



Unaudited Interim Condensed Consolidated Financial Statements

**Gold Line Resources Ltd.**

For the three months ended March 31, 2023 and 2022  
(Expressed in Canadian dollars)

**NOTICE OF NO AUDITOR REVIEW**

*The accompanying unaudited interim condensed consolidated financial statements of Gold Line Resources Ltd. ("GLR" or "the Company") have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements.*

# Gold Line Resources Ltd.

## Interim Condensed Consolidated Statements of Financial Position

(Unaudited, Expressed in Canadian Dollars)

	Note	March 31, 2023	December 31, 2022
		\$	\$
<b>Current Assets</b>			
Cash		61,545	109,550
Sales tax receivable		30,880	90,405
Prepaid expenses		52,465	129,321
		144,890	329,276
<b>Long-term Assets</b>			
Exploration and evaluation assets	3	14,237,979	14,031,625
		14,382,869	14,360,901
<b>Current Liabilities</b>			
Amounts payable and accrued liabilities		657,729	424,467
Loans payable	7, 8	135,500	100,000
		793,229	524,467
<b>Shareholders' Equity</b>			
Share capital		24,309,948	24,309,948
Equity reserves		3,029,761	3,029,761
Deficit		(13,750,069)	(13,503,275)
		13,589,640	13,836,434
		14,382,869	14,360,901

Nature of operations and going concern (Note 1)

Subsequent events (Note 10)

Approved on behalf of the Board:

/s/"Adam Cegielski"

Director

/s/"Toby Pierce"

Director

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

# Gold Line Resources Ltd.

## Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

(Unaudited, Expressed in Canadian Dollars)

	Note	Three months ended March 31,	
		2023	2022
		\$	\$
Expenses			
Advisory and consulting	8	85,000	206,896
License fees		-	136
Marketing and advertisement		48,804	88,310
Professional fees		13,340	109,398
Regulatory and transfer agent		16,509	30,336
Rent and office		42,802	35,891
Salaries and benefits	8	54,644	34,307
Share-based compensation	5(c)	-	307,117
Travel		6,469	26,120
		(267,568)	(838,511)
Other items			
Foreign exchange (loss) gain		20,725	(6,968)
Finance income		49	2,648
		20,774	(4,320)
Loss and comprehensive loss		(246,794)	(842,831)
Basic and diluted loss per share		(0.01)	(0.07)
Weighted average number of common shares outstanding - basic and diluted		26,882,802	12,737,270

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

# Gold Line Resources Ltd.

## Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

(Unaudited, Expressed in Canadian Dollars)

	Note	Number of Shares	Share Capital	Equity Reserves	Deficit	Total shareholders' Equity
			\$	\$	\$	\$
Balance at December 31, 2021		10,855,561	18,575,719	1,974,772	(10,500,770)	10,049,721
Shares issued for the acquisition of exploration and evaluation assets	5(b)	964,742	1,228,428	-	-	1,228,428
Private placement	5(b)	2,562,500	4,100,000	-	-	4,100,000
Share issuance costs		-	(376,775)	82,678	-	(294,097)
Share-based compensation	5(c)	-	-	307,117	-	307,117
Loss and comprehensive loss		-	-	-	(842,831)	(842,831)
Balance at March 31, 2022		14,382,802	23,527,372	2,364,567	(11,343,601)	14,548,338
Balance at December 31, 2022		26,882,802	24,309,948	3,029,761	(13,503,275)	13,836,434
Loss and comprehensive loss		-	-	-	(246,794)	(246,794)
Balance at March 31, 2023		26,882,802	24,309,948	3,029,761	(13,750,069)	13,589,640

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

# Gold Line Resources Ltd.

## Interim Condensed Consolidated Statements of Cash Flows

(Unaudited, Expressed in Canadian Dollars)

	Note	Three months ended March 31,	
		2023	2022
		\$	\$
<b>Operating activities</b>			
Loss and comprehensive loss		(246,794)	(842,831)
Items not involving cash:			
Share-based compensation	5(c)	-	307,117
Changes in non-cash working capital items:			
Amounts receivable		59,525	(29,171)
Prepaid expenses		76,859	7,773
Amounts payable and accrued liabilities		117,482	(82,253)
		7,072	(639,365)
<b>Investing activities</b>			
Exploration and evaluation assets	3	(90,577)	(2,614,517)
		(90,577)	(2,614,517)
<b>Financing activities</b>			
Private placement financing, net of share issuance costs	5(b)	-	3,805,903
Loan advances	7	35,500	-
		35,500	3,805,903
Change in cash		(48,005)	552,021
Cash, beginning		109,550	166,313
Cash, ending		61,545	718,334
<b>Supplemental cash flow information:</b>			
Shares issued for exploration and evaluation assets		-	1,228,428
Exploration and evaluation assets accrued through amounts payable and accrued liabilities		115,777	417,562

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

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

GLR was incorporated under the laws of the Province of British Columbia and continued under the Canada Business Corporation Act. The Company is currently listed on the TSX Venture Exchange ("TSXV") under the trading symbol "GLDL". The registered address and records office of the Company is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8. As at the date of this report, the Company's principal business activity is the acquisition and exploration of mineral property interests, particularly in Sweden and Finland.

These consolidated financial statements have been prepared with the assumption that the Company will continue as a going concern, meaning it will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at March 31, 2023, the Company had a working capital deficit of \$648,339 (December 31, 2022: working capital deficit of \$195,191). During the three months ended March 31, 2023, the Company incurred a loss of \$246,794, and at March 31, 2023, the Company has not achieved profitable operations, and has accumulated losses of \$13,750,069 since inception. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing or through the sale of its assets at amounts favourable to the Company. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

### 2. BASIS OF PRESENTATION

#### *(a) Statement of compliance*

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, have been omitted or condensed. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2023.

#### *(b) Basis of measurement*

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

#### *(c) Basis of consolidation*

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, being Gold Line Resources Holdings Ltd. (British Columbia, Canada), Gold Line Resources Sweden AB (Sweden), GLR Finland Oy (Finland), Solvik Gold OB (Sweden), Nordic Route Explorations Ltd. (British Columbia, Canada), and Nordic Route Explorations AB (Sweden).

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

### 2. BASIS OF PRESENTATION (Continued)

#### *Significant accounting judgments and estimates*

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires the use of judgments and/or estimates that affect the amounts reported and disclosed in the interim condensed consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the interim condensed consolidated financial statements. For significant estimates and judgements refer to the audited consolidated financial statements for the year ended December 31, 2022.

### 3. EXPLORATION AND EVALUATION ASSETS

The following tables summarize the capitalized costs associated with the Company's exploration and evaluation assets:

	Gold Line Project	Klippen Gold Project	Oijärvi Gold Project	Solvik Gold Project	Total
<b>Acquisition Costs</b>	\$	\$	\$	\$	\$
Balance, December 31, 2021	1,359,265	2,012,225	1,304,943	326,236	5,002,669
Cash	-	-	1,763,020	440,755	2,203,775
Impairment of acquisition costs	-	-	-	(980,051)	(980,051)
Shares issued	163,125	-	852,243	213,060	1,228,428
Balance, December 31, 2022 and March 31, 2023	1,522,390	2,012,225	3,920,206	-	7,454,821
<b>Exploration Costs</b>					
Balance, December 31, 2021	4,814,763	-	35,248	4,360	4,854,371
Assay	95,301	-	-	-	95,301
Consulting, contractors and general support	738,092	-	-	-	738,092
Drilling	430,384	-	-	-	430,384
Impairment of exploration costs	-	-	-	(14,460)	(14,460)
Mineral licenses	7,166	11,355	-	-	18,521
Operator fees	30,492	-	-	-	30,492
Rent and storage	20,098	-	129,656	5,892	155,646
Salaries and benefits	36,012	-	50,538	-	86,550
Supplies and miscellaneous	139,760	-	-	4,208	143,968
Travel	37,939	-	-	-	37,939
Balance, December 31, 2022	6,350,007	11,355	215,442	-	6,576,804
Assay	9,135	-	-	-	9,135
Consulting, contractors and general support	31,490	-	-	-	31,490
Geological	2,253	-	-	-	2,253
Drilling	7,700	-	-	-	7,700
Operator fees	1,123	-	-	-	1,123
Rent and storage	-	-	41,280	-	41,280
Royalties	78,877	-	-	-	78,877
Salaries and benefits	12,464	-	14,589	-	27,053
Supplies and miscellaneous	4,549	-	-	-	4,549
Travel	2,894	-	-	-	2,894
Balance, March 31, 2023	6,500,492	11,355	271,311	-	6,783,158
<b>Carrying Value</b>					
Balance, December 31, 2022	7,872,397	2,023,580	4,135,648	-	14,031,625
Balance, March 31, 2023	8,022,882	2,023,580	4,191,517	-	14,237,979

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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### 3. EXPLORATION AND EVALUATION ASSETS (Continued)

#### Gold Line Project, Sweden

On April 1, 2019, GLR entered into a purchase and sale agreement (the "Gold Line Agreement") with Eurasian Minerals Sweden AB ("EMSAB") and Viad Royalties AB ("VRAB"), two wholly-owned subsidiaries of EMX Royalty Corp. ("EMX"), to acquire mineral property licenses in the Gold Line of Northern Sweden (the "Gold Line Project"). The Gold Line Project includes the Långtjärn Property, Blåbärliden Property, Paubäcken Property, and the Kankberg Norra Property.

In consideration for the Gold Line Project, GLR paid \$133,733 (US\$101,390) and issued 255,521 common shares issued valued at \$127,761, representing a 9.9% equity ownership of the Company on a non-diluted basis.

GLR also agreed to issue additional common shares to allow EMX to maintain a 9.9% equity ownership in GLR for no additional consideration until GLR raised an aggregate of \$5,000,000 in equity financing (the "Anti-Dilution Right"), after which EMX will have the right to participate pro-rata in future financings at its own cost to maintain its interest in GLR (the "Pre-Emptive Right").

In October 2020, GLR entered into an agreement among EMX, EMSAB and VRAB (the "Acknowledgement Agreement"). Pursuant to the Acknowledgement Agreement, (a) EMX was issued 439,108 shares valued at \$1,097,771 at closing of the transaction (the "EMX Closing Shares"), following which EMX has no further Anti-Dilution Right; (b) the EMX Closing Shares were escrowed until the release conditions have been satisfied, which such conditions have since been satisfied, and the shares released from escrow; (c) following closing of the RTO Transaction, EMX continues to have the Pre-Emptive Right unless and until EMX's interest in the Company becomes less than 5%; and (d) two Rötjärnen licenses were excluded from the licenses to be acquired, resulting in 11 mineral property licenses acquired under the Gold Line Agreement. Pursuant to an amendment to the Gold Line Agreement as of March 25, 2021, the parties agreed to add the Kattisavan nr 102 license to the Gold Line Project, and in consideration therefor, the Company reimbursed EMSAB for SEK 570,944 in acquisition costs.

#### EMSAB Royalty:

In accordance with the Gold Line Agreement, and in respect of the Gold Line Project, GLR entered into a royalty agreement with EMSAB dated April 1, 2019, pursuant to which GLR is required to pay an annual advance royalty (the "Gold Line AAR") payments of 30 ounces of gold, or its value equivalent in USD or issuance of shares, on or before April 1, 2022, the third anniversary of the closing date. This royalty payment will then increase by 5 ounces per year up to a maximum of 75 ounces of gold per year until commencement of commercial production. As at March 31, 2023, the Company has not paid the Gold Line AAR payment.

#### AOI Royalty:

If at any time before April 1, 2024, EMSAB, VRAB or EMX (each, a "Seller Party") acquires any mineral interest located within the agreed upon area of interest (the "AOI") surrounding certain of the licenses comprising the Gold Line Project (an "AOI Interest"), then the Seller Party must provide notice to GLR and GLR may elect to acquire the AOI Interest at the same cost that the Seller Party acquired such AOI. If GLR elects to acquire an AOI Interest, then, in exchange for the transfer of title to the AOI Interest, GLR will grant EMSAB a 1.0% net smelter return royalty ("AOI Royalty") in production from the AOI Interest on the terms and conditions prescribed by the Gold Line Agreement. Additionally, if GLR or any subsidiary or affiliate of GLR (each, a "Buyer Party") acquires a new mineral



# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

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(Unaudited, Expressed in Canadian Dollars)

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### 3. EXPLORATION AND EVALUATION ASSETS (Continued)

#### **Gold Line Project, Sweden (Continued)**

AOI Royalty: (Continued)

exploration license (an "AOI License") or mineral interest (an "AOI Acquired Interest") covering properties with an AOI, then the Buyer Party must provide notice to EMSAB and grant EMSAB a 1.0% Net Smelter Royalty in production from any AOI License and a 0.25% NSR Royalty in production from any AOI Acquired Interest, in each case on the terms and conditions prescribed by the Gold Line Agreement.

Failure to Comply:

If GLR delivers a relinquishment notice to EMX, fails to make the required payment of royalties or annual advance royalties or, fails to complete the second equity financing and use such amounts to fund the exploration and development of the Gold Line Project within two years, EMX will have the right to demand GLR transfer the Gold Line Project back to EMX for no further consideration.

#### **Oijärvi Reservation Transaction**

Effective December 31, 2021, the Company entered into an amendment to the Gold Line Agreement with EMSAB and VRAB, whereby the Company acquired the Oijärvi exploration reservation (the "Oijärvi Reservation"), located in Finland (the "Oijärvi Reservation Transaction").

On January 21, 2022, the Company issued EMX 112,500 common shares of the Company as consideration for the Oijärvi Reservation Transaction. The common shares were valued at \$1.45 per share, for total share consideration of \$163,125. EMX will also receive an uncapped 3% NSR royalty on the Oijärvi Reservation. Within six years of December 31, 2021, the Company can exercise its right to buy down up to 1% of the royalty owed to EMX (leaving EMX with a 2% NSR) by paying EMX 2,500 ounces of gold, or the cash equivalent thereof.

EMX will also receive annual advance royalty (the "Oijärvi Extension AAR") payments of 30 ounces of gold on the Oijärvi Extension Project, commencing on December 31, 2023, the second anniversary of December 31, 2021, until commencement of commercial production, with each AAR payment increasing by five ounces of gold per year up to a maximum of 75 ounces of gold per year. EMX will have an option to receive the AAR payments in gold bullion, a gold bullion cash equivalent, or a value equivalent in shares of the Company, subject to certain and agreed upon conditions.

The Company reimbursed \$30,000 to EMX for the original acquisition costs incurred for the Oijärvi Reservation.

In addition, the Oijärvi Reservation will be held by EMX, in trust for the Company, until such time as the Oijärvi Reservation has been converted into an exploration permit application (the "Exploration Permit Application") registered in the name of the Company. While holding the Oijärvi Reservation and the Exploration Permit Application in trust for the Company, the Company will have the right to conduct exploration and development activities on or with respect to the project area, for purposes of determining viability of the project.

#### **Oijärvi Gold Project, Finland and Solvik Gold Project, Sweden (See Subsequent Event, Note 10)**

On March 19, 2021, the Company and EMX entered into a definitive agreement (the "AEM Agreement") with Agnico Eagle Mines Limited (NYSE and TSX: AEM; "Agnico") pursuant to which the Company will acquire a 100% interest in Agnico's Oijärvi Gold Project located in central Finland and the Solvik Gold Project located in southern Sweden (the "AEM Transaction"). Agnico will retain a 2% net smelter return ("NSR") royalty on the projects, 1% of which may be purchased at any time by EMX for US\$1,000,000.

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

### 3. EXPLORATION AND EVALUATION ASSETS (Continued)

#### Oijärvi Gold Project, Finland and Solvik Gold Project, Sweden (Continued)

Consideration for the AEM Transaction is US\$10,000,000, comprised of US\$7,000,000 in cash, US\$1,500,000 in common shares of EMX ("EMX Shares") and US\$1,500,000 in common shares of the Company, which shall be paid to Agnico as follows:

Date	Cash Payments (USD)	EMX Shares (USD)	Gold Line Shares (USD)
Upon TSXV approval	\$750,000 (paid)	\$375,000 (issued)	\$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	\$1,500,000 (paid)	\$500,000 (issued)	\$500,000 (issued)
On the second anniversary of the AEM Agreement (March 19, 2023) - See Subsequent Event Note 10	\$1,750,000	\$625,000	\$625,000
On the third anniversary of the AEM Agreement (March 19, 2024)	\$3,000,000	-	-
<b>Total</b>	<b>\$7,000,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>

As part of the AEM Agreement, EMX will receive cash and share payments from the Company as set out in the table below, as well as the purchase right of 1% of Agnico's 2% NSR royalty.

Date	Cash Payments (USD)	Gold Line Shares Issued to EMX (USD)
Upon TSXV approval	-	\$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	\$250,000 (paid)	\$250,000 (issued)
On the second anniversary of the AEM Agreement (March 19, 2023)	\$312,500	\$312,500

All common shares issuable in connection with the AEM Transaction are based on the volume-weighted average price for the 20 trading days (the "20-day VWAP") prior to the date of issuance, with the exception of the first tranche, which was based on the 20-day VWAP prior to the effective date of the AEM Agreement, being \$5.90 on March 18, 2021.

In December 2020, the Company paid Agnico an exclusivity payment of \$25,904 (US\$20,000).

In June 2021, pursuant to the terms of the AEM Agreement, the Company paid US\$750,000, issued 79,322 common shares to Agnico and 79,322 common shares to EMX. The common shares were valued at \$2.85 per share, for total share consideration of \$452,135.

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

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(Unaudited, Expressed in Canadian Dollars)

### 3. EXPLORATION AND EVALUATION ASSETS (Continued)

#### Oijärvi Gold Project, Finland and Solvik Gold Project, Sweden (Continued)

In connection with the AEM Transaction, the Company paid finder's fees of 2% to two arm's length parties, who assisted in facilitating the AEM Transaction, which was paid by issuing an aggregate of 42,305 common shares split evenly between the two parties. The common shares were valued at \$2.85 per share, for total share consideration of \$120,569. In addition, the Company paid success fee of \$120,000 to an arm's length party.

In connection with the AEM Transaction, total acquisition costs during the year ended December 31, 2021 was \$1,631,179. Management allocated 80% of the total acquisition costs to the Oijärvi Gold Project and allocated 20% of the total acquisition costs to the Solvik Gold Project.

In March 2022, pursuant to the terms of the AEM Agreement to fulfill the first anniversary payment, the Company paid US\$1,500,000 to Agnico and paid US\$250,000 to EMX. In addition, the Company issued 568,161 common shares to Agnico and 284,081 common shares to EMX. The common shares were valued at \$1.25 per share, for total share consideration of \$1,065,302. In connection with the AEM Transaction, total acquisition costs during the year ended December 31, 2022 was \$3,269,078. Management allocated 80% of the total acquisition costs to the Oijärvi Gold Project and allocated 20% of the total acquisition costs to the Solvik Gold Project.

During the year ended December 31, 2022, the Company decided not to proceed with the Solvik Gold Project and therefore fully impaired the property in the amount of \$994,511.

#### Klippen Gold Project

Effective May 20, 2021, the Company signed a definitive share purchase agreement with Nordic Route Explorations Ltd. ("Nordic") and all of the shareholders of Nordic (collectively, the "Nordic Vendors"), pursuant to which the Company will acquire all of the outstanding share capital of Nordic from the Nordic Vendors. Nordic is a privately held company that, through its wholly-owned subsidiary, FS Guldägg 001 AB, controls the Klippen Gold Project ("Klippen"), consisting of an exploration license located in the Kingdom of Sweden (the "Nordic Transaction").

On June 8, 2021, in connection with the Nordic Transaction, the Company issued 700,000 common shares of the Company in consideration for all of the outstanding share capital of Nordic. The common shares were valued at \$2.95 per share, for total share consideration of \$2,065,000.

On closing of the Nordic Transaction, Nordic's assets consisted primarily of mineral properties. As Nordic did not have processes capable of generating outputs, Nordic did not meet the definition of a business in accordance with IFRS 3 Business Combinations, and as a result the Nordic Transaction has been accounted for as an asset acquisition. The value of the consideration paid after allocation to the other net assets acquired, was allocated to the Klippen Project, all of which are located in Sweden, based on their fair values on June 8, 2021.

The purchase price has been determined and allocated as follows:

<b>Consideration</b>		<b>Amount</b>
700,000 shares at a value of \$2.95 per share	\$	2,065,000
	\$	2,065,000
<b>Net assets acquired</b>		
Cash	\$	59,654
Amounts receivable		732
Exploration and evaluation assets		2,012,225
Amounts payable and accrued liabilities		(7,611)
	\$	2,065,000

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## Notes to the Interim Condensed Consolidated Financial Statements

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### 4. FINANCIAL INSTRUMENTS

Financial instruments recognized on the consolidated statements of financial position consist of cash, amounts receivable, loan payable and amounts payable and accrued liabilities.

The carrying amounts on the statement of financial position for cash, amounts receivable, amounts payable and accrued liabilities, and loan payable approximate their fair values due to the immediate or short-term maturities of these financial instruments.

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at March 31, 2023:

#### (a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit risk by placing its cash with high quality financial institutions. The Company's amounts receivable consist of input tax credit refunds from the federal government and as such, the Company believes the risk to be minimal.

#### (b) Currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, prepaid expenses, amounts payable and accrued liabilities that are denominated in the Swedish Krona. A 10% fluctuation in the SEK against the Canadian dollar would not result in any material change in loss for the year ended March 31, 2023.

#### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. As at March 31, 2023, the Company had a working capital deficit of \$648,339, including cash of \$61,545 to settle current liabilities of \$793,229, and will require additional funding to continue operations for the next twelve months (Note 1).

#### (d) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to any significant interest rate risk.

#### (e) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

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## Notes to the Interim Condensed Consolidated Financial Statements

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### 5. EQUITY

#### (a) *Authorized*

Unlimited number of common shares with no par value.  
There are 131,735 shares currently in escrow.

On June 15, 2022, the Company consolidated its issued and outstanding common shares on the basis of ten pre-consolidation shares for every one post-consolidation share. All shares, options, warrants, and per share amounts were adjusted to reflect the consolidation ratio and are presented in these consolidated financial statements on a post-consolidation basis unless otherwise stated.

#### (b) *Issued and fully paid common shares*

##### During the three months ended March 31, 2023

There were no share transactions during this period.

##### During the year ended December 31, 2022

On September 14, 2022, the Company completed a non-brokered private placement (the "September 2022 Private Placement"), pursuant to which the Company issued an aggregate of 12,500,000 units at a price of \$0.12 per unit for gross proceeds of \$1,500,000. Each unit consisted of one common share and one-half of one share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share at a price of \$0.25 until September 14, 2024. In connection with closing of the private placement, the Company paid cash finders' fee of \$42,504 and issued 354,200 finder's warrants. Each finder's warrant is exercisable at a price of \$0.25 until September 14, 2024. The finder's warrants were allocated a value of \$9,451. The fair value of the warrants was determined using the Black Scholes valuation model with the following assumptions: i) expected share price volatility of 75%; ii) risk free interest rate of 3.72%; iii) dividend yield of \$nil; and iv) expected life of 2 years. Other share issuance costs related to the September 2022 Private Placement include \$24,844.

In March 2022, pursuant to the terms of the AEM Agreement to fulfill the first anniversary payment, the Company issued 568,161 common shares to Agnico and 284,081 common shares to EMX. The common shares were valued at \$1.25 per share, for total share consideration of \$1,065,302 (Note 3).

On January 31, 2022, the Company completed a non-brokered private placement (the "January 2022 Private Placement"), pursuant to which the Company issued an aggregate of 2,562,500 units at a price of \$1.60 per unit for gross proceeds of \$4,100,000. Proceeds of \$4,959,375 were allocated to the common shares and \$640,625 were allocated to the warrant based on the residual value method. Each unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one additional common share at a price of \$2.50 until January 31, 2025. In connection with closing of the private placement, the Company paid cash finders' fee of \$200,952 and issued 125,595 finder's warrants. Each finder's warrant is exercisable at a price of \$1.60 until January 31, 2024. The fair value of the finders' warrants of \$82,678 was determined using the Black Scholes valuation model with the following assumptions: i) expected share price volatility of 75%; ii) risk free interest rate of 1.23%; iii) dividend yield of \$nil; and iv) expected life of 2 years. Other share issuance costs related to the January 2022 Private Placement include \$93,145.

On January 21, 2022, the Company issued 112,500 common shares of the Company to EMX as consideration for the Oijärvi Reservation Transaction. The common shares were valued at \$1.45 per share, for total share consideration of \$163,125 (Note 3).

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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### 5. EQUITY (Continued)

#### (c) Stock options

The Company has established a rolling Share Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than ten years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any three month period. All other options vest at the discretion of the Board of Directors.

In March 2023, 297,500 stock options with an average exercise price of \$1.90 were forfeited.

In November 2022, 479,000 stock options with an average exercise price of \$1.92 were cancelled.

In April 2022, 105,000 stock options with an original exercise price of \$2.50 exercisable until October 29, 2030 and 77,500 stock options with an original exercise price of \$4.00 exercisable until January 12, 2031 were repriced to \$1.60 per share.

In March 2022, the Company granted 292,000 incentive stock options to various consultants, directors and officers of the Company pursuant to the Company's stock option plan. The options vested immediately and are exercisable at a price of \$1.60 per share until March 31, 2027. Using the Black-Scholes valuation model, the grant date fair value was \$197,520, or \$0.68 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 2.37%, expected life of 5 years, annualized volatility of 75% and dividend rate of 0.00%.

In March 2022, the Company granted 210,000 incentive stock options to various consultants of the Company pursuant to the Company's stock option plan. The options vested immediately and are exercisable at a price of \$1.60 per share until March 16, 2027. Using the Black-Scholes valuation model, the grant date fair value was \$109,597, or \$0.52 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 1.99%, expected life of 5 years, annualized volatility of 75% and dividend rate of 0.00%.

In March 2022, the Company granted 50,000 incentive stock options to a consultant of the Company pursuant to the Company's stock option plan. The options vest quarterly and are exercisable at a price of \$1.60 per share until March 16, 2025. Using the Black-Scholes valuation model, the grant date fair value was \$18,931, or \$0.38 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 1.99%, expected life of 3 years, annualized volatility of 75% and dividend rate of 0.00%. Share based compensation of \$15,118 was recorded for this grant during the year ended December 31, 2022.

In February 2022, 19,500 stock options with an exercise price of \$1.00 and 80,000 stock options with an exercise price of \$2.50 expired unexercised. The repricing of stock option were allocated a fair value of \$nil.

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

### 5. EQUITY (Continued)

A summary of changes in stock options is presented below:

	Number of options	Weighted average exercise price
Balance, December 31, 2021	960,000	2.40
Expired	(99,500)	2.21
Cancelled	(479,000)	1.92
Granted	552,000	1.60
Balance, December 31, 2022	933,500	1.88
Forfeited	(297,500)	1.90
Balance, March 31, 2023	636,000	\$ 1.86

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2023:

Outstanding	Exercisable	Weighted average exercise price	Expiry date
60,000	51,000	\$ 1.00	April 27, 2025
12,500	12,500	\$ 3.75	May 26, 2026
98,500	98,500	\$ 1.40	November 8, 2026
10,000	10,000	\$ 1.60	March 16, 2027
245,000	245,000	\$ 1.60	March 31, 2027
210,000	210,000	\$ 2.50	October 29, 2030
636,000	627,000	\$ 1.86	

#### (d) Warrants

In October 2022, 2,338,000 warrants with an exercise price of \$4.00 per warrant expired unexercised.

In connection with the September 2022 Private Placement, the Company issued 6,250,000 warrants with an exercise price of \$0.25 per warrant and 354,200 finder's warrants at a price of \$0.25 per finder's warrant share (Note 5(b)).

In connection with the January 2022 Private Placement, the Company issued 2,562,500 warrants with an exercise price of \$2.50 per warrant and 125,595 finder's warrants at a price of \$1.60 per finder's warrant share (Note 5(b)).

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

### 5. EQUITY (Continued)

#### (d) Warrants (Continued)

A summary of changes in warrants is presented below:

	Warrants outstanding	Weighted average exercise price
Balance, December 31, 2021	3,507,398	3.30
Issued	9,292,295	0.89
Expired	(2,358,880)	3.99
Balance, December 31, 2022 and March 31, 2023	10,440,813	\$ 0.99

The following table summarizes information about the warrants outstanding and exercisable at March 31, 2023:

Outstanding and exercisable	Weighted average exercise price	Expiry date	Weighted average remaining contractual life (years)
1,148,518	\$ 1.80	October 1, 2023	0.5
125,595	\$ 1.60	January 31, 2024	0.8
6,604,200	\$ 0.25	September 14, 2024	1.5
2,562,500	\$ 2.50	January 31, 2025	1.8
10,440,813	\$ 0.99		1.4

### 6. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprising issued capital stock, equity reserves and deficit.

The Company is not subject to externally imposed capital requirements. The Company does not pay dividends. There were no changes to the Company's capital management strategies during the period ended March 31, 2023.



# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

### 7. LOANS PAYABLE

As at March 31, 2023, there is \$100,000 payable to a shareholder (December 31, 2021, \$Nil). The loan is unsecured, non-interest bearing, with no specific repayment terms. The loan was repaid subsequent to the period end.

As at March 31, 2023, there is \$35,000 payable to two directors of the Company (December 31, 2022, \$Nil). The loan is unsecured, non-interest bearing, with no specific repayment terms.

### 8. RELATED PARTY TRANSACTIONS (see Note 7)

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the three months ended March 31, 2023 and 2022 are as follows:

	Three months ended March 31,	
	2023	2022
	\$	\$
Consulting and management fees	97,019	79,307
Share-based compensation	-	152,199
	97,019	231,506

There is \$127,571 owing to an officer of the Company as at March 31, 2023 (December 31, 2022: \$73,246) for salaries and benefits.

There is \$54,285 owing to the Chief Executive Officer of the Company as at March 31, 2023 (December 31, 2022: \$Nil) for management fees and expense reimbursement.

### 9. SEGMENTED INFORMATION

The Company operates in one segment, being exploration and evaluation of mineral properties, in Sweden and Finland. Geographic segmentation is as follows:

<b>March 31, 2023</b>	Sweden	Finland	Total
	\$	\$	\$
Exploration and evaluation assets	10,046,462	4,191,517	14,237,979
<b>December 31, 2022</b>	Sweden	Finland	Total
	\$	\$	\$
Exploration and evaluation assets	9,732,852	4,298,773	14,031,625

# Gold Line Resources Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

### 10. SUBSEQUENT EVENTS

- a) On May 1, 2023, the Company has entered into an amending agreement to the previously announced asset purchase agreement dated March 19, 2021 (Note 3).

In connection with the amending agreement, the Company issued 1,327,989 common shares of the Company on May 1, 2023 and is required to make a cash payment in the amount of US\$87,500 on or before June 30, 2023.

As a result of the Amending Agreement, total consideration for the transaction will be US\$10,175,000, comprised of US\$7,087,500 in cash, US\$1,500,000 in common shares of EMX Royalty Corp. and US\$1,587,500 in common shares of the Company, which is required to be paid (or has been paid) to Agnico as follows:

Date	Cash Payments (USD)	EMX Shares (USD)	Gold Line Shares (USD)
Upon TSXV approval	\$750,000 (paid)	\$375,000 (issued)	\$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	\$1,500,000 (paid)	\$500,000 (issued)	\$500,000 (issued)
On the second anniversary of the AEM Agreement (March 19, 2023)	\$87,500	-	\$87,500 (issued)
On the third anniversary of the AEM Agreement (March 19, 2024)	\$4,750,000	\$625,000	\$625,000
<b>Total</b>	<b>\$7,087,500</b>	<b>\$1,500,000</b>	<b>\$1,587,500</b>

As part of the AEM Agreement, EMX will receive cash and share payments from the Company as set out in the revised table below, as well as the purchase right of 1% of Agnico's 2% NSR royalty.

Date	Cash Payments (USD)	Gold Line Shares Issued to EMX (USD)
Upon TSXV approval	-	\$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	\$250,000 (paid)	\$250,000 (issued)
On the third anniversary of the AEM Agreement (March 19, 2024)	\$312,500	\$312,500

- b) On May 1, 2023, the Company closed a non-brokered private placement for gross proceeds of \$1,000,000. The Company issued 8,333,334 units at a price of \$0.12 per unit consisting of 8,333,334 common shares and 4,166,667 share purchase warrants. The Company paid finders fees totalling \$21,564 and issued a total of 179,700 finders warrants. All warrants and finders warrants are exercisable at a price of \$0.25 per share for one common share in the capital of the Company for a period of twenty-four (24) months from the date of issuance, expiring April 28, 2025.