

## **SNOWY OWL GOLD CORP.**

Management's Discussion and Analysis  
For the Year Ended May 31, 2021

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### **Background and Corporate Update**

Snowy Owl Gold Corp. (the "Company") was incorporated on November 9, 2018 pursuant to the Business Corporations Act (British Columbia). On January 8, 2021, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission. On January 18, 2021, the Company's common shares began trading on the Canadian Securities Exchange (the "CSE") under the symbol 'SNOW'.

The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company has two gold exploration properties located in the Abitibi region of Quebec: 1) the Golden Eagle, and 2) the Panache.

The office of the Company is located at 1100 – 1111 Melville Street, Vancouver, BC, V6E 3V6.

The following management's discussion and analysis ("MD&A") of the results of operations and financial condition for the Company should be read in conjunction with the Company's audited financial statements for the years ended May 31, 2021 and 2020 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars unless otherwise stated.

Additional information about the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

The effective date of this MD&A is September 17, 2021.

### **Forward-Looking Statements**

Certain statements contained in the MD&A may constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks include, but are not limited to, the Company's business plans focussed on the exploration and development of the Properties; the proposed work program on the Properties; costs and timing of future exploration and development activities; timing and receipt of approvals, consents and permits under applicable legislation; use of available funds and ability for the Company to raise additional funds; business objectives and milestones; and adequacy of financial resources. A more detailed discussion of forward-looking statements is included in the Company's Prospectus dated January 8, 2021. Readers are cautioned not to place undue reliance on forward-looking statements.

### **Risks and Uncertainties**

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. Risk factors include, but are not limited to, limited operating history, speculative nature of mineral exploration, dilution, mineral titles, loss of interest in properties, permits and government regulations, environmental and safety regulations and risks, fluctuating mineral prices, financing risks and

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competition. A more detailed discussion of these risk factors is included in the Company's Prospectus dated January 8, 2021.

During the first quarter of 2020, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

#### **Exploration and Evaluation Assets**

##### Golden Eagle

On April 17, 2020, the Company purchased 161 mineral claims covering an estimated 8,887 hectares located in south-western Quebec, Canada, known as the Golden Eagle property ("Golden Eagle"). Golden Eagle is located in the Abitibi region approximately 190 kilometers NE of Val-d'Or and 120 kilometers ESE of Lebel-sur-Quévillon (Highways 117 & 113). The mineral claims are located in close proximity to the Urban-Barry Gold Camp.

During the year ended May 31, 2021, the Company incurred \$144,497 on Golden Eagle for the completion of a NI43-101 Technical Report and an airborne high-resolution magnetic survey over Golden Eagle. Based on the information provided by this work on Golden Eagle, a surface exploration work plan ("Phase 1") was drawn up and exploration commenced during June 2021. The goal of this exploration program is to confirm encouraging data received during the winter in-depth geophysical analysis and geoscientific compilation studies and generate potential future exploration targets.

The geological team successfully confirmed the presence of mafic volcanic (greenstone) rocks that contained sulphide-bearing quartz-calcite-chlorite veining. One of the veins sampled consisted of quartzcarbonate-chlorite-pyrite and tourmaline, with trace chalcopyrite in the sheared vein wall. The presence of sulphide-bearing, quartz-calcite-chlorite veined greenstone rocks is encouraging for the Company as it is an important witness of hydrothermal activity and a favourable element often associated with precious and base metal mineralization. It also adds validity to the current geophysical interpretation.

The grassroots exploration work consisted of geological mapping and geochemical sampling of outcrop, B-Horizon soil, and bio-geochemical (spruce twig) sampling.

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#### Panache

On March 19, 2021, the Company entered into an agreement to purchase 12 mineral claims covering an estimated 678 hectares comprising the Panache property. The claims are located in the Abitibi region approximately 175 kilometres NE of Val d'Or, Quebec and approximately 30 kilometres NW of the Golden Eagle property. Panache is surrounded by mineral claims held by Osisko and Bonterra Resources and is in the vicinity of multiple gold deposits.

The Company paid \$25,000 in cash and issued 4,000,000 common shares at a price of \$0.06 per share to acquire Panache. Panache is subject to a 2% Net Smelter Returns royalty, which may be reduced to 1% at any time through the payment of \$1,000,000.

The Company also incurred \$9,953 on Panache for geology, compliance and reporting to May 31, 2021.

During June and July 2021, the Company commenced a grassroots geological mapping and geochemical sampling program consisting of rock samples from outcrop, boulder, B-Horizon soil, and biogeochemical (black spruce twigs) were sampled and sent to the lab for analysis. A second phase of exploration is commenced in August 2021. Once the second phase is complete and the analytical results from the exploration program are received, a NI 43-101 compliant technical report will be commissioned.

#### **Selected Annual Information**

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited financial statements. All dollar amounts are in Canadian dollars.

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	<b>Year ended May 31, 2021</b>	<b>Year ended May 31, 2020</b>	<b>Period from incorporation on November 9, 2018 to May 31, 2019</b>
<b>Financial Results</b>			
Net loss	\$ (309,340)	\$ (46,547)	\$ (6,907)
Basic and diluted loss per share	\$ (0.01)	\$ (0.02)	\$ -
<b>Financial Position</b>			
Working capital	\$ 451,849	\$ 76,919	\$ 73,466
Total assets	\$ 1,271,026	\$ 444,551	\$ 73,466

During Fiscal 2021, the Company completed its CSE listing and acquired another exploration and evaluation property, Panache. The Company started to incur geological and geophysical expenditures on Golden Eagle for the completion of a NI43-101 Technical Report and an airborne high-resolution

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magnetic survey. The start of exploration and evaluation operations as well as completing the CSE listing resulted in a significant increase in administrative expenditures.

During Fiscal 2020, the Company purchased the Golden Eagle mineral claims and began the process of listing its common shares on the CSE.

During Fiscal 2019, the Company raised its initial equity capital through the issuance of common shares and special warrants and started to investigate potential business opportunities.

#### Selected Quarterly Information

The following table presents selected financial information for each of the last eight fiscal quarters:

Fiscal Quarter Ended	Expenses - G&A	Net Loss	Loss per Share	Working Capital (Deficit)
May 31, 2021	\$ 133,716	\$ (133,716)	\$ (0.01)	\$ 451,849
February 28, 2021	\$ 89,450	\$ (89,450)	\$ -	\$ 578,741
November 30, 2020	\$ 13,060	\$ (13,060)	\$ -	\$ 326,978
August 31, 2020	\$ 73,114	\$ (73,114)	\$ -	\$ 354,007
May 31, 2020	\$ 27,756	\$ (27,756)	\$ (0.01)	\$ 76,919
February 29, 2020	\$ 17,478	\$ (17,478)	\$ (0.01)	\$ 54,675
November 30, 2019	\$ 788	\$ (788)	\$ -	\$ 72,154
August 31, 2019	\$ 525	\$ (525)	\$ -	\$ 72,941

Expenditures/loss incurred for the quarters ended August 31, 2019 through November 30, 2019 are reflective of the Company's business investigations operations.

Starting with the quarter ended February 29, 2020, the expenditures/loss have steadily increased as the Company purchased the Golden Eagle mineral claims and began the process of listing its common shares on the CSE.

The expenditures/loss for the quarter ended May 31, 2021 was the most active quarter for the Company as its exploration activities ramped up. The Company also recognized \$61,000 of share-based payments pursuant to the granting of 1,600,000 stock options during the quarter.

#### Results of Operations

For the year ended May 31, 2021, the Company reported a loss of \$309,340 (2020 - \$46,547). The Company's loss per share was \$0.01 (2020 - \$0.02). The significant components of the loss were:

- Consulting fees were \$6,250 (2020 - \$nil) for corporate advisory services.
- Filing and listing fees were \$21,308 (2020 - \$nil) and consisted of CSE listing fees and monthly sustaining fees.

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- General and administrative expenses were \$20,255 (2020 - \$1,575) and consisted principally of administrative fees, transfer agent fees, and directors and officers liability insurance. The directors and officers liability insurance was \$13,000 (2020 - \$nil).
- Management fees were \$26,000 (2020 - \$nil) and consisted of \$13,000 paid to each of the CEO and CFO.
- Professional fees were \$123,655 (2020 - \$44,972) and were composed of \$32,663 (2020 - \$7,500) of accounting and audit fees and \$90,992 (2020 - \$37,472) of legal fees. These fees were substantially higher in 2021 as a result of costs incurred to become a reporting issuer and seek a listing on the CSE.
- Promotion was \$25,972 (2020 - \$nil) and consisted of \$20,000 for investor relations services and news release dissemination costs.
- The Company incurred \$85,900 (2020 - \$nil) for share-based payments. These share-based payments were the result of granting 2,600,000 stock options during the year. These stock options vested immediately upon grant.

#### Fourth Quarter Operations

For the three months ended May 31, 2021 (Q4/2021), the Company incurred a loss of \$133,716 compared to a loss of \$27,756 for the three months ended May 31, 2020 (Q4/2020). Significant expenditures and discrepancies incurred between Q4/2021 and Q4/2020 are as follows:

- The Company incurred \$31,349 (Q4/2020 - \$27,756) of professional fees during Q4/2021. Professional fees were slightly higher in Q4/2021 as the Company completed its listing on the CSE and completed negotiations for Panache.
- The Company incurred \$24,360 (Q4/2020 - \$nil) of promotion expenses during Q4/2021. Promotion expenditures increased in Q4/2021 in conjunction with the Company's recent listing on the CSE and the more active exploration on its properties.
- The Company incurred \$61,000 (Q4/2020 - \$nil) for share-based payments during Q4/2021 from the grant of 1,600,000 stock options. These stock options vested immediately upon grant.
- The Company incurred \$8,000 (Q4/2020 - \$nil) of management fees and consisted of \$4,000 paid to each of the CEO and CFO.
- The Company incurred \$6,463 (Q4/2020 - \$nil) of general and administrative costs during Q4/2021 and consisted of transfer agent fees and other administrative costs.

#### **Financial Condition, Liquidity and Capital Resources**

The Company's working capital position as at May 31, 2021 was \$451,849 compared to \$76,919 as at May 31, 2020.

Sources of cash for the Company included: 1) \$876,000 of gross proceeds raised through the issuance of 17,520,000 common shares via private placements, and 2) \$5,000 of gross proceeds raised through the issuance of 50,000 common shares via the exercise of warrants.

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Uses of cash by the Company included: 1) \$233,926 for operating activities; and 2) \$190,792 on exploration and evaluation assets.

Subsequent to May 31, the Company received 1) \$30,000 of gross proceeds raised through the issuance of 300,000 common shares via the exercise of warrants and 2) \$20,000 of gross proceeds raised through the issuance of 200,000 common shares via the exercise of options.

As a result of the Company being listed on the CSE and becoming more active in its exploration activities, it is anticipated that there will be significant increase in expenses associated with maintaining its stock exchange listing and with the overall management and operation of the Company.

#### **International Financial Reporting Standards – Changes in Accounting Policies**

Refer to note 2 of the May 31, 2021 financial statements.

#### **Financial Instruments**

Refer to notes 3 and 8 of the May 31, 2021 financial statements.

#### **Off-Balance Sheet Arrangements**

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

#### **Related Party Transactions**

During the year ended May 31, 2021, the Company incurred the following transactions with key management and directors and entities related to key management and directors the normal course of operations:

- paid \$13,000 for management fees to Waldo Sciences Inc., a private company controlled by Ray Wladichuk;
- paid \$13,000 for management fees to Lycan Capital Corp., a private company controlled by Elyssia Patterson;
- granted 300,000 stock options to Ray Wladichuk with an exercise price of \$0.10 per option expiring on June 4, 2025;
- granted 300,000 stock options to Elyssia Patterson with an exercise price of \$0.10 per option expiring on June 4, 2025;
- granted 200,000 stock options to Solomon Elimimian with an exercise price of \$0.10 per option expiring on June 4, 2025;

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- granted 200,000 stock options to Edward Ierfino (a former director) with an exercise price of \$0.10 per option expiring on June 4, 2025; and
- granted 200,000 stock options to David Patterson with an exercise price of \$0.06 per option expiring on March 22, 2026.

#### Outstanding Share Data

As at September 17, 2021, the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common shares	32,321,000	n/a	n/a
Stock options	800,000	\$ 0.10	June 4, 2025
Stock options	1,600,000	\$ 0.06	March 22, 2026
Stock options	500,000	\$ 0.135	July 14, 2026
Warrants	3,814,000	\$ 0.10	June 25, 2022
Warrants	1,000,000	\$ 0.135	July 14, 2022
Warrants	1,000,000	\$ 0.12	July 26, 2022
Warrants	2,914,000	\$ 0.10	December 15, 2022
<b>Fully Diluted</b>	<b>43,949,000</b>		

#### Directors and Officers

In July 2021, Edward Ierfino resigned as a director of the Company and Michael Rosatelli was appointed as a director filling the vacancy. The current directors and officers of the Company are:

Ray Wladichuk	Director and CEO
Elyssia Patterson	Director and CFO
David Patterson	Director
Solomon Elimimian	Director
Michael Rosatelli	Director