Consolidated Financial Statements of

Gold Line Resources Ltd.
(formerly Tilting Capital Corp.)

Years ended December 31, 2020 and 2019
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Gold Line Resources Ltd. (formerly Tilting Capital Corp.)

Opinion

We have audited the accompanying consolidated financial statements of Gold Line Resources Ltd. (formerly Tilting Capital Corp.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates as at December 31, 2020, the Company had working capital of $5,026,854 and accumulated losses of $6,770,134 since inception. During the year ended December 31, 2020, the Company incurred a loss of $6,688,395. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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 Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 Company 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 auditor's report is Peter Maloff.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 19, 2021

Gold Line Resources Ltd. (formerly Tilting Capital Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash	**$ 5,461,327**	$ 66,390
Amounts receivable (Note 5)	**201,498**	138,386
Prepaid expenses	**133,997**	-
	5,796,822	204,776
Exploration and evaluation assets (Note 6)	**3,058,309**	800,132
Total assets	**$ 8,855,131**	$ 1,004,908
Liabilities		
Current liabilities		
Amounts payable and accrued liabilities	**$ 674,968**	$ 75,786
Loan payable (Note 10)	**95,000**	-
	769,968	75,786
Shareholders' equity		
Share capital (Note 8)	**13,316,512**	1,010,861
Commitment to issue shares (Note 8)	**30,000**	-
Equity reserves (Note 8)	**1,508,785**	-
Deficit	**(6,770,134)**	(81,739)
Total shareholders' equity	**8,085,163**	929,122
Total liabilities and shareholders' equity	**$ 8,855,131**	$ 1,004,908

Nature of operations and going concern (Note 1)
Subsequent events (Note 8, 14)

Approved by the Board of Directors and authorized for issue on April 19, 2021:

Henrik Lundin Director

Adam Cegielski Director

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

Gold Line Resources Ltd. (formerly Tilting Capital Corp.)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Years ended December 31	
	2020	2019
Expenses		
Advisory and consulting (Note 11)	**$ 291,109**	$ 59,353
License fees	**5,738**	-
Listing expense (Note 4)	**4,732,348**	-
Marketing and advertisement	**214,217**	-
Professional fees	**166,335**	17,042
Regulatory and transfer agent	**32,596**	-
Rent and office	**26,538**	6,692
Share-based compensation (Note 8(c) and 11)	**1,192,401**	-
Transaction costs (Note 14)	**25,904**	-
Travel	**7,635**	1,311
	(6,694,821)	(84,398)
Foreign exchange gain (loss)	**(1,815)**	2,665
Finance income	**8,241**	-
	6,426	2,665
Loss and comprehensive loss for the year	**$ (6,688,395)**	$ (81,733)
Basic and diluted loss per share	**$ (0.17)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**40,376,247**	11,467,789

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

Gold Line Resources Ltd. (formerly Tilting Capital Corp.)

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Share capital		Commitment	Equity		Total shareholders'
	Number	Amount	to issue shares	reserves	Deficit	equity
Balance at December 31, 2018	**4,000,000**	**$ 4,000**	**$ -**	**$ -**	**$ (6)**	**$ 3,994**
Share issuance - founder shares	1,000,000	1,000	-	-	-	1,000
Private placement	18,255,000	912,750	-	-	-	912,750
Share issuance - property acquisition	2,555,210	127,761	-	-	-	127,761
Share issuance costs	-	(34,650)	-	-	-	(34,650)
Loss and comprehensive loss	-	-	-	-	(81,733)	(81,733)
Balance at December 31, 2019	**25,810,210**	**1,010,861**	**-**	**-**	**(81,739)**	**929,122**
Private placement	33,618,000	6,963,750	-	-	-	6,963,750
Share issuance costs	-	(871,668)	-	-	-	(871,668)
Share issuance - finders' fee	1,800,000	450,000	-	-	-	450,000
Share issuance - administration fee	340,000	85,000	-	-	-	85,000
Share issuance - property acquisition	4,391,084	1,097,771	-	-	-	1,097,771
Reverse takeover transaction	18,323,191	4,580,798	-	316,384	-	4,897,182
Share-based compensation	-	-	-	1,192,401	-	1,192,401
Commitment to issue shares	-	-	30,000	-	-	30,000
Loss and comprehensive loss	-	-	-	-	(6,688,395)	(6,688,395)
Balance at December 31, 2020	**84,282,485**	**$ 13,316,512**	**$ 30,000**	**$ 1,508,785**	**$ (6,770,134)**	**$ 8,085,163**

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

Gold Line Resources Ltd. (formerly Tilting Capital Corp.)

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended December 31 2020	2019
Operating activities		
Loss	**$ (6,688,395)**	$ (81,733)
Items not involving cash:		
Share-based compensation	**1,192,401**	-
Listing expense - non-cash	**4,732,348**	-
Shares for services	**30,000**	-
Changes in non-cash working capital items:		
Amounts receivable	**(37,871)**	(138,386)
Prepaid expenses	**(8,997)**	-
Amounts payable and accrued liabilities	**(331,788)**	61,049
	(1,112,302)	(159,070)
Investing activities		
Exploration and evaluation assets	**(624,183)**	(657,634)
Cash acquired from RTO	**332,483**	-
	(291,700)	(657,634)
Financing activities		
Private placement financing, net of share issuance costs	**6,798,939**	879,100
	6,798,939	879,100
Change in cash	**5,394,937**	62,396
Cash, beginning of year	**66,390**	3,994
Cash, end of year	**$ 5,461,327**	$ 66,390
Supplemental cash flow information:		
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for taxes	$ -	$ -
Shares issued for exploration and evaluation assets	$ 1,097,771	$ 127,761
Exploration and evaluation assets accrued through amounts payable and accrued liabilities	$ 550,960	$ 14,737
Granted 2,140,000 finders' and administration fee shares pursuant to a private placement	$ 535,000	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Gold Line Resources Ltd. (formerly Tilting Capital Corp.) (the "Company") 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 are 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.

On October 28, 2020, the Company completed the acquisition of all of the issued and outstanding shares of a private company, Gold Line Resources Ltd. ("GLR"), through a reverse takeover transaction (the "RTO Transaction"), resulting in the Company's name change to Gold Line Resources Ltd. The net assets of the Company at the date of the RTO Transaction are deemed to have been acquired by GLR (Note 4). Accordingly, these consolidated financial statements include the results of operations of the Company from October 28, 2020.

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 December 31, 2020, the Company had working capital of $5,026,854. During the year ended December 31, 2020, the Company incurred a loss of $6,688,395, and at December 31, 2020, the Company has not achieved profitable operations, and has accumulated losses of $6,770,134 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.

These consolidated financial statements were approved and authorized for issuance on April 19, 2021.

COVID-19 uncertainty

To the date of this report, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements as at and for the year ended December 31, 2020, including comparatives, are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

2. BASIS OF PRESENTATION (Continued)

(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) and Gold Line Resources Sweden 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.

(d) Significant accounting judgements and estimates

Estimates and assumptions 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 outcomes can differ from these estimates.

Critical judgement

The preparation of these consolidated financial statements requires the Company to make judgments regarding the going concern of the Company as disclosed in Note 1. Management considers various factors including current working capital, budgeted and committed expenditures, discretionary expenditures and available financing opportunities. As at December 31, 2020, management determined the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting our consolidated financial statements include:

Fair value of stock options and warrants

Determining the fair value of warrants and stock options requires judgements related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity.

2. BASIS OF PRESENTATION (Continued)

(d) Significant accounting judgements and estimates (Continued)

Key sources of estimation uncertainty (Continued)

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, the Company determined its functional currency, and the functional currency of its subsidiaries to be the Canadian dollar. The Company makes judgements in defining the functional currency based on the economic substance of the transactions relevant to the entity.

The assessment of the acquisition

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset requires the Company to make certain judgements as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. If an acquired set of assets and liabilities includes goodwill, the set is presumed to be a business. Based on an assessment of relevant facts and circumstances, the Company concluded that the acquisitions disclosed in Note 4 were acquisitions of net assets. The values assigned to common shares and the allocation of the purchase price to the net liabilities in the acquisition are based on numerous estimates and judgements of the relative fair values of net liabilities.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in the preparation of these consolidated financial statements are described below:

(a) Cash

Cash includes deposits held with banks that are available on demand.

(b) Exploration and evaluation assets

Exploration and evaluation expenditures are capitalized on a property by property basis once the legal right to explore a property has been acquired, and future economic benefits are more likely than not to be realized. These include the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold, or considered impaired in value. Costs incurred before the Company has obtained the legal right to explore, as well as indirect administrative costs, are expensed as incurred.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(c) Financial instruments

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive loss ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (Continued)

Classification (Continued)

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Asset or Liability	IFRS 9 classification
Cash	FVTPL
Amounts receivable	Amortized cost
Amounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost

Measurement

Financial assets

Financial assets are classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Impairment of financial assets at amortized cost and expected credit losses

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date, with the risk of default as at the date of initial recognition, based on all the information available, and reasonable and supportive forward-looking information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (Continued)

Financial liabilities

Financial liabilities are initially recognized on the date they are originated and are derecognized when the contractual obligations are discharged or cancelled or expire. These financial liabilities are recognized initially at fair value and subsequently are measured at amortized costs using the effective interest method, when materially different from the initial amount. Fair value is determined based on the present value of future cash flows, discounted at the market rate of interest.

(d) Impairment of exploration and evaluation assets

At the end of each reporting period, the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(e) Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(f) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Provision for environmental rehabilitation (Continued)

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The Company had no provisions for environmental rehabilitation as at December 31, 2020 and 2019.

(g) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax 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 or 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 taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which 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 period 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.

(h) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity.

Proceeds from unit placements are allocated between common shares and warrants using the residual value method, which allocates value first to the fair value of the common shares and the balance, if any, is allocated to the attached warrants.

(i) Share-based payments

The Company's stock option plan allows Company employees, directors, officers, consultants and charities to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Foreign exchange

The Company's functional and reporting currency is the Canadian dollar. Transactions denominated in other currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at the date of the statement of financial position to reflect exchange rates prevailing at that date. Non-monetary assets and liabilities are translated at historical exchange rates. Gains and losses on translation are included in profit or loss for the year.

(k) Significant new accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. There are no new standards which the Company reasonably expects are applicable to the Company and will significantly impact the Company.

4. REVERSE TAKEOVER TRANSACTION

On August 10, 2020, Tilting Capital Corp ("Tilting") entered into a definitive amalgamation agreement (the "Amalgamation Agreement") with GLR and 1257120 B.C. Ltd., a wholly-owned subsidiary of the Company ("Tilting SubCo"), pursuant to which Tilting SubCo will amalgamate with GLR, and shareholders of GLR will exchange their shares of GLR for shares of the Company on a one-for-one basis through the RTO Transaction.

On October 28, 2020, the RTO Transaction was completed. Under this transaction, Tilting changed its name to Gold Line Resources Ltd. and will carry on the business previously carried on by GLR. The company formerly known as GLR amalgamated with Tilting SubCo and became a wholly-owned subsidiary of the Company and was renamed Gold Line Resources Holdings Ltd. The Company also changed its fiscal year end from September 30 to December 31.

The legal acquisition of Tilting by GLR constitutes as a reverse asset acquisition. In accordance with IFRS 3, Business Combinations, the substance of this transaction is a reverse acquisition of a non-operating company. The transaction does not constitute a business combination since Tilting did not meet the definition of a business under IFRS 3. As a result, the RTO Transaction is accounted for in accordance with IFRS 2, Share-based Payments, as a reverse acquisition with GLR being identified as the accounting acquirer (legal subsidiary) and Tilting being treated as the accounting acquiree (legal parent).

As consideration for 100% of the outstanding shares of Tilting, GLR issued 18,323,191 shares, at a fair value of $0.25 per share, the value of the concurrent financing, on a one for one basis to the shareholders of Tilting. In addition, GLR issued 7,980,400 warrants, in exchange for previously outstanding warrants of Tilting with an average fair value estimated at $0.04 per warrant, using the Black-Scholes model. The assumptions used in the Black-Scholes model included a risk free interest rate of 0.23%, an estimated life of 0.52 to 1.79 years, an expected volatility of 75%, and a dividend yield of 0%. The total consideration of $4,897,182 was allocated first to the fair value of the net liabilities acquired, with any excess to listing expense as follows:

(Expressed in Canadian dollars)

4. REVERSE TAKEOVER TRANSACTION (Continued)

Consideration		**Amount**
18,323,191 shares at a value of $0.25 per share	$	4,580,798
7,980,400 warrants at a value of $0.04 per warrant		316,384
	$	4,897,182
Net assets of TILTING		
Cash	$	332,483
Amounts receivable		25,241
Prepaids and deposits		125,000
Deferred transaction and financing costs		166,885
Amounts payable and accrued liabilities		(389,775)
Loan payable		(95,000)
Net assets acquired	$	164,834
Listing expense	$	4,732,348

5. AMOUNTS RECEIVABLE

Amounts receivable as at December 31, 2020 composed of $201,498 related to input tax credits and value added tax receivable (December 31, 2019: $138,386).

6. EXPLORATION AND EVALUATION ASSETS

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

	Gold Line Project
Acquisition costs:	
Balance, December 31, 2019	$ 261,494
Cash	-
Shares issued	1,097,771
Balance, December 31, 2020	1,359,265
Exploration costs:	
Balance, December 31, 2019	538,638
Assay	117,791
Consulting, contractors and general support	491,733
Geological	12,965
Drilling	51,440
Equipment rentals	30,927
Mineral licenses	351,959
Operator fees	11,420
Supplies and miscellaneous	48,427
Travel	43,744
Balance, December 31, 2020	1,699,044
Total costs:	
Balance, December 31, 2020	$ 3,058,309

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

	Gold Line Project
Acquisition costs:	
Balance, December 31, 2018	$ -
Cash	133,733
Shares issued	127,761
Balance, December 31, 2019	261,494
Exploration costs:	
Balance, December 31, 2018	-
Data handling and support	436,776
Consulting, contractors and general support	12,349
Camp and accommodations	13,353
Equipment rentals	13,703
Operator fees	37,579
Supplies and miscellaneous	2,563
Vehicle expenses	22,315
Balance, December 31, 2019	538,638
Total costs:	
Balance, December 31, 2019	$ 800,132

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.

In consideration for the Gold Line Project, GLR paid $133,733 (US$101,390) and issued 2,555,210 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 has 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, amending and restating an agreement entered into among the parties on July 24, 2020 (the amended and restated agreement, the "Acknowledgement Agreement"). Pursuant to the Acknowledgement Agreement, (a) EMX was issued 4,391,084 shares valued at $1,097,771 upon closing of the RTO Transaction (the "EMX Closing Shares"), following which EMX will have no further Anti-Dilution Right; (b) the EMX Closing Shares will be escrowed until the release conditions have been satisfied and will be cancelled if the release conditions have not been satisfied within 1 year after October 29, 2020; (c) EMX will have the right to purchase up to 868,706 shares as a shares-only extension of the Subscription Receipt Financing (however, EMX did not exercise this right); (d) following closing of the RTO Transaction, EMX will continue to have the Pre-Emptive Right unless and until EMX's interest in the Company becomes less than 5%; and (e) the two Rötjärnen licenses will be excluded from the licenses to be acquired under the Gold Line Agreement.

6. EXPLORATION AND EVALUATION ASSETS (Continued)

Gold Line Project, Sweden (Continued)

Financing Commitments:

Pursuant to the Gold Line Agreement, GLR is committed to raising $600,000 in equity financings on or before October 1, 2019, to fund exploration programs on the Project and a further $500,000 by April 1, 2021. As at December 31, 2020, GLR has satisfied these financing obligations.

EMSAB Royalty:

In accordance with the Gold Line Agreement, GLR entered into a royalty agreement with EMSAB dated April 1, 2019, pursuant to which GLR is required to pay an annual advance royalty payment 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 increase by 5 ounces per year up to a maximum of 75 ounces of gold per year until commencement of commercial production.

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 surrounding certain of the licenses comprising the Gold Line Project (an "AOI"), then the Seller Party must provide notice to GLR and GLR may elect to acquire the AOI at the same cost that the Seller Party acquired such AOI. If GLR elects to acquire an AOI, then, in exchange for the transfer of title to the AOI, GLR will grant EMSAB a 1.0% net smelter return royalty ("NSR Royalty") in production from the AOI 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 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% NSR 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 project within two years, EMX will have the right to demand GLR transfer the Project back to EMX for no further consideration.

7. FINANCIAL INSTRUMENTS

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

The carrying amounts on the statement of financial position for 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's other financial instruments, cash, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets.

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at December 31, 2020:

7. FINANCIAL INSTRUMENTS (Continued)

(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, accounts 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 December 31, 2020.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. As at December 31, 2020, the Company had working capital of $5,026,854 including cash of $5,461,327 to settle current liabilities of $769,968.

(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.

8. EQUITY

(a) Authorized

Unlimited number of common shares with no par value.

(b) Issued and fully paid common shares

<u>Prior to the RTO Transaction</u>

In May 2020, GLR closed a non-brokered private placement consisting of 9,605,000 common shares at a price of $0.10 per share for a gross proceeds of $960,500. The Company paid $16,858 in share issuance costs relating to this financing.

In August 2019, GLR issued 18,255,000 common shares at a price of $0.05 for gross proceeds of $912,750. In connection with the financing, additional share issuance costs of $34,650 were paid.

In March 2019, GLR issued 1,000,000 common shares as founder shares at a price of $0.001 for gross proceeds of $1,000.

8. EQUITY (Continued)

(b) Issued and fully paid common shares (Continued)

Pursuant to the RTO Transaction

On October 28, 2020, the Company issued 18,323,191 common shares in relation to the RTO Transaction (Note 4).

In October 2020, the Company completed a subscription receipt financing ("Subscription Receipt Financing") and issued 24,013,000 subscription receipts (the "Subscription Receipt") at a price of $0.25 per Subscription Receipt for gross proceeds of $6,003,250. Upon closing of the RTO Transaction, each Subscription Receipt automatically converted into one common share of the Company and one Subscription Receipt Warrant. Each Subscription Receipt Warrant entitles the holder thereof to purchase one additional share at an exercise price of $0.40 per share until October 29, 2022.

Included in share issuance costs are 1,800,000 shares at a price of $0.25 per share at a value of $450,000 issued as finders' fees and 340,000 shares at a price of $0.25 per share at a value of $85,000 issued as advisory fees. Total share issue costs related to the RTO Transaction and Subscription Receipt Financing was $854,810.

In connection with the Gold Line Agreement and pursuant to the RTO Transaction, 4,391,084 shares were issued to EMX at a price of $0.25 per share at a value of $1,097,771 (Note 6).

(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.

During the year ended December 31, 2020, the Company granted the following incentive stock options:

In October 2020, the Company granted 5,500,000 incentive stock options to directors, officers, employees and consultants of the Company pursuant to the Company's stock option plan. The options vested immediately and are exercisable at a price of $0.25 per share until October 29, 2030. Using the Black-Scholes valuation model, the grant date fair value was $1,059,450, or $0.19 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 0.53%, expected life of 10 years, annualized volatility of 75% and dividend rate of 0.00%.

In April 2020, GLR granted 1,800,000 incentive stock options to directors, officers, employees and consultants of the Company pursuant to the Company's stock option plan. The options vested immediately and are exercisable at a price of $0.10 per share until April 27, 2025. Using the Black-Scholes valuation model, the grant date fair value was $132,951, or $0.07 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 0.31%, expected life of 5 years, annualized volatility of 100% and dividend rate of 0.00%.

Subsequent to December 31, 2020, the Company granted the following incentive stock options:

In January 2021, the Company granted 350,000 incentive stock options to consultants of the Company pursuant to the Company's stock option plan. The options vested immediately and are exercisable at a price of $0.385 per share until January 5, 2031.

(Expressed in Canadian dollars)

8. EQUITY (Continued)

(c) Stock options (Continued)

In January 2021, the Company granted 775,000 incentive stock options to a consultant of the Company pursuant to the Company's stock option plan. The options vested immediately and are exercisable at a price of $0.40 per share until January 12, 2031.

In March 2021, the Company granted 100,000 incentive stock options to a consultant of the Company pursuant to the Company's stock option plan. The options vested immediately and are exercisable at a price of $0.45 per share until March 25, 2031.

A summary of changes in stock options is presented below:

	Number of options		Weighted average exercise price
Balance, December 31, 2018 and 2019	-	$	-
Granted	7,300,000		0.21
Balance, December 31, 2020	7,300,000	$	0.21

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2020:

Outstanding and exercisable		Exercise price	Expiry date
225,000	$	0.10	October 29, 2021
1,575,000	$	0.10	April 27, 2025
5,500,000	$	0.25	October 29, 2030
7,300,000			

Subsequent to December 31, 2020, 100,000 options were exercised for proceeds of $10,000.

(d) Warrants

A summary of changes in warrants is presented below:

	Warrants outstanding		Weighted average exercise price
Balance, December 31, 2018 and 2019	-	$	-
Warrants of TLL upon RTO Transaction (Note 4)	7,980,400		0.30
Issued	24,013,000		0.40
Balance, December 31, 2020	31,993,400	$	0.37

Warrants of TLL upon RTO Transaction included 380,400 broker warrants (the "Broker Warrants") issued by TLL in August 2020, with a fair value of $38,579 included in share issuance costs. The fair value of the Broker Warrants issued in connection with the Subscription Receipt Financing was calculated using the Black-Scholes option pricing model with the following assumptions: i) exercise price per warrant of $0.25; ii) expected share price volatility of 75%; iii) risk-free interest rate of 0.26%; iv) expected life of 2 years; v) no dividend yield.

(Expressed in Canadian dollars)

8. EQUITY (Continued)

(d) Warrants (Continued)

The following table summarizes information about the warrants outstanding and exercisable at December 31, 2020:

Outstanding and exercisable		Exercise price	Expiry date
7,600,000	$	0.30	May 6, 2021
380,400	$	0.25	August 12, 2022
24,013,000	$	0.40	October 29, 2022
31,993,400			

Subsequent to December 31, 2020, 1,166,200 warrants were exercised for proceeds of $406,500.

9. 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 year ended December 31, 2020.

10. LOAN PAYABLE

As at December 31, 2020, $95,000 (December 31, 2019: $nil) in loan payable was owed to a shareholder of the Company. Subsequent to December 31, 2020, the Company repaid $95,000 to this shareholder.

11. RELATED PARTY TRANSACTIONS

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 years ended December 31, 2020 and 2019 are as follows:

	Years ended December 31,			
		2020		2019
Consulting and management fees	**$**	**84,500**	$	8,000
Share-based compensation		**838,682**		-
	$	**923,182**	$	-

There were no amounts owing to directors and key management as at December 31, 2020 (December 31, 2019: $8,000).

(Expressed in Canadian dollars)

12. SEGMENTED INFORMATION

As at December 31, 2020 and 2019, the Company conducts its business as a single operating segment being exploration activities in Sweden. The Company maintains a head office in Vancouver, British Columbia, Canada. All of the Company's exploration and evaluation assets were derived from Sweden.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2020		2019
Loss for the year	$	(6,688,395)	$	(81,733)
Expected income tax (recovery)	$	(1,806,000)	$	(22,000)
Change in statutory, foreign tax, foreign exchange rates and other		6,000		-
Permanent differences		1,597,000		-
Impact of reverse takeover		161,000		-
Share issue cost		(40,000)		(9,000)
Change in unrecognized deductible temporary differences		82,000		31,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2020		2019
Deferred tax assets (liabilities)				
Exploration and evaluation assets	$	7,000	$	-
Share issue costs		38,000		7,000
Non-capital losses available for future period		229,000		24,000
		274,000		31,000
Unrecognized deferred tax assets		(274,000)		(31,000)
Net deferred tax assets	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2020	Expiry Date Range		2019	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	26,000	No expiry date	$	-	No expiry date
Share issue costs		139,000	2038 to 2042		28,000	2038 to 2041
Non-capital losses available for future periods		873,000	2026 to 2040		89,000	2026 to 2037

14. SUBSEQUENT EVENTS

Agnico Eagle Mines Transaction

On March 22, 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.

(Expressed in Canadian dollars)

14. SUBSEQUENT EVENTS (Continued)

Agnico Eagle Mines Transaction (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	$375,000	$375,000
On the first anniversary of TSXV approval	$1,500,000	$500,000	$500,000
On the second anniversary of TSXV approval	$1,750,000	$625,000	$625,000
On the third anniversary of TSXV approval	$3,000,000	-	-
Total	**$7,000,000**	**$1,500,000**	**$1,500,000**

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)	Total Payable (USD)
Upon TSXV approval	-	$375,000	$375,000
On the first anniversary of TSXV approval	$250,000	$250,000	$500,000
On the second anniversary of TSXV approval	$312,500	$312,500	$625,000

In connection with the entering into the AEM Agreement, and upon completion of the AEM Transaction, the Company intends to pay a fee of US$200,000 to be split evenly between two arms-length third-parties who assisted in facilitating the AEM Transaction, and to be satisfied through the issuance of common shares of the Company All common shares issued in connection with the AEM Transaction will be based on the volume-weighted average price for the 20 trading days prior to the date of issuance.

Completion of the AEM Transaction is subject to customary closing conditions, including the approval by the TSXV.

During the year ended December 31, 2020, the Company paid Agnico an exclusivity payment of $25,904 (US$20,000) which is included in the statement of loss and comprehensive loss.