



SNOWLINE
GOLD CORP

SNOWLINE GOLD CORP.

(FORMERLY "SKYLEDGER TECH CORP.")

FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2021 and 2020
(Expressed in Canadian Dollars)



Crowe MacKay LLP

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Independent Auditors' 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 August 31, 2021 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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 August 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 *Auditors' 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.

Other matter

The consolidated financial statements of Snowline Gold Corp. for the year ended August 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on December 17, 2020.

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 auditors' 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 auditors' 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 International Financial Reporting Standards, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

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

"Crowe MacKay LLP"

**Chartered Professional Accountants
Vancouver, Canada
December 20, 2021**

Snowline Gold Corp.

(formerly "Skyledger Tech Corp.")

Consolidated Statements of Financial Position at August 31, 2021 and 2020

(Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash		3,917,754	27,213
Accounts receivable		143,377	25,955
Prepaid expenses		263,350	-
Digital currency	6	-	54,459
		4,324,481	107,627
Equipment		-	4,688
Exploration and evaluation assets	5, 7	5,710,675	-
Total Assets		10,035,156	112,315
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	1,076,674	115,900
Deferred acquisition payments	5	153,557	-
		1,230,231	115,900
Deferred acquisition payments	5	613,103	-
Total Liabilities		1,843,334	115,900
Equity Attributable to Shareholders			
Share capital	8	12,478,606	845,714
Contributed surplus		1,253,428	21,090
Accumulated other comprehensive income		-	16,427
Deficit		(5,540,212)	(886,816)
Total Shareholders' Equity (Deficiency)		8,191,822	(3,585)
Total Liabilities and Shareholders' Equity and (Deficiency)		10,035,156	112,315

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

Subsequent events (Note 14)

Approved by the Board of Directors on December 20, 2021:

"Gunther Roehlig" Director
Gunther Roehlig

"Scott Berdahl" Director
Scott Berdahl

Snowline Gold Corp.

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Consolidated Statements of Loss and Comprehensive Loss

For the years ended August 31, 2021, and August 31, 2020

(Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
Revenues	6	-	23,991
Cost of sales		-	(53,277)
Gross loss		-	(29,286)
Expenses			
Exploration expenditures	7	(3,179,718)	-
Depreciation		(4,688)	(10,417)
General and administrative		(64,181)	(103,007)
Consulting		(30,249)	(96,242)
Marketing		(240,722)	-
Transfer agent and regulatory fees		(86,152)	-
Professional fees	9	(339,320)	(56,917)
Wages and salaries		(381,390)	-
Share based payments	8, 9	(312,753)	-
		(4,639,173)	(266,583)
Loss before other income (expense)		(4,639,173)	(295,869)
Other income (expense)			
Accretion expense	5	(52,970)	-
Foreign exchange gain/(loss)		(575)	1,507
Finance cost		(1,759)	-
Write down of equipment		-	(29,250)
Other expenses		(1,500)	-
Total other income (expenses)		(56,804)	(27,743)
Net loss		(4,695,977)	(323,612)
Other comprehensive income			
Items that will not be reclassified to net loss			
Unrealized gain on change in fair value of digital currency		26,154	12,315
Comprehensive loss		(4,669,823)	(311,297)
Loss per share – basic and diluted		(0.07)	(0.01)
Weighted average number of shares outstanding – basic and diluted		62,134,549	32,067,104

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

Snowline Gold Corp.

(formerly "Skyledger Tech Corp.")

Consolidated Statements of Cash Flows

For the years ended August 31, 2021, and August 31, 2020

(Expressed in Canadian Dollars)

	2021	2020
	\$	\$
Cash Provided From (Used In)		
Operating Activities		
Loss for the year	(4,695,977)	(323,612)
Items not affecting cash:		
Depreciation	4,688	10,417
Accretion expense	52,970	-
Share based payment expense	312,753	-
Write-down of equipment	-	29,250
Funds used in operations before working capital items	(4,325,566)	(283,945)
Net change in working capital items		
Accounts receivable	(117,422)	(13,815)
Prepaid expenses	(263,350)	15,625
Digital currency	80,613	12,669
Accounts payable and accrued liabilities	960,774	74,421
	(3,664,951)	(195,045)
Investing Activities		
Purchase of mineral properties	(1,149,485)	-
Financing Activities		
Proceeds from private placement	8,812,309	-
Proceeds from warrant exercise	40,000	-
Share issuance costs	(147,332)	-
	8,704,977	-
Increase (decrease) in cash	3,890,541	(195,045)
Cash – beginning of the year	27,213	222,258
Cash – end of the year	3,917,754	27,213

Supplemental cash flow information (note 13)

Snowline Gold Corp.
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Consolidated Statements of Changes in Equity
For the years ended August 31, 2021, and August 31, 2020
(Expressed in Canadian Dollars)

	Common Shares #	Share Capital \$	Contributed Surplus \$	Accumulated Other Comprehensive Income \$	Deficit \$	Total \$
Balance – August 31 2020	32,067,104	845,714	21,090	16,427	(886,816)	(3,585)
Issued during the period:						
Pursuant to private placements	34,336,506	7,871,634	940,675	-	-	8,812,309
Less: Issue costs - cash	-	(147,332)	-	-	-	(147,332)
Pursuant to property acquisition	25,650,000	3,847,500	-	-	-	3,847,500
Warrants exercised	400,000	61,090	(21,090)	-	-	40,000
Net loss for the year	-	-	-	-	(4,695,977)	(4,695,977)
Share based payment expense	-	-	312,753	-	-	312,753
Transfer on sale of digital bitcoin	-	-	-	(42,581)	42,581	-
Other comprehensive income for the year	-	-	-	26,154	-	26,154
Balance – August 31, 2021	92,453,610	12,478,606	1,253,428	-	(5,540,212)	8,191,822
Balance – August 31, 2019	32,067,104	845,714	21,090	4,112	(563,204)	307,712
Net loss for the year	-	-	-	-	(323,612)	(323,612)
Other comprehensive income for the year	-	-	-	12,315	-	12,315
Balance – August 31, 2020	32,067,104	845,714	21,090	16,427	(886,816)	(3,585)

Snowline Gold Corp.

(formerly "Skyledger Tech Corp.")

Notes to the Consolidated Financial Statements

For the years ended August 31, 2021 and 2020

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1. CORPORATE INFORMATION

Snowline Gold Corp. (formerly "Skyledger Tech 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 200 - 550 Denman Street, Vancouver, British Columbia, Canada.

Beginning in the third quarter of fiscal year 2020, the Company suspended its cryptocurrency mining operations. 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") (note 5).

On February 25, 2021, upon closing of the Transaction, the Company changed its name from Skyledger 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 Canadian Securities Exchange under the symbol "SGD".

These consolidated annual financial statements were approved by the board of directors on December 20, 2021.

2. BASIS OF PREPARATION

Statement of Compliance with International Financial Reporting Standards ("IFRS")

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

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 August 31, 2021, the Company had an accumulated deficit of \$5,540,212 (August 31, 2020: \$886,816) since inception, and the Company's working capital was \$3,094,250 (August 31, 2020: \$8,273 working capital deficit). 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

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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.

COVID-19

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Corporation. The extent to which the COVID-19 pandemic impacts the Corporation's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Corporation's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Corporation. Even after the COVID-19 pandemic has subsided, the Corporation may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Corporation cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

3. SIGNIFICANT 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 significant accounting policies used in the preparation of these 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.

Foreign Currency Translation

The Company has determined that the functional currency of the Company and its foreign subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the consolidated

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statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the assets were acquired, or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign exchange in profit or loss.

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 reassesses 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.

Exploration and Evaluation Assets and Expenditures

Acquisition costs for exploration and evaluation assets, 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.

Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible (it is first tested for impairment and thereafter), development expenditures on the property are capitalized.

The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Exploration and evaluation assets 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.

The Company is in the exploration stage and the recoverability of amounts recorded as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, maintenance of the Company's legal interests in its mineral claims, obtaining further financing for exploration and development of its mineral claims and commencement of future profitable production, or receiving proceeds from the sale of all or an interest in its mineral properties. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and will recognize impairment in value based upon current exploration results, the

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prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property, or upon recognition of other indicators of impairment. Amounts shown for exploration and evaluation assets represent costs incurred, net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

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 exploration and evaluation assets, 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 asset.

At August 31, 2021 and August 31, 2020, the Company is not aware of any obligation related to rehabilitation costs.

Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events,

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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 to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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.

Where equity instruments are granted to employees or others providing similar services, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

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All equity-settled share-based payments are reflected in other equity reserve until exercised. Upon exercise, shares are issued, and the amount reflected in other equity reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options 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 that are forfeited before vesting are reversed from equity settled share-based payment reserve. Changes for options that are expired remain in contributed surplus.

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	FVTPL
Receivables	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deferred acquisition payments	Amortized cost

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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.

Digital Currency

Bitcoins are classified as indefinite life intangible assets, because they do not expire or deteriorate over time and the Company expects to obtain benefits from its cryptocurrencies indefinitely, and are initially recognised at cost. Bitcoins are subsequently measured at fair value by reference to the quoted price in an active Bitcoin market, less any subsequent accumulated impairment losses. Increases in the carrying amount of Bitcoins on revaluation are recognised in profit and loss to the extent that revaluation decreases were previously recorded in profit and loss; otherwise revaluation increases are credited to other comprehensive income. Decreases that offset previous increases are recognised as other comprehensive income to the extent of any credit balance previously recognised; all other decreases are recognised in profit and loss. On disposal of Bitcoins, the cumulative revaluation surplus associated with those Bitcoins is transferred directly to retained earnings.

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:

Computer equipment	4 years	Straight line basis
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New accounting standards and interpretations adopted during the year

There are no new standards that would have significant impact on the consolidated financial statements of the Company.

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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) *Income taxes* – In assessing the probability of realizing income tax assets (Note 10), management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.
- (iv) *Shares issued to Acquire Exploration and Evaluation Assets* – From time to time, the Company may issue common shares in the course of acquiring exploration and evaluation assets. 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 exploration and evaluation assets.
- (v) *Impairment of Exploration and Evaluation Assets* – 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 exploration and evaluation asset 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

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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.

5. 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. 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; and
- (ii) cash payments to 18526 as follows:
 - \$1,000,000 on closing of the Transaction;
 - \$250,000 on the first anniversary of closing of the Transaction;
 - \$250,000 on the second anniversary of closing of the Transaction;
 - \$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 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
<hr/>	
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

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be \$713,690 on the acquisition date using a discounted cash flow model. A discount rate of 15% was used. During the year ended August 31, 2021, the Company recorded accretion expense of \$52,970. 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, August 31, 2020	-
Deferred acquisition payments pursuant to acquisition	713,690
Accretion	52,970
Balance, August 31, 2021	766,660
Current portion of deferred acquisition payments	153,557
Long-term portion of deferred acquisition payments	613,103
	766,660

6. Digital currency

	Number of Bitcoin	Fair Value \$
Balance, August 31, 2019	4.21531807	54,813
Received from mining activity	2.15522421	23,991
Sale for cash, net of transaction fees	(2.79502542)	(36,660)
Unrealized gain on change in fair value of digital currency	-	12,315
Balance, August 31, 2020	3.57551686	54,459
Sale for cash, net of transaction fees	(3.57551686)	(80,613)
Unrealized gain on change in fair value of digital currency	-	26,154
Balance, August 31, 2021	-	-

7. Exploration and evaluation assets and expenditures

Yukon Properties

As a result of the acquisition of Senoa, on February 25, 2021, the Company acquired the Einarson, Rogue, Tosh, Cliff, Rainbow, Cynthia and Ursa mineral property claims, covering approximately 67,000 hectares in the Yukon Territory, Canada (Note 5).

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During the year ended August 31, 2021, the Company incurred exploration expenses on its properties, as follows:

Exploration expenses	Cliff	Cynthia	Einarson	Rainbow	Rogue	Tosh	Ursa	Total
Consulting	-	-	118,181	-	120,730	-	1,333	240,244
Licenses and permits	-	-	11,725	-	12,086	1,365	-	25,176
Staking	13,770	6,867	30,358	7,340	49,724	13,365	54,459	175,883
Assaying	-	-	40,682	-	13,561	-	-	54,243
Drilling	-	-	674,731	-	-	-	-	674,731
Field labour and lodging	-	-	478,903	-	181,020	-	-	659,923
Field supplies	1,292	1,720	118,991	1,839	69,099	1,659	13,641	208,241
Fixed wing air support	9,540	3,925	749,829	4,196	300,074	8,078	31,133	1,106,775
Other	-	15	23,495	16	10,856	-	120	34,502
	24,602	12,527	2,246,895	13,391	757,150	24,467	100,686	3,179,718

8. Share Capital

Common Shares

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

a) For the year ended August 31, 2021

- i. On July 16, 2021, the Company completed a non-brokered private placement of 2,857,142 Units (the "Units") at a price of \$0.35 per Unit for aggregate gross proceeds of \$1,000,000. 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 \$0.53 until July 16, 2023.

The Company has allocated \$838,329 of the proceeds from the private placement to the shares and \$161,671 to the warrants, on a proportionate fair value basis. The following assumptions were used to determine the fair value of the warrants: expected dividend yield of 0%, expected volatility of 100%, risk free rate of return of 0.43%, expected life of 2 years, and share price of \$0.30.

- ii. On March 8, 2021, 400,000 share purchase warrants with an exercise price of \$0.10 were exercised for total cash consideration of \$40,000.
- iii. On February 24, 2021, the Company completed a non-brokered private placement of 9,542,667 subscription receipts (the "First Subscription Receipts") at a price of \$0.15 per First Subscription Receipt for proceeds of \$1,431,400 and 20,602,697 subscription receipts (the "Second Subscription Receipts") at a price of \$0.30 per Second Subscription Receipt for proceeds of \$6,180,809.

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Each First Subscription Receipt was automatically exercised into one common share of the Company upon completion of the Transaction (Note 5). Each Second Subscription Receipt was automatically exercised into one unit of the Company upon completion of the Transaction. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant, with each Warrant entitling the holder thereof to purchase one additional common share of the Company at a price of \$0.50 for a period of two years from the date of issue.

The Company has allocated \$5,401,805 of the proceeds from the Second Subscriptions Receipts to the shares, net of share issue costs of \$45,311 and finders fees of \$102,020, and \$779,004 to the warrants, on a proportionate fair value basis. The following assumptions were used to determine the fair value of the warrants: expected dividend yield of 0%, expected volatility of 100%, risk free rate of return of 0.23%, expected life of 2 years, and share price of \$0.185.

- iv. On January 20, 2021, the Company completed a non-brokered private placement consisting of 1,334,000 common shares of the Company at a price of \$0.15 per share for proceeds of \$200,100.

b) There were no financing activities during the year ended August 31, 2020.

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.

On Feb 25, 2021, the Company granted 5,450,000 options to certain officers, directors and consultants of the Company under its stock option plan. All options are exercisable at \$0.30 per common share and expire in 5 years. 750,000 options were forfeited upon resignation of one of the officers. The resulting fair value of \$586,145 for the remaining options was estimated using the Black-Scholes option pricing model with the following assumptions: share price on grant date of \$0.185, expected dividend yield of 0%; expected annualized volatility of 100% based on the volatility of companies in the same industry with similar size and transactions; a risk-free interest rate of 0.73%, and an expected average life of 5 years. The options have a vesting period of 20% every 6 months beginning on August 25, 2021. The amount recorded as a share-based compensation for the options vested was \$293,860.

On July 12, 2021, the Company granted 700,000 options to certain officers and consultants of the Company under its stock option plan. All options are exercisable at \$0.35 per common share and expire in 5 years. The resulting fair value of \$151,628 for the remaining options was estimated using the Black-Scholes option pricing model with the following assumptions: share price on grant date of \$0.30, expected dividend yield of 0%; expected annualized volatility of 100% based on the volatility of companies in the same industry with similar size and transactions; a risk-free interest rate of 0.93%, and an expected average life of 5 years. The options have a vesting period of 20% every 6 months beginning on January 12, 2022. The amount recorded as a share-based compensation for the options vested was \$18,893.

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A summary of stock options outstanding as at August 31, 2021 and August 31, 2020 and the changes for the periods then ended is presented below:

	Number of options	Weighted average exercise price \$	Weighted average remaining life (Years)
Balance outstanding – August 31, 2020	-	-	-
Granted	5,450,000	0.30	
Granted	700,000	0.35	
Cancelled/forfeited	(750,000)	0.30	
Balance outstanding – August 31, 2021	5,400,000	0.31	4.54

As at August 31, 2021, 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	4,700,000	940,000	4.49	\$ 0.30
July 12, 2026	700,000	-	4.87	\$ 0.35
	5,400,000	940,000	4.54	\$ 0.31

Warrants

A summary of warrants outstanding as at August 31, 2021 and 2020 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 – August 31, 2020	400,000	0.10	0.65
Exercised	(400,000)	0.10	
Issued	11,729,915	0.50	
Balance outstanding – August 31, 2021	11,729,915	0.50	1.53

As at August 31, 2021 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
February 24, 2023	10,301,344	1.48	\$ 0.50
July 16, 2023	1,428,571	1.87	\$ 0.53
	11,729,915	1.53	\$ 0.50

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Escrow shares

On January 22, 2019, the Company entered into an escrow agreement with certain shareholders of the Company. 2,500,001 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, April 26, 2019	1/10 of the escrow shares
6 months after the listing date (October 26, 2019)	1/6 of the remainder of the escrow shares
12 months after the listing date (April 26, 2020)	1/5 of the remainder of the escrow shares
18 months after the listing date (October 26, 2020)	1/4 of the remainder of the escrow shares
24 months after the listing date (April 26, 2021)	1/3 of the remainder of the escrow shares
30 months after the listing date (October 26, 2021)	1/2 of the remainder of the escrow shares
36 months after the listing date (April 26, 2022)	The remainder of the 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 August 31, 2021, a total of 23,835,001 (August 31, 2020 – 1,500,001) common shares remained in escrow.

9. Related party transactions

During the years ended August 31, 2021 and 2020, 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:

	2021	2020
	\$	\$
Professional fees	-	40,280
Consulting fees	55,761	48,742
Share based payment expense	189,079	-
	244,840	89,022

At August 31, 2021, accounts payable and accrued liabilities included \$10,970 (2020 - \$28,959) 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.

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10. 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 August 31, 2021 and 2020 is as follows:

	2021	2020
Statutory tax rate	27.00%	27.00%
Loss for the period before income taxes	\$ (4,695,977)	\$ (323,612)
Expected income tax recovery	(1,267,914)	(87,375)
Net effect of deductible or non-deductible items	98,745	1,199
Unrecognized tax benefit	1,169,169	86,176
Income tax expense (recovery)	-	-

The significant components of the Company's deferred income tax assets and liabilities as at August 31, 2021 and 2020 are as follows:

	2021	2020
	\$	\$
Tax loss carry forwards	538,000	152,624
Mineral properties	797,000	-
Capital assets	103,000	101,796
Share issue costs	46,000	21,932
Total unrecognized deferred income tax assets	1,484,000	276,352

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.

At August 31, 2021, the Company had non-capital losses in Canada of approximately \$1,992,981 (2020 - \$565,273) which may be available to offset future income for tax purposes and which expire from 2039 to 2041.

11. Segmented Information

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. For the year ended August 31, 2021, the mineral property interests are located in Canada, and all of the exploration expenditures are incurred in Canada. Please see note 5 and note 7 for mineral property acquisition costs and related exploration expenses.

12. 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

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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, accounts receivable and accounts payable and accrued liabilities. The Company's cash, accounts receivable and accounts payable and accrued liabilities 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 August 31, 2021, the Company had no financial instruments measured at fair value on a recurring basis. The carrying amounts of cash, 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 held with banks and financial institutions as well as accounts receivable. The Company's cash is 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 August 31, 2021 and 2020.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no interest-bearing financial assets or liabilities.

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

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transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

13. Supplemental cash-flow information

Non-cash investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

During the year ended August 31, 2021 and August 31, 2020, non-cash financing and investing activities included:

- \$940,675 (2020 - \$nil) was allocated from share capital to reserves to record the relative fair value of the warrants issued in private placements;
- \$3,847,500 (2020 - \$nil) in common shares were issued for the acquisition of exploration and evaluation assets;
- \$713,690 (2020 - \$nil) was determined to be the fair value of the deferred payments of \$1,000,000 over a four-year period on the Acquisition Date using a discounted cash flow model; and
- The cash paid for interest and taxes for the year ended August 31, 2021 and 2020 was nil.

14. Subsequent events

- i) 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"), whereby the Company acquired the option to purchase a 100% interest in 812 mining claims in five blocks collectively.

Under the terms of the Agreement, Snowline can acquire the Properties in exchange for payments to the Optionors of \$100,000, (\$50,000 on signing and \$50,000 on the first anniversary), and issuing 1,000,000 common shares to the Optionors, (500,000 common shares issued on signing and 500,000 common shares 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.

- ii) On December 20, 2021, the Company closed a non-brokered private placement, and issued:
- a. 8,783,783 premium flow-through common shares (the "Premium FT Shares") at a price of \$0.74 per premium FT Share for gross proceeds of \$6,500,000;
 - b. 757,575 flow through common shares ("FT Shares") at a price of \$0.66 per FT share for gross proceeds of \$500,000

Each FT share and Premium FT share will be accompanied by one-half of one common share purchase warrant, with each warrant being exercisable for one common share of the Company at an exercise price of \$0.75 for a period of two years.