



**SNOWLINE**  
GOLD CORP

**SNOWLINE GOLD CORP.**

(FORMERLY "SKYLEDGER TECH CORP.")  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
May 31, 2021 and May 31, 2020  
*(Unaudited - Expressed in Canadian Dollars)*

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**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.



**Snowline Gold Corp.**

(formerly "Skyledger Tech Corp.")

Condensed Interim Consolidated Statements of Financial Position

*(Unaudited - Expressed in Canadian Dollars)*

	Notes	May 31, 2021 \$	August 31, 2020 \$
<b>Assets</b>			
Current assets			
Cash		5,250,726	27,213
Accounts receivable		45,638	25,955
Digital currency	5	-	54,459
Prepaid expenses	8	294,281	-
		5,590,645	107,627
Equipment	4	-	4,688
Exploration and evaluation assets	3, 6	5,870,364	-
<b>Total Assets</b>		<b>11,461,009</b>	<b>112,315</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	8	156,763	115,900
Deferred acquisition payments	3	148,243	-
		305,006	115,900
Deferred acquisition payments	3	591,890	-
<b>Total Liabilities</b>		<b>896,896</b>	<b>115,900</b>
<b>Equity (Deficiency) Attributable to Shareholders</b>			
Share capital	7	11,640,278	845,714
Contributed surplus	7 (b)(c)	941,250	21,090
Accumulated other comprehensive income		13,830	16,427
Deficit		(2,031,245)	(886,816)
<b>Total Shareholders' Equity (Deficiency)</b>		<b>10,564,113</b>	<b>(3,585)</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>11,461,009</b>	<b>112,315</b>

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

Subsequent events (Note 10)

Approved by the Board of Directors on July 28, 2021:

"Nikolas Matysek " Director  
Nikolas Matysek

"J. Scott Berdahl" Director  
J. Scott Berdahl

**Snowline Gold Corp.**

(formerly "Skyledger Tech Corp.")

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and six months ended May 31, 2021, and May 31, 2020

*(Unaudited - Expressed in Canadian Dollars)*

	Note	For the three months ended May 31, 2021 \$	For the three months ended May 31, 2020 \$	For the nine months ended May 31, 2021 \$	For the nine months ended May 31, 2020 \$
<b>Revenues</b>	5	-	2,646	-	23,331
<b>Cost of sales</b>		-	(12,583)	-	(65,209)
<b>Gross loss</b>		-	(9,937)	-	(41,878)
<b>Expenses</b>					
Exploration expenditures	6	429,037	-	429,037	-
Depreciation	4	-	3,369	4,688	10,105
Office and miscellaneous		19,013	24,319	51,189	68,815
Due diligence	8	-	-	-	1,242
Consulting	8	3,008	10,000	26,988	65,000
Marketing		107,394	-	123,439	-
Professional fees	8	64,048	8,699	99,839	33,975
Share-based payment expense	7	157,122	-	162,246	-
Wages and salaries		112,124	-	177,555	-
Transfer agent and regulatory fees		39,206	-	69,635	-
<b>Total expenses</b>		<b>(930,952)</b>	<b>(46,387)</b>	<b>(1,144,616)</b>	<b>(179,137)</b>
<b>Loss before other expenses</b>		<b>(930,952)</b>	<b>(56,324)</b>	<b>(1,144,616)</b>	<b>(221,015)</b>
<b>Other income (expenses)</b>					
Accretion expense	3	(27,277)	-	(26,443)	-
Foreign exchange loss (gain)		246	2,300	69	3,253
Finance cost		(466)	-	(690)	-
Write-down of equipment		-	(29,250)	-	(29,250)
Other expenses		(1,500)	-	(1,500)	-
<b>Total other expenses</b>		<b>(28,997)</b>	<b>(26,950)</b>	<b>(28,564)</b>	<b>(25,997)</b>
<b>Net loss</b>		<b>(959,949)</b>	<b>(83,274)</b>	<b>(1,173,180)</b>	<b>(247,012)</b>
<b>Other comprehensive income (loss)</b>					
Items that will not be reclassified to net loss					
Unrealized gain on change in fair value of digital currency		-	5,273	26,154	4,334
<b>Comprehensive loss</b>		<b>(959,949)</b>	<b>(78,001)</b>	<b>(1,147,026)</b>	<b>(242,678)</b>
<b>Loss per share – basic and diluted</b>		<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.02)</b>	<b>(0.01)</b>
<b>Weighted average number of shares outstanding – basic and diluted</b>		<b>89,596,699</b>	<b>32,067,104</b>	<b>52,356,697</b>	<b>32,067,104</b>

**Snowline Gold Corp.**

(formerly "Skyledger Tech Corp.")

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended May 31, 2021, and May 31, 2020

*(Unaudited - Expressed in Canadian Dollars)*

	<b>For the nine months ended May 31, 2021</b>	For the nine months ended May 31, 2020
	<b>\$</b>	<b>\$</b>
<b>Cash Provided From (Used In)</b>		
<b>Operating Activities</b>		
Loss for the period	(1,173,180)	(247,012)
Items not affecting cash:		
Depreciation	4,688	10,105
Accretion expense	26,443	-
Write-down of equipment	-	29,250
Share-based payment expense	162,246	-
Cash used in operations before working capital items	(979,803)	(207,657)
Net change in working capital items		
Accounts receivable	(19,683)	(10,739)
Digital currency	80,613	13,329
Prepaid expenses	(294,281)	15,625
Accounts payable and accrued liabilities	40,863	9,340
	(1,172,291)	(180,102)
<b>Investing Activity</b>		
Acquisition of exploration and evaluation assets	(1,309,174)	-
	(1,309,174)	-
<b>Financing Activities</b>		
Proceeds from private placement	7,812,309	-
Proceeds from warrant exercise	40,000	-
Share issuance costs	(147,331)	-
	7,704,978	-
<b>Change in cash</b>	<b>5,223,513</b>	<b>(180,102)</b>
<b>Cash – beginning of the period</b>	<b>27,213</b>	<b>222,258</b>
<b>Cash – end of the period</b>	<b>5,250,726</b>	<b>42,156</b>

**Supplemental cash-flow information (Note 9)**

**Snowline Gold Corp.**

(formerly "Skyledger Tech Corp.")

## Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended May 31, 2021, and May 31, 2020

*(Unaudited - 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	31,479,364	7,033,305	779,004	-	-	7,812,309
Less: Issue costs - cash	-	(147,331)	-	-	-	(147,331)
Pursuant to property acquisition	25,650,000	3,847,500	-	-	-	3,847,500
Warrants exercised	400,000	61,090	(21,090)	-	-	40,000
Share-based payment expense	-	-	162,246	-	-	162,246
Net loss for the period	-	-	-	-	(1,173,180)	(1,173,180)
Other comprehensive income for the period	-	-	-	26,154	-	26,154
Transfer on sale of digital currency	-	-	-	(28,751)	28,751	-
<b>Balance – May 31, 2021</b>	<b>89,596,468</b>	<b>11,640,278</b>	<b>941,250</b>	<b>13,830</b>	<b>(2,031,245)</b>	<b>10,564,113</b>
Balance – August 31 2019	32,067,104	845,714	21,090	4,112	(563,204)	307,712
Net loss for the period	-	-	-	-	(247,012)	(247,012)
Other comprehensive loss for the Period	-	-	-	4,334	-	4,334
<b>Balance – May 31, 2020</b>	<b>32,067,104</b>	<b>845,714</b>	<b>21,090</b>	<b>8,446</b>	<b>(810,216)</b>	<b>65,034</b>

## **Snowline Gold Corp.**

(formerly "Skyledger Tech Corp.")

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended May 31, 2021, and May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

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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"). 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".

### **2. Basis of Preparation**

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

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended August 31, 2020, which have been prepared in accordance with IFRS.

The Company has used the same accounting policies and methods of computation in these condensed interim financial statements as in the annual financial statements for the year ended August 31, 2020.

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

#### ***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 Continuation of Operations***

These consolidated interim 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 May 31, 2021, the Company had an accumulated deficit of \$2,031,245 (August 31, 2020 \$886,816) since inception, and the Company's working capital was \$5,285,639 (August 31, 2020: 8,273

## **Snowline Gold Corp.**

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended May 31, 2021, and May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

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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 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.

### ***Basis of consolidation***

These condensed interim consolidated financial statements include the results or financial information of Snowline Gold Corp. and its wholly owned subsidiary, Senoa Gold Corp.

### ***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. 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

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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 at the fair value 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 \$5,870,364 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	309,174
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Acquisition price allocated to mineral property interests	\$ 5,870,364

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 six months ended February 28, 2021, the Company recorded accretion expense of \$834. 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 \$309,174 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	26,443
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Balance, May 31, 2021	740,133
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Current portion of deferred acquisition payments	148,243
Long-term portion of deferred acquisition payments	591,890
<hr/>	
	740,133

## Snowline Gold Corp.

(formerly "Skyledger Tech Corp.")

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended May 31, 2021, and May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

### 4. Equipment

	Computer equipment \$
<b>Cost</b>	
Balance, August 31, 2019	105,488
Write-down of equipment	(29,250)
<b>Balance, May 31, 2021 and August 31, 2020</b>	<b>76,238</b>
<b>Accumulated depreciation</b>	
Balance, August 31, 2019	61,133
Depreciation	10,417
Balance, August 31, 2020	71,550
Depreciation	4,688
<b>Balance, May 31, 2021</b>	<b>76,238</b>
<b>Carrying amount</b>	
Balance, August 31, 2020	4,688
<b>Balance, May 31, 2021</b>	<b>-</b>

Computer equipment consists of specialized bitcoin mining computer equipment and costs incurred to prepare the equipment for use. During the year ended August 31, 2020, the Company determined that there were indicators of impairment on the equipment due to the decrease in prices of equipment used for mining activity. Accordingly, the Company wrote-down the equipment by \$29,250 to its estimated recoverable value of \$4,688. As the Company will no longer be in the business of cryptocurrency mining and will not use the mining equipment, the Company fully depreciated the equipment during the nine months ended May 31, 2021.

### 5. 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
<b>Balance, May 31, 2021</b>	<b>-</b>	<b>-</b>

### 6. 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 3).

## Snowline Gold Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended May 31, 2021, and May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

During the nine months ended May 31, 2021, the Company incurred exploration expenses on its properties, as follows:

	Einarson	Rogue	Tosh	Cliff	Rainbow	Cynthia	Ursa	Total
<b>Acquisition costs</b>								
Common shares issued	3,847,500	-	-	-	-	-	-	3,847,500
Cash payment	1,000,000	-	-	-	-	-	-	1,000,000
Deferred cash payment	713,690	-	-	-	-	-	-	713,690
Legal costs	309,174	-	-	-	-	-	-	309,174
	5,870,364	-	-	-	-	-	-	5,870,364
<b>Exploration expenses</b>								
Consulting	15,629	59,565	-	-	-	-	-	75,194
Licenses and permits	11,568	11,328	-	-	-	-	1,333	24,229
Staking	30,358	49,724	13,365	13,770	7,340	6,867	54,459	175,883
Other	19,456	57,251	9,737	10,832	6,035	5,645	44,775	153,731
	77,011	177,868	23,102	24,602	13,375	12,512	100,567	429,037

## 7. Share capital and Reserves

### Common Shares

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

#### a) Current period ended May 31, 2021

- i. On March 8, 2021, 400,00 share purchase warrants with an exercise price of \$0.10 were exercised for total cash consideration of \$40,000.
- ii. 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.

Each First Subscription Receipt was automatically exercised into one common share of the Company upon completion of the Transaction (Note 3). Each Second Subscription Receipt was automatically exercised into one unit of the Company (each, a "Unit") upon completion of the Transaction. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "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.

- iii. 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.

## Snowline Gold Corp.

(formerly "Skyladder Tech Corp.")

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended May 31, 2021, and May 31, 2020

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There were no financing activities during the nine months ended May 31, 2020.

### b) Stock options

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

During the six months ended May 31, 2021, the Company granted 5,450,000 stock options to directors, officers and consultants of the Company (February 29, 2020 – nil) and recorded share-based payment expense of \$162,246 (February 29, 2020 – \$Nil). The fair value of the stock options granted during the nine months ended May 31, 2021 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	0.73%
Expected life in years	5
Expected volatility	100%
Expected dividends	Nil

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

	Number of warrants	Weighted average exercise price \$	Weighted average remaining life (Years)
Balance outstanding – August 31, 2020	-	-	-
Granted	5,450,000	0.30	4.74
Balance outstanding – May 31, 2021	5,450,000	0.30	4.74

At May 31, 2021, the following stock options were outstanding:

Number	Exercise Price	Expiry Date
5,450,000	\$0.30	February 25, 2026

### c) Warrants:

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

	Number of warrants	Weighted average exercise price \$	Weighted average remaining life (Years)
Balance outstanding – August 31, 2019	24,967,103	0.10	0.55
Expired	(24,567,103)	0.10	
Balance outstanding – August 31, 2020	400,000	0.10	0.65
Granted	10,301,344	0.50	2.00
Exercised	(400,000)	0.10	
Balance outstanding – May 31, 2021	10,301,344	0.50	1.74

At May 31, 2021, the following share purchase warrants were outstanding:

## Snowline Gold Corp.

(formerly "Skyledger Tech Corp.")

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Number	Exercise Price	Expiry Date
10,301,344	\$0.50	February 24, 2023

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### f) 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:

<u>Date of Automatic Timed Release</u>	<u>Amount of Escrow Shares Released</u>
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:

<u>Date of Automatic Timed Release</u>	<u>Amount of Escrow Shares Released</u>
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 May 31, 2021, a total of 23,835,001 (August 31, 2020 – 1,500,001) common shares remained in escrow.

## 8. Related party transactions

During the three and nine months ended May 31, 2021 and May 31, 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:

## Snowline Gold Corp.

(formerly "Skyledger Tech Corp.")

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended May 31, 2021, and May 31, 2020

(Unaudited - Expressed in Canadian Dollars)

	<b>Three months May 31, 2021</b>	Three months May 31, 2020	<b>Nine months May 31, 2021</b>	Nine months May 31, 2020
	\$	\$	\$	\$
Accounting fees	15,637	5,504	40,692	25,410
Consulting fees	-	5,000	-	32,500
Legal fees	-	3,195	-	7,130
Due diligence	-	-	-	1,242
Share-based payment expense	99,463	-	102,706	-
	<b>115,100</b>	<b>13,699</b>	<b>143,398</b>	<b>66,282</b>

At May 31, 2021, accounts payable and accrued liabilities included \$13,077 (August 31, 2020 - \$28,959) owing to directors and officers of the Company or companies controlled or significantly influenced by directors and officers.

At May 31, 2021, the Company had \$24,803 (August 31, 2020 - \$nil) of prepaid expenditures that were paid to certain directors and officers of the Company.

### 9. 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 nine months ended May 31, 2021 and May 31, 2020, non-cash financing and investing activities included:

- \$779,004 (2020 - \$nil) was allocated from share capital to reserves to record the relative fair value of the warrants issued in private placements;
- \$21,090 (2020 - \$nil) was allocated from reserves to share capital to record the relative fair value of the warrants exercised;
- \$3,847,500 (2020 - \$nil) in common shares were issued for the acquisition of exploration and evaluation assets; and
- \$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.

### 10. Subsequent events

- a) On July 9, 2021, the Company issued 700,000 incentive stock options to certain directors, officers, and consultants. Each of the stock options will be exercisable into once Common Share at a price of \$0.35 until July 12, 2026.
- b) On July 16, 2021, the Company issued 2,857,142 Units at a price of \$0.35 per unit for aggregate gross proceeds of \$1,000,000. Each Unit is comprised of one common share of Snowline and one-half of one common share purchase warrant. Each warrant will be exercisable for one common share at an exercise price of \$0.53 for two years.