25, 2021.

The Transaction did not meet the definition of a business combination and was therefore accounted for as an asset purchase of mineral property interests. The consideration for the acquisition was 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.

(Expressed in Canadian Dollars)

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 year ended December 31, 2023, the Company recorded accretion expense of $65,100 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	65,100
Payment	(250,000)
Balance, December 31, 2023	**$ 457,455**

	December 31, 2023	**December 31, 2022**
Current portion of deferred acquisition payments	$212,591	$184,900
Long-term portion of deferred acquisition payments	244,864	457,455
	$457,455	**$ 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.

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.

(Expressed in Canadian Dollars)

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 (issued) 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.

During the year ended December 31, 2023, the Company issued 300,000 common shares with a fair value of $1,497,000 or $4.99 per share.

c) Strikepoint claims acquisition

On September 13, 2022, the Company entered into an agreement with Strikepoint Gold Inc., whereby the Company acquired 4,713 mineral claims from Strikepoint Gold Inc., 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 19, 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 greater than 1 million ounces of gold is disclosed in compliance with NI 43-101 standards on certain claims. The bonus payments are a contingent liability and have not been recognized.

(Expressed in Canadian Dollars)

6. Property and equipment

The continuity of property and equipment for the years ended December 31, 2023 and 2022 is as follows:

	Building	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	837,575	-	560,528	1,398,103
Balance, December 31, 2023	**837,575**	**379,091**	**703,163**	**1,919,829**
Accumulated depreciation				
Balance, December 31, 2021	-	-	-	-
Depreciation	-	79,058	31,087	110,145
Balance, December 31, 2022	**-**	**79,058**	**31,087**	**110,145**
Depreciation	8,376	80,380	127,249	216,005
Balance, December 31, 2023	**8,376**	**159,438**	**158,336**	**326,150**
Net book value				
December 31, 2022	-	300,033	111,548	411,581
December 31, 2023	**829,199**	**219,653**	**544,827**	**1,593,679**

In addition to the above depreciation, depreciation expense associated with the right of use asset for the year ended December 31, 2023 was $20,113 (2022 - $13,409).

(Expressed in Canadian Dollars)

7. Exploration expenditures

During the year ended December 31, 2023, the Company incurred exploration expenses on its properties, as follows:

Exploration expenses	Cliff	Cynthia	Einarson	Rainbow	Rogue	Tosh	Ursa	Olympus	Total
	$	$	$	$	$	$	$	$	$
Consulting	24,241	5,854	51,657	31,327	966,804	4,550	12,304	4,066	1,100,803
Licenses and permits	-	1,232	45,607	2,520	162,919	-	1,966	3,098	217,342
Staking	-	30,732	45,714	-	301,558	-	6,146	-	384,150
Assaying	43,875	4,948	43,238	4,749	1,522,751	169,283	9,376	13,380	1,811,600
Drilling	540,307	-	-	-	5,348,274	199,955	-	-	6,088,536
Field labour and lodging	65,529	35,864	93,497	17,668	4,110,442	126,669	62,320	98,380	4,610,369
Field equipment and supplies	67,699	12,637	37,146	-	1,328,802	36,814	20,729	19,333	1,523,160
Fixed wing air support	-	22,606	46,159	-	2,640,111	-	36,918	55,962	2,801,756
Helicopters	375,635	24,864	11,679	-	2,657,232	454,800	28,681	68,247	3,621,138
Rehabilitation provision	9,394	1,191	3,224	173	161,712	8,314	1,547	2,469	188,024
Surveying	-	-	-	1,532	48,219	-	-	47,240	96,991
Travel	872	2,250	6,557	-	259,257	479	4,253	5,011	278,679
Other	8,475	247	963	-	27,513	7,600	505	505	45,808
Government assistance	(14,791)	-	-	-	-	(14,792)	-	(22,500)	(52,083)
Total	**1,121,236**	**142,425**	**385,441**	**57,969**	**19,535,594**	**993,672**	**184,745**	**295,191**	**22,716,273**

(Expressed in Canadian Dollars)

During the year ended December 31, 2022, the Company incurred exploration expenses on its properties, as follows:

Exploration expenses	Cliff	Cynthia	Einarson	Rainbow	Rogue	Tosh	Ursa	Total
	$	$	$	$	$	$	$	$
Consulting	1,525	7,575	230,860	31,783	510,313	73,745	53,041	908,842
Licenses and permits	-	2,336	18,307	-	10,327	-	-	30,970
Staking	-	5,931	90,619	-	504,127	-	23,724	624,401
Assaying	-	-	4,655	4,894	628,414	-	-	637,963
Drilling	-	-	-	-	3,168,768	-	-	3,168,768
Field labour and lodging	8,212	16,563	805,311	9,033	1,730,893	12,737	72,086	2,654,835
Field equipment and supplies	-	5,989	348,941	14,484	579,948	-	23,489	972,851
Fixed wing air support	-	14,135	718,435	-	1,428,553	-	58,240	2,219,363
Helicopters	8,629	-	-	3,900	2,195,596	25,456	-	2,233,581
Other	652	9,059	24,145	358	143,147	-	7,138	184,499
Government assistance	(12,500)	-	-	(12,500)	-	-	(80,000)	(105,000)
	6,518	**61,588**	**2,241,273**	**51,952**	**10,900,086**	**111,938**	**157,718**	**13,531,073**

8. 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 arising from issuance of flow-through shares	2,744,000
Recoveries on flow through premium labilities	(3,560,864)
Balance at December 31, 2022	**$1,368,339**
Liability arising from issuance of flow through shares	12,841,331
Recoveries on flow through premium liabilities	(6,072,117)
Balance at December 31, 2023	**$8,137,553**

On September 5, 2023 the Company completed a “bought deal” private placement financing pursuant to which it issued 2,200,000 flow-through shares at a price of $7.50 per flow-through share for gross proceeds of $16,500,000. A flow-though liability of $7,079,519 was recorded in connection with the bought deal private placement.

On March 28, 2023 the Company completed a non-brokered private placement financing pursuant to which it issued 3,941,048 flow-through shares at a price of $4.862 per flow-through share for gross proceeds of $19,161,375. A flow-though liability of $5,761,812 was recorded in connection with the non-brokered private placement.

(Expressed in Canadian Dollars)

9. Share capital and Reserves

Common Shares

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

a) For the year ended December 31, 2023

On March 28, 2023, the Company issued 3,941,048 flow-through common shares for gross proceeds of $19,161,375. The Company allocated $13,399,563 to the shares and $5,761,812 to the flow-through liability and incurred share issuance costs of $60,682.

Common Shares	Flow-through premium liability	Share issue costs	**Gross Proceeds**
$13,399,563	$5,761,812	$60,682	**$19,161,375**

On August 31, 2023, the Company issued 300,000 common shares with the fair value of $1,497,000 in connection with the mineral property agreement (Note 5(b)).

On September 6, 2023, the Company completed a “bought deal” private placement pursuant to which it issued 2,200,000 flow-through shares for gross proceeds of $16,500,000. The Company allocated $9,420,481 to the shares; $948,938 to share issue costs; and $7,079,519 to the flow-through liability.

Common Shares	Flow-through premium liability	Share issue costs	**Gross Proceeds**
$9,420,481	$7,079,519	$948,938	**$16,500,000**

During the year ended December 31, 2023, 351,900 common shares were issued upon exercises of stock options for gross proceeds of $160,538 and 7,953,529 common shares were issued upon exercises of warrants for gross proceeds of $5,023,632.

b) For the year ended December 31, 2022

On July 22, 2022, the Company issued 10,000,000 units at the price of $1.25 per unit, whereas 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.

Common Shares	Warrants	Share issue costs	**Gross Proceeds**
$10,178,179	$2,321,821	$Nil	**$12,500,000**

On July 22, 2022, the Company issued 7,000,000 flow-through common shares at the price of $1.40 per flow-through share in connection with a non-brokered private placement, for total proceeds of $9,800,000. 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.

Common Shares	Flow-through premium liability	Share issue costs	**Gross Proceeds**
$7,056,000	$2,744,000	$Nil	**$9,800,000**

(Expressed in Canadian Dollars)

On August 2, 2022, the Company issued 2,342,293 units in at the price of $1.25 per unit connection with a non-brokered private placement for total proceeds of $2,927,866, whereas 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.

Common Shares	Warrants	Share issue costs	**Gross Proceeds**
$2,390,466	$537,400	$Nil	$2,927,866

On September 13, 2022, the Company issued 500,000 common shares with the fair value of $1,375,000 per the terms of the Strikepoint agreement (Note 5(c)).

On October 19, 2022, the Company issued 200,000 common shares with the fair value of $576,000 per the terms of the Epica and Carlin Gold option agreement (Note 5(b)).

During the year ended December 31, 2022, 1,050,000 common shares were issued upon exercises of stock options for gross proceeds of $334,000 and 8,363,732 common shares were issued upon exercises of warrants for gross proceeds of $4,358,025.

Stock options:

On August 14, 2023, the shareholders approved the Company's Omnibus Incentive Plan, including and reserving for issuance under the at any time of a maximum of 10% of the issued and outstanding common shares of the Company with a maximum of 3,500,000 subject to awards other than stock options. Prior to the adoption of the Omnibus Incentive Plan the Company had a 10% “rolling” stock option plan, whereby the aggregate number of Common Shares reserved for issuance, shall not exceed 10% of the total number of issued and outstanding Common Shares at the time of the option grant. The Omnibus Incentive Plan replaced the 10% “rolling” stock option plan. The stock options granted under the old plan continue to be governed by the old plan.

During the year ended December 31, 2023, the Company granted 3,270,000 stock options of the Company (2022 – 5,021,950) and recorded share-based payment expense related to options granted and vested during the year of $5,616,048 (2022 – $1,303,099). The fair value of the stock options granted during the years ended December 31, 2023, and 2022 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2023	**December 31, 2022**
Weighted average risk free interest rate	3.29%	3.27%
Weighted average expected life in years	5	5
Weighted average expected volatility	101%	100%
Expected dividends	Nil	Nil
Weighted average exercise price	$4.34	$1.96

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

(Expressed in Canadian Dollars)

	Number of stock options	Weighted average exercise price $	Weighted average remaining life (Years)
Balance outstanding – December 31, 2021	**4,950,000**	**0.31**	**4.21**
Granted	5,021,950	1.96	-
Exercised	(1,050,000)	0.32	-
Expired/forfeited	(1,050,000)	0.31	-
Balance outstanding – December 31, 2022	**7,871,950**	**1.36**	**4.04**
Granted	3,270,000	4.34	-
Exercised	(351,900)	0.46	-
Expired/forfeited	(69,900)	2.49	-
Balance outstanding – December 31, 2023	**10,720,150**	**2.29**	**3.61**
Balance vested – December 31, 2023	**5,006,150**	**1.06**	**2.82**

As at December 31, 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	2,550,000	2.16	$ 0.30
July 12, 2026	40,000	16,000	2.53	$ 0.35
January 18, 2027	1,115,000	685,000	3.05	$ 0.55
March 8, 2027	330,000	190,000	3.19	$ 0.80
July 22, 2027	1,000,000	400,000	3.56	$1.76
August 23, 2024	75,150	75,150	0.65	$3.02
December 29, 2027	2,340,000	930,000	4.00	$2.88
February 22, 2028	500,000	100,000	4.15	$2.17
May 30, 2028	300,000	60,000	4.42	$3.15
December 21, 2028	2,470,000	-	4.98	$4.93
	10,720,150	**5,006,150**	**3.61**	**$2.29**

Restricted Share Units

The Company has an Omnibus Incentive Plan pursuant to which it may issue RSUs to directors, officers, employees, and consultants.

During the year ended December 31, 2023, the Company granted 51,825 RSUs of the Company (2022 – Nil) and recorded share-based payment expense related to RSUs granted and vested during the year of $7,037 (2022 – $Nil). The Company has the option of settling these RSUs in cash or common shares and is expecting to settle these RSUs in cash. Total value of the RSUs is $257,570 based on the closing price of $4.97 per the Company's common share on the date prior to the grant date. The RSUs are expected to vest on December 21, 2024.

(Expressed in Canadian Dollars)

Warrants:

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

	Number of warrants	Weighted average exercise price $	Weighted average remaining life (Years)
Balance outstanding – December 31, 2021	**16,450,593**	**0.58**	**1.42**
Issued	6,171,146	2.50	-
Exercised	(8,363,732)	0.52	-
Balance outstanding – December 31, 2022	**14,258,007**	**1.44**	**1.03**
Issued	200,000	3.50	-
Exercised	(7,953,528)	0.63	-
Expired	(133,333)	0.59	-
Balance outstanding – December 31, 2023	**6,371,146**	**2.57**	**0.59**

As at December 31, 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 22, 2024	5,000,000	0.56	$2.50
August 2, 2024	1,171,146	0.59	$2.50
May 30, 2025	200,000	1.41	$3.50
	6,371,146	**0.59**	**$2.57**

Escrow shares:

On February 25, 2021, certain shareholders entered into an escrow arrangement with the escrow agent. 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

During the year ended December 31, 2023, 7,695,000 shares were released from escrow (2022 – 7,695,500). As at December 31, 2023, a total of 3,847,500 (2022 – 11,542,500) common shares remained in escrow.

(Expressed in Canadian Dollars)

10. Related party transactions

During the years ended December 31, 2023 and 2022, the Company incurred the following expenditures with key management personnel, being the Chief Executive Officer, Chief Financial Officer, Vice President Exploration, and Chief Geologist; as well as directors of the Company.

A summary of the Company's related party transaction is as follows:

	2023 **$**	2022 $
Director Fees	**197,143**	141,000
Share-based Compensation	**3,097,541**	479,496
Salaries and other compensation	**951,657**	479,017
Rent	**31,059**	-
	4,277,400	1,099,513

At December 31, 2023, amounts owed due to related parties comprised of amounts owing to key management and directors totaling $nil (2022 - $12,326). The amounts are unsecured, non-interest bearing with no specific repayment terms.

During the year ended December 31, 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 of their salaries paid in the event of a change of control.

11. Supplemental Cash Flow Information

Other cash flow information relating to operating activities is presented below:

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. As at, and during the years ended December 31, 2023 and 2022, the following transactions were excluded from the consolidated statements of cash flows:

	2023	2022
	$	$
Non-cash investing and financing transactions		
Cash paid for interest	-	-
Cash received for interest	1,304,106	199,593
Cash paid for taxes	-	-
Fair value of deferred acquisition payments	-	642,355
Shares issued for resource properties	1,497,000	1,951,000
Warrants issued in private placements	-	2,859,221
Warrants issued for resource properties	240,231	-
Recognition of the rehabilitation provision	(364,364)	-
Right-of-use asset recognized under a lease	34,000	90,494
Flow-through liability recognized	12,841,331	2,744,000

(Expressed in Canadian Dollars)

12. Loss per Share

	2023	2022
Loss attributable to common shareholders ($)	**23,945,923**	12,818,166
Weighted average number of common shares outstanding	**140,260,654**	116,163,304
Loss per share attributed to common shareholders ($)	**(0.17)**	(0.11)

Diluted loss per share did not include the effect of 10,720,150 (2022 – 7,871,950) share purchase options, 6,371,146 (2022 – 14,258,007) common share purchase warrants and 51,825 RSUs (2022 – Nil) as they are anti-dilutive.

13. Income Taxes

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax expense (recovery) for the years ended December 31, 2023 and 2022 is as follows:

	December 31, 2023	**December 31, 2022**
Statutory tax rate	27.00%	27.00%
Loss for the period before income taxes	$ (23,945,923)	$ (12,818,166)
Expected income tax recovery	(6,465,000)	(3,461,000)
Net effect of deductible or non-deductible items	(1,853,000)	(575,000)
Impact of flow-through share tax benefit unrecognized	6,146,000	3,216,000
Change in unrecognized deferred tax assets	2,172,000	820,000
Income tax expense/(recovery)	-	-

The unrecognized temporary differences, unused tax losses, and unused tax credits as at December 31, 2023 and 2022 are comprised of the following:

	December 31, 2023 $	**Expiration Date**	**December 31, 2022 $**	**Expiration Date**
Tax loss carry forwards	6,501,000	2038-2043	3,576,000	2038-2042
Mineral properties	10,049,000	None	5,926,000	None
Capital assets and leases	698,000	None	493,000	None
Share issue costs	889,000	2024-2027	96,000	2023-2026
Unrecognized deductible temporary differences	18,137,000		10,091,000	

Deferred tax assets have not been recognized as the Company may not have sufficient taxable profit in the future to utilize the deferred deductions available for tax purposes.

(Expressed in Canadian Dollars)

14. Rehabilitation Provision

On October 1, 2023, the Company recognized a rehabilitation provision in connection with its property and equipment (Note 6).

Reconciliation of the Company's carrying amount of the rehabilitation provision at December 31, 2023 and 2022 is as follows:

Balance – December 31, 2021 and 2022	**$**	**-**
Rehabilitation provision recognized		364,364
Balance – December 31, 2023	**$**	**364,364**

The present value of the provision of $364,364 was calculated using the risk-free rate of 3.25% and an average inflation rate of 2.38%. Rehabilitation activities are expected to begin at the end of 2027. The undiscounted value of the obligation is $334,563.

15. Segmented Information

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. For the years ended December 31, 2023 and 2022, the mineral property interests are located in Canada, and all of the exploration expenditures are incurred in Canada. Please see Notes 5 and 7 for mineral property acquisition costs and related exploration expenses.

16. Commitments

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 Canadian exploration expenses ("CEE") by December 31, 2023 to satisfy the flow through liability associated with the financing of $2,744,000.

As of December 31, 2023, the Company has incurred $20,529,723 (December 31, 2022: $11,913,073) of Qualifying CEE and must incur an additional $19,864,148 by December 31, 2024. The flow-through expenditure commitment due by December 31, 2023 has been satisfied.

17. Financial instruments

a) Management of capital:

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its assets and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of amounts attributable to shareholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, and or acquire or dispose of assets.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the investment appetite in the mineral resource market and its ability to compete for investor support in this market.

The Company is not subject to any capital requirements imposed by a regulator.

b) Classification of financial instruments:

The Company's financial instruments consist of cash, cash equivalents, receivables, deposits, accounts payable and accrued liabilities, lease liabilities, RSU liabilities, and deferred acquisition payments. The Company's cash and cash equivalents are classified and measured at fair value. The Company's amounts receivable, deposits, accounts payable and accrued liabilities, lease liability and deferred acquisition payments are classified as and measured at amortized cost.

c) Fair Value of Financial Instruments:

The Company classified its fair value measures within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

As at December 31, 2023 and 2022, the Company had measured cash and cash equivalents at fair value through profit and loss. The carrying amounts of accounts receivable, deposits, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these instruments.

d) Financial instruments risk exposure:

Credit Risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents held with banks and financial institutions as well as accounts receivable. The Company's cash and cash equivalents are held at a major Canadian financial institution. Accounts receivable consist of Goods and Services Tax receivable from the Government of Canada. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company has not provided an expected credit loss allowance as at December 31, 2023 and 2022.

Interest Rate Risk
Interest rate risk is the risk that the Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As at December 31, 2023, the Company did not have debt instruments exposed to variable interest rate. The risk is not significant.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

18. Subsequent events

i) On February 1, 2024, the Company granted 150,000 stock options with the exercise price of $5.38, expiring on February 1, 2029, and 50,000 RSUs. The RSUs vest as follows: 25,000 on August 1, 2025, and 25,000 on February 1, 2027.
ii) Subsequent to December 31, 2023, the Company issued 226,600 common shares upon exercises of stock options for gross proceeds of $278,572.
iii) On March 31, 2024, the Company received $12,500,000 from the exercise of 5,000,000 warrants with an exercise price of $2.50.
iv) On April 25, 2024, the Company completed a Bought Deal Flow-Through private placement. The Company issued 3,685,750 flow-through common shares at a price of $7.80 for total gross proceeds of $28,748,850. The Company also completed a concurrent non-brokered private placement of 405,000 flow through shares at a price of $7.80 for additional gross proceeds of $3,159,000.
v) On April 25, 2024, the Company entered into a purchase agreement that will result in the consolidation of 100% ownership of its Einarson Project through purchase of a privately held 30% interest in 3,003 mineral claims. Total consideration for the acquisition is $1,200,000 and a one-time share payment of 1,012,000 common shares. This transaction is subject to a number of standard conditions, and it is anticipated that closing will occur prior to May 15, 2024.