

SASSY RESOURCES CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the three month period ended September 30, 2019

The Management’s Discussion and Analysis (“MD&A”) was prepared as of February 25, 2020 is intended to supplement and complement the Company’s unaudited condensed interim financial statements for three months ended September 30, 2019 and related notes attached thereto. Readers are also encouraged to refer to the audited financial statements for the period ended June 30, 2019 and related notes attached thereto. Accordingly, this MD&A includes the results of operations and cash flows for the three months ended September 30, 2019 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars.

Unless otherwise stated, financial results have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The Company’s unaudited condensed interim financial statements were prepared with the assumption that the Company 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 for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient debt or equity financing, or generate profitable operations in the future. These condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

DESCRIPTION OF BUSINESS

Sassy Resources Corporation (the “Company”, “Sassy”) was incorporated under the Business Corporations Act (British Columbia) on June 3, 2019. The Company is an exploration stage junior mining company currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company has entered into a plan of arrangement, subsequently accepted by the TSX-V, with its sole shareholder to acquire certain claims located in BC, Canada. The Company’s head office is 13236 Cliffstone Court, Lake Country, British Columbia, V4V 2R1, Canada. The Company’s registered and records office is located at #804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2019, the Company had not yet determined whether the Company’s mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

ARRANGEMENT AGREEMENT

On June 25, 2019, the Company entered into an arrangement agreement with its sole shareholder, Crystal Lake Mining Corporation (“Crystal Lake”).

During February 2020, the plan of arrangement was accepted by the TSX-V and the Company became a reporting issuer in the Provinces of British Columbia and Alberta.

During February 2020, pursuant to the arrangement agreement, the Company:

- i) received the Northwest Ontario nickel assets (Nicobat Project), and assumed a Letter of Intent dated June 24, 2019, subsequently amended, to acquire the Foremore claims in Northwest B.C.'s Golden Triangle, from Crystal Lake.
- ii) issued 10,000,000 common shares to the Crystal Lake shareholders.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base precious metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

Iron Property, Emo, Ontario

In February 2020, pursuant to the plan of arrangement, the Company acquired the rights to acquire the right to earn a 60% interest in the iron mineralization on the Emerald Lake Property located north of the town of Emo, Ontario.

Pursuant to the agreements, the agreement required four installments of \$50,000 each commencing April 15, 2016 and continuing every six months to October 17, 2017 and an additional 6,392,000 common shares of Crystal Lake on the earlier of a positive feasibility or the commencement of commercial production. The Company was also required to incur exploration expenditures of \$1,500,000 by October 15, 2017. The Company has the option to acquire an additional 32% interest in the iron ore mineralization present on the property at terms to be negotiated, plus the right of first refusal on future properties acquired by the vendor.

The Company has not made the cash payments and incurred the required exploration expenditures and is consequentially not in compliance with the terms of their option agreement. The Company is in the process of negotiating an amended agreement.

EL1 & EL5 Properties, Emo, Ontario

In February 2020, pursuant to the plan of arrangement, the Company acquired the rights to earn a 60% interest in the EL1 & EL5 mineral exploration properties located in Emo, Ontario.

The agreement calls for the Company to pay \$250,000 by February 13, 2018 and \$1,500,000 in subsequent equal instalments of \$500,000 over a year and a half period. The Company can increase its interest in these properties to 85% by paying Emerald Lake \$8,000,000. The option agreement is subject to a NSR on the EL1 property of 3% and EL5 property of 2%.

The Company has not made the cash payments and incurred the required exploration expenditures and is consequentially not in compliance with the terms of their option agreement. The Company is in the process of negotiating an amended agreement.

Emo Ontario Properties (Property #1,2,3,4,5,7, and 8), Emo, Ontario

In February 2020, pursuant to the plan of arrangement, the Company acquired a 100% interest in Property #1, Property #2, Property #3, Property #4, Property #5, Property #7 and Property #8, subject to a 2% NSR, 1% of which may be purchased for \$1,000,000.

Property #6, Emo, Ontario

In February 2020, pursuant to the plan of arrangement, the Company acquired the property known as Property #6 near Emo, Ontario. A 3% of NSR shall be payable to Emerald Lake upon the commencement of commercial production.

Foremore Claims, British Columbia

In February 2020, pursuant to the plan of arrangement, the Company acquired the Foremore binding letter of intent ("LOI"), subsequently amended, to acquire a 100% interest in certain mineral claims known as the Foremore claims.

Pursuant to the agreement, in order to complete the acquisition, the Company is required to:

- i) pay \$50,000 on or before the first anniversary of the regulatory approval.
- ii) pay \$66,667 on or before the second anniversary of the regulatory approval.
- iii) pay \$66,667 on or before the third anniversary of the regulatory approval.
- iv) pay \$66,667 on or before the fourth anniversary of the regulatory approval.
- v) issue 250,000 shares upon the completion of the arrangement agreement (issued).
- vi) issue 250,000 shares on the first anniversary of the regulatory approval.
- vii) issue 250,000 shares on the second anniversary of the regulatory approval.
- viii) issue 250,000 shares on or before the third anniversary of the regulatory approval.
- ix) issue 250,000 shares on or before the fourth anniversary of the regulatory approval.
- x) incur \$150,000 on or before the first anniversary of the regulatory approval.
- xi) incur \$150,000 on or before the second anniversary of the regulatory approval.
- xii) incur \$300,000 on or before the third anniversary of the regulatory approval.
- xiii) incur \$300,000 on or before the fourth anniversary of the regulatory approval.
- xiv) incur \$300,000 on or before the fifth anniversary of the regulatory approval.

The claims are subject to a 3% NSR and the Company has the right to purchase back the royalty of 2% for \$2,000,000 and an additional royalty of 0.5% for \$1,000,000.

RESULTS OF OPERATIONS

The Company incurred net loss and comprehensive loss of \$119,511 for the three month period ended September 30, 2019. \$50,000 of consulting fees were paid related parties. No comparative numbers are available as the company incorporated on June 3, 2019.

SUMMARY OF QUARTERLY RESULTS

	September 30, 2019	From June 3, 2019 to June 30, 2019
Total revenue	\$ -	\$ -
Net loss for the period	\$ (119,511)	\$ (1,500)
Basic and diluted loss per share	\$ (0.00)	\$ (1,500)
Total assets	\$ 184,348	\$ 1
Total long-term liabilities	\$ -	\$ -

The Company was incorporated on June 3, 2019. Comparative figures prior to June 3, 2019 are not available.

TRANSACTIONS WITH RELATED PARTIES

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 other members of key management personnel during the period ended September 30, 2019 are as follows:

During the period ended December 31, 2019, the Company issued 1,300,000 special warrants (Page 5) to a former CEO and Director of the Company. During the period ended December 31, 2019, the warrants were exercised.

Included in consulting for the period ended September 30, 2019 is \$50,000 paid or accrued to the Chief Executive Officer of the Company.

As at September 30, 2019, accounts payable and accrued liabilities includes \$16,549 (June 30, 2019 - \$Nil) due to related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

LIQUIDITY AND CAPITAL RESOURCES AND CAPITAL EXPENDITURES

At September 30, 2019, the Company had working capital deficiency of \$146,490 (June 30, 2019 - \$1,499). Management of the Company is confident that it will have sufficient working capital to meet its anticipated financial obligations for the next fiscal year.

During the period ended September 30, 2019, the Company:

- i) had cash flows used in operating activities was \$222,248 relating to general operating expenses detailed on the statement of financial.
- ii) had cash flows provided by financing activities of \$267,500 relating to \$250,000 received from proceeds from special warrants and \$17,500 in subscriptions received in advance.

From June 3, 2019 to February 25, 2019, the Company had the following share capital transactions:

- i) closed the first tranche of a non-brokered private placement and issued 770,000 shares at \$0.25 for gross proceeds of \$192,500, of which \$17,500 was received prior to September 30, 2019. The Company paid finder's

fees of \$8,000 and issued 32,000 finder's warrants. Each finder's warrant may be exercised to purchase an additional common share at a price of \$0.25 on or before October 4, 2020.

- ii) closed the second tranche of the non-brokered private placement and issued 140,000 shares at \$0.25 for gross proceeds of \$35,000.
- iii) closed the third tranche of the non-brokered private placement and issued 40,000 shares at \$0.25 for gross proceeds of \$10,000.
- iv) entered into an employment agreement during fiscal 2019 with the CEO of Sassy. Per the agreement, Sassy is to grant 1,000,000 stock options (250,000 stock options per quarter) and pay an annual salary of \$200,000 to the CEO commencing in fiscal 2020.
- v) issued 10,000,000 shares pursuant to an arrangement agreement and plan of arrangement.
- vi) issued 5,000,000 shares pursuant to private placements of special warrants and conversion of special warrants into the shares of the Company.
- vii) issued 250,000 shares pursuant to an amendment to a binding letter of intent entered into with respect to the acquisition of the Foremore claims.

Special Warrants

During the period ended September 30, 2019, the Company granted 5,000,000 special warrants at \$0.05 per warrant for gross proceeds of \$250,000. Each special warrant shall be convertible into one common share and one common share purchase warrant on February 18, 2020. Each warrant may be exercised by the holder to purchase an additional common share at a price of \$0.10 for a period of two years. During February 2020, the warrants were converted. In February 2020, the Company completed the conversion of 5,000,000 special warrants into 5,000,000 common shares and 5,000,000 share purchase warrants, with each warrant entitling the holder to purchase one additional common share at an exercise price of \$0.10 per common share until July 17, 2021.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES

Please refer to the September 30, 2019 condensed interim financial statements for details on accounting policies adopted in the period as well as future accounting policies.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. See Note 6 of the Company's condensed interim financial statements for the period ended September 30, 2019 on www.sedar.com for a discussion of the Company's risk exposure and the impact thereof on the Company's financial instruments.

The Company's cash at September 30, 2019 was \$45,253 and was primarily held at a major Canadian financial institution. The Company is subject to financial risk arising from fluctuations in foreign currency exchange rates. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

DISCLOSURE OF OUTSTANDING SHARE DATA (as at February 25, 2020)

Authorized Capital

Unlimited common shares without par value

Issued and Outstanding Capital

16,200,000 shares outstanding

Warrants Outstanding

The following warrants were outstanding.

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Number of warrants</u>
October 4, 2019	\$0.25	32,000
July 17, 2021	\$0.10	5,000,000
		5,032,000

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.