



**SNOWLINE**  
GOLD CORP

---

**SNOWLINE GOLD CORP.**

(FORMERLY "SKYLEDGER TECH CORP.")

**Management Discussion and Analysis**

**For the Year Ended August 31, 2021**

## **INTRODUCTION**

This Management's Discussion and Analysis ("MD&A") supplements but does not form part of the audited consolidated financial statements of Snowline Gold Corp. ("the Company" or "Snowline") (formerly Skyledger Tech Corp.) for the years ended August 31, 2021. The following information, prepared as of December 20, 2021, should be read in conjunction with the Company's audited consolidated financial statements for the years ended August 31, 2021, and August 31, 2020 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **CORPORATE OVERVIEW**

The Company was incorporated under the Business Corporations Act (British Columbia) on November 29, 2017. The Company was incorporated for the purpose of cryptocurrency mining. The Company's administrative office is located at 200 - 550 Denman Street, Vancouver, British Columbia, Canada. The Company's common shares were listed on the Canadian Securities Exchange ("CSE") effective April 25, 2019 with its common shares commencing trading on April 29, 2019 under the symbol "SKYL". As a result of the acquisition of Senoa Gold Corp., the Company had a fundamental change of business and changed its name to Snowline Gold Corp. The Company's common shares resumed trading under the new name and ticker symbol "SGD" on March 1, 2021.

## **OVERALL PERFORMANCE**

The Company has been in the Bitcoin mining business since the start of 2018. In Q3 2020, the Company suspended its Bitcoin mining operations due to ongoing operating losses and a reduction in working capital available. Subsequent to the acquisition of Senoa Gold Corp., the Company's principal business is now the acquisition and exploration of mineral properties. During the year ended August 31, 2021, the Company sold all of its remaining Bitcoins for US\$62,427 (\$80,613).

## **HIGHLIGHTS & ACTIVITIES**

### **ACQUISITION OF SENOA GOLD CORP.**

On December 1, 2020, the Company entered into a purchase and sale agreement (the "Purchase Agreement"), as amended, with 18526 Yukon Inc. (the "18526") and Senoa Gold Corp. (the "Senoa"), pursuant to which the Company acquired all of the issued and outstanding shares of Senoa (the "Transaction"). As a result of the Transaction, the Company now owns the Einarson (as to 70% with the balance owned by a third party), Rogue, Tosh, Cliff, Rainbow, Cynthia and Ursa claims located in the Yukon (the "Properties"). The consideration of the Transaction consists of:

- (i) 25,650,000 common shares; and
- (ii) cash payments to 18526 as follows:
  - \$1,000,000 on closing of the Transaction;
  - \$250,000 on the first anniversary of closing of the Transaction;
  - \$250,000 on the second anniversary of closing of the Transaction;
  - \$250,000 on the third anniversary of the closing of the Transaction;
  - \$250,000 on the fourth anniversary of closing of the Transaction; and
  - a contingent \$1,000,000 resource bonus (to be paid on each of the seven Properties for an aggregate of up to \$7,000,000 (the "Resource Bonus")) upon the Company establishing a Measured Mineral Resource, an Indicated Mineral Resource or an Inferred Mineral Resource

(or any combination thereof) of at least 1,000,000 ounces of gold on any of the seven Properties. The Resource Bonus is a one-time payment for each of the Properties.

18526 will retain a royalty equal to 2.0% of the net smelter returns in respect of each of the Properties, of which the Company may buy back one half (1.0%) at any time for 1,000 ounces of gold (.9999 fine) which may be satisfied in cash or in kind. The Transaction received Canadian Securities Exchange approval on February 25, 2021.

The Transaction does not meet the definition of a business combination and has therefore been accounted for as an asset purchase of mineral property interests. The consideration for the acquisition of Senoa has been allocated at the fair value of the assets acquired and liabilities assumed, based on management's best estimate and taking into account all available information on the acquisition date.

The acquisition price of the mineral property interests was determined to be \$5,710,675 and is comprised of the following consideration:

25,650,000 common shares issued	\$ 3,847,500
Cash payment	1,000,000
Deferred cash payments	713,690
Transaction costs	149,485
<hr/>	
Acquisition price allocated to mineral property interests	\$ 5,710,675

The 25,650,000 common shares issued were determined to have a fair value of \$3,847,500 at a price of \$0.15 per share. The fair value of the deferred payments of \$1,000,000 over a four-year period was determined to be \$713,690 on the Acquisition Date using a discounted cash flow model. A discount rate of 15% was used. The Company has elected not to recognize a liability for the contingent consideration related to the Resource Bonus at the acquisition date. Any liability for the Resource Bonus will be recognized when it becomes probable that the precedent conditions will be met.

The Company incurred costs of approximately \$149,485 associated with the Transaction.

## **PROPERTY OPTION AGREEMENT**

On September 1, 2021, the Company entered into a property option agreement (the "Agreement") with Epica Gold Inc., a wholly owned subsidiary of HighGold Mining Inc., and Carlin Gold Corporation (together the "Optionors"), pursuant to which the Company has acquired the option (the "Option") to purchase a 100% interest in 812 mining claims in five blocks collectively covering approximately 16,500 hectares (the "Properties"). The Properties are located in the Mayo mining district, Yukon Territory, where they supplement Snowline's existing claim position across a regional geological feature considered by the company to be highly prospective for gold and base metal mineralization. Snowline's mineral holdings now comprise some 106,500 hectares and are focused within the Selwyn Basin.

Under the terms of the Agreement, Snowline can acquire the Properties in exchange for payments to the Optionors of \$100,000, (\$50,000 on signing and \$50,000 on the first anniversary), and issuing 1,000,000 common shares to the Optionors, (500,000 common shares issued on signing and 500,000 on the first anniversary). All payments made by the company are divided 50/50 amongst the Optionors. The agreement is subject to a 2% net smelter returns royalty, with a 1% buy-back provision for \$2,000,000.

## **OTCQB LISTING**

In June of 2021, the company announced that its common shares had been approved for trading on the OTCQB Venture Market under the symbol "SNWGF".

## **STRATEGIC INVESTMENT BY CRESCAT CAPITAL**

In July of 2021, the company announced Crescat Capital LLC as a strategic investor in the Company as part of a \$1,000,000 non-brokered private placement of units issued by Snowline. The proceeds of the offering will be used to advance the Ursa gold and base metals project and fund a future 1,500 metre diamond drill programme at the Ursa gold and base metals project.

## **PRIVATE PLACEMENT**

On December 20, 2021, the Company closed a non-brokered private placement, and issued:

- i) 8,783,783 premium flow-through common shares (the “Premium FT Shares”) at a price of \$0.74 per premium FT Share for gross proceeds of \$6,500,000;
- ii) 757,575 flow through common shares (“FT Shares”) at a price of \$0.66 per FT share for gross proceeds of \$500,000

Each FT share and Premium FT share will be accompanied by one-half of one common share purchase warrant, with each warrant being exercisable for one common share of the Company at an exercise price of \$0.75 for a period of two years.

## **MINERAL PROJECTS**

### ***Einarson Gold Project, Yukon Territory***

The Einarson project is located in the Yukon’s metal-endowed Selwyn basin which has been underexplored relative to many comparable jurisdictions for gold and other commodities. Einarson encompasses multiple kilometres-scale geochemical anomalies associated with thrust-faulted domal uplifts of interbedded carbonate and siliciclastic stratigraphy prospective for Carlin-type and epizonal orogenic type gold deposits. Prospective geological units at the Einarson project are relatively flat-lying and tectonically shortened, cut by steeply dipping regional to local scale faults and shallow to moderately dipping detachments.

Primary target areas include:

- Jupiter – an orogenic gold target with abundant mineralized quartz float boulders grading up to 25.2 g/t Au associated with zones of clay-alteration in bedrock, and a 3 kilometre zone of anomalous gold in soils to a maximum 5.3 g/t Au. First-pass drilling yielded intercepts of up to 13.2 g/t Au over 6.5 m and 45.0 g/t Au over 1.5 m, with certain holes intersecting multiple mineralized features.
- Avalanche Creek – an orogenic gold occurrence discovered in September 2020 along a major fault structure. Twenty-two grab samples of a mineralized boulder train averaged 7.8 g/t Au and graded up to 34.2 g/t Au. Not yet drilled.
- Mars – Gold mineralization in silicified structural zones with historical (Anthill Resources) drill intervals of up to 0.571 g/t Au over 21.16 metres, so far only the southernmost end of a 3.5 kilometre gold in soil anomaly has been drilled. Surface channel sampling at this south end yielded an interval of 7.09 g/t Au across 5.0 metres within a broader 33.5 metres averaging 1.65 g/t Au. Likely orogenic, with Carlin potential.
- Misty – a 30-kilometer-long zone of consistently elevated to anomalous gold and Carlin pathfinder elements in soils corresponding to a variably faulted, doubly plunging anticlinal structure exposing carbonate stratigraphy known locally to host Carlin-type gold. Not yet drilled.
- Odd – a pronounced 3.5-kilometer-long gold and Carlin pathfinder element soil and stream sediment anomaly corresponding to a thrust-faulted domal exposure of carbonate stratigraphy. Limited historical drilling did not intersect mineralized features, and the geochemical anomaly remains unexplained.

The 2021 exploration season from June through September saw roughly 4,300 m drilled in a total of 21 diamond drill holes on Einarson’s Jupiter target, along a stretch spanning roughly 1.1 km of the 3 km soil

anomaly. This was Snowline's first ever drill program and it was also the first ever drilling of Jupiter. Drilling intersected high gold grades and evidence of a widespread, gold-bearing hydrothermal system, interpreted as an epizonal orogenic gold system.

Mineralization at Jupiter is hosted in mudstones of the Narchilla formation, within quartz-carbonate veins that both crosscut and follow bedding, and within surrounding mudstones. Arsenopyrite is a common accessory mineral to gold, but it is not ubiquitous. Trace amounts of visible gold were observed in J-21-020, though assays for this hole remain pending. Mineralized zones generally occur within a broader halo of clay alteration and disseminated pyrite. Structures and mineralized textures in core suggest that multiple fluid phases have affected mineralization.

Additional surface work including geological mapping, drone surveying for orthophotography and digital elevation model (DEM) generation, and infill soil sampling (~594 samples) was completed during the June to September 2021 window at Jupiter. Other targets also saw significant surface work during this time. Odd, Mars and Misty saw regional prospecting, sampling and mapping, with extensive soil sampling (~712 samples) along the Misty trend. High resolution orthophotos and DEMs were generated for target areas at Mars and Avalanche Creek.

The 20 "OB" claims, which were acquired as part of the September 1, 2021 option agreement with Epica Gold Inc., have been grouped in with the Einarson project given their relative proximity and their perceived prospectivity for Carlin-style gold mineralization. A single-day prospecting program conducted by Snowline in 2021 visited the claims and collected 5 rock samples for which assays have yet to be received. The claims have not been drilled.

Drillhole ID	Coordinates (NAD83 Zn9)		Orientation (True)		Interval* (metres)			Grade (Au g/t)	
	Easting	Northing	Azimuth	Dip	From	To	Width		
J-21-010	381905	7089136	300	-50	57.0	62.5	5.5	5.15	
					69.0	73.5	4.5	1.31	
					97.0	101.0	4.0	1.26	
					108.5	121.5	13.0	3.45	
					<i>including</i>	112.5	115.0	2.5	9.57
					<i>remainder</i>			10.5	2.00
					136.0	137.5	1.5	6.96	
					166.6	176.1	9.5	5.01	
					<i>including</i>	170.1	171.6	1.5	17.67
					<i>remainder</i>			8.0	2.64
			179.0	185.0	6.0	10.64			
			<i>including</i>	183.5	185.0	1.5	31.10		
			<i>remainder</i>			4.5	3.82		
			From surface:	0.0	185.0	185.0	1.17		
J-21-011	381905	7089136	300	-80	51.50	64.00	12.50	5.35	
					<i>including</i>	56.00	61.00	5.00	10.43
					<i>remainder</i>			7.50	1.96
					92.5	97.5	5.00	1.51	
					103.5	114	10.50	1.76	
					148.5	163.5	15.00	5.97	
					<i>including</i>	155.5	162	6.50	13.21
					<i>including</i>	159.5	160.80	1.30	43.48
					<i>remainder</i>			8.50	0.42
								From surface:	0
J-21-012	381906	7089138	230	-50	21.0	24.0	3.0	1.16	
					50.0	56.0	6.0	13.90	
					<i>including</i>	54.5	56.0	1.5	45.00
					<i>remainder</i>			4.5	3.53
J-21-013	381908	7089135	90	-70	80.5	107.5	27.0	2.59	
					<i>including</i>	85.0	86.0	1.0	11.10
					<i>and</i>	94.0	96.0	2.0	11.20
					<i>remainder</i>			24.0	1.52
					123.4	134.0	10.6	4.02	
	<i>including</i>	128.5	131.0	2.5	13.78				
			From surface:	0.0	134.0	134.0	0.86		

Select geochemical highlights from 2021 drilling at the Jupiter target, released on August 25, 2021 and October 13, 2021. Presently, assays for 5 holes at Jupiter remain outstanding. \*Widths given are down-hole intercepts and are estimated to be between 50% and 100% of true widths based on intersection angles.

Snowline benefits from the extensive work of past operators Anthill Resources and 18526 Yukon Inc. These groups secured the large Einarson mineral tenure, collected more than 25,000 soil samples and 4,500 stream sediment samples on and around the project, conducted preliminary prospecting and geological mapping and performed limited drilling. 2021 surface work by Snowline at Einarson saw roughly 1,300 soil samples and 228 rock samples added to these figures.

Snowline holds a majority 70% interest in 3,016 of 3,067 claims comprising the Einarson project. The remaining non-carried 30% interest is held by Anthill Resources, a private Vancouver, BC based company. 20 of the remaining 51 claims are held under option from Epica Gold Corp., while other claims are owned 100% by Snowline through its Yukon-based private subsidiary, Senoa Gold Corp.

### ***Rogue Gold Project, Yukon Territory***

The 11,227-hectare Rogue project comprises 437 mineral claims two main blocks accompanied by several smaller placeholder claim positions, all 100% owned by Snowline. Two primary targets occur in a 10 by 2 kilometre claim block covering a 9-kilometre trend of hornfels alteration complemented by anomalous gold in rocks, soils and stream sediment samples. These targets cover two suspected members of the Tombstone plutonic suite, the set of Cretaceous intrusions responsible for multi-million ounce reduced intrusion-related gold systems (RIRGS) such as those at Kinross's Fort Knox mine, Alaska and Victoria Gold's Eagle Mine, Yukon.

The Valley target covers a newly discovered intrusion, and was the primary focus of exploration efforts in 2021. An 800 m drill program comprising four holes from three pads was conducted from August 31 to September 14, 2021. Assays for these holes remain pending, but all holes intersected sheeted veining accompanied by trace amounts of visible gold. Drilling at Valley was preceded by surface work including prospecting and mapping, high resolution orthophotography and DEM generation, drone magnetic surveying and grid soil sampling (577 samples). This work revealed mineralized sheeted quartz veining and a 900x150m soil anomaly with gold-in-soil values of up to 3.36 g/t Au, along with distinct magnetic features associated with the Valley intrusion, its hornfelsed rim and possible crosscutting structures.

A broader program of prospecting and contour soil sampling was conducted on the rest of the claim block, yielding 941 soil samples and 173 rock samples. Partial results have been received identifying potential new zones of interest, but assays are still awaited for many of these samples. Drone supported orthophotography and DEM generation was completed on the Gracie and Old Cabin targets.

Although RIRGS deposits typically represent large, bulk-tonnage systems, there is early evidence for high-grade zones within both target areas at Rogue. Initial surface rock grab samples collected by previous operators and by an independent qualified person contracted by Snowline for the Rogue technical report include:

- 152.0 g/t Au; 95.3 g/t Au; 58.4 g/t Au; 44.8 g/t Au & 38.1 g/t Au at Valley.
- 57.0 g/t Au; 20.1 g/t Au & 15.1 g/t Au at Gracie.

### ***Ursa Base Metal Project, Yukon Territory***

The 7,755 ha Ursa project covers anomalous silver, zinc, nickel, vanadium, copper and molybdenum mineralization associated with Devonian age carbon-rich black shales. Soil sampling on the claims returned concentrations as high as 0.38% zinc, 567 parts per million nickel, 4.99 parts per million silver and 108 parts per million molybdenum within a single sample. The anomaly is of interest due to its size and the potential of heavily folded geology to host concentrations of mineralized material. The Company acquired Ursa based on this potential and based on elevated gold concentrations in streams and soils in the vicinity.

In September 2021, Snowline employed Geotech Ltd. to conduct a 439 line-kilometre versatile time domain electromagnetic survey over most of the claim block at Ursa, targeting the base metals trend as well as a zone of anomalous gold soil and silt geochemistry on the eastern corner of the survey. Finalized results for this survey have yet to be received by the Snowline.

### ***Tosh Gold Project, Yukon Territory***

Precious metal mineralization at the 3,711-Ha Tosh Project is found along kilometre-scale shear zones, in quartz-carbonate veins, breccias and silicified shales, with assay results up to 6.8 g/t Au and 1,146 g/t Ag in rock grab samples over an area spanning 15 kilometres.

The Tosh Project bears many hallmarks of a significant orogenic gold camp. Host rocks are high-strain schists and intercalated marbles of the Yukon Tanana terrane, the geologic province that hosts two recently discovered million-ounce-plus gold deposits (including Newmont's "Coffee" deposit, ~115 km to the north

of the Tosh Project) and from which over 12.5 million ounces of placer gold has been recovered in the Klondike goldfields. Importantly, major regional faults cut Cretaceous and Paleogene intrusive rocks in the vicinity of the Tosh Project.

Grid soil sampling (1,379 samples) at the Tosh Project revealed two prominent NW-SE trending zones of anomalous (defined by 90th percentile gold values >27 ppb Au) multi-element geochemistry, “Peska” and “Koose,” separated by 12 kilometres of prospective ground. Gold in soil values assay up to 5.8 g/t Au at Koose and 1.6 g/t Au at Peska. These zones extend roughly 2 kilometres each and remain open in both directions on trend. A historical ground-based VLF electromagnetic geophysical survey over part of the Peska zone suggests the presence of continuous conductive structures. These structures may correspond to an anomaly that spans at least 500 metres, extending along trend off both edges of the survey. Out of 66 rock samples at Peska and Yarrow, 14 assayed higher than 1.0 g/t Au and 9 above 100 g/t Ag. Additional prospective areas at Tosh have yet to be thoroughly explored.

Snowline conducted a small program of stream sediment sampling at Tosh in late September 2021, aimed at vectoring in towards any additional zones of mineralization on or around the current property. Assay results from this sampling have yet to be received back from the laboratory.

### ***Cliff Gold Project, Yukon Territory***

The Cliff Gold Project covers a series of pronounced gold-in-soil anomalies in the Yukon’s Ruby Range, a prolific placer gold district with more than a century of placer gold production. Cliff was located through an extensive, iterative geochemical and geological exploration program throughout the Ruby Range vectoring to the most prospective areas. The Project is underlain by Kluane schist and exposures of the Ruby Range batholith. These units correspond in age, lithology and structure to host rocks of the rich Juneau Gold Belt to the southeast, which has produced over seven million ounces of orogenic gold.

Systematic soil and talus sampling over Cliff identified a large, consistent gold in soil anomaly averaging 179 ppb Au and over an area of 1,600 by 300 metres, adjacent to a significant fault zone. The highest grade soil sample from this anomaly was 3.1 g/t Au. A single grab sample of quartz-carbonate float assayed 7.3 g/t Au. High-resolution drone imagery suggests the presence of parallel northwest-trending structures that may control gold mineralization.

The Cliff property is situated within 13 kilometres of existing placer roads, 34 kilometres of a 30 MW hydroelectric station, and 40 kilometres of the town of Haines Junction, Yukon.

### ***Rainbow Gold Project, Yukon Territory***

The 125 Ha Rainbow project covers a gold and pathfinder element soil anomaly associated with surface alteration caused by a recently discovered intrusion, thought to belong to the mid-Cretaceous Tombstone Plutonic Suite. Other Tombstone-related gold deposits within the Tintina Gold Belt include Fort Knox (~11 million ounces Au), and Eagle (~4.8 million ounces Au).

Grid soil geochemistry completed over the property revealed a 1 km by 300 m zone of high gold values (to 1.27 g/t) accompanied by anomalous bismuth, tellurium and tungsten flanked by zones of anomalous arsenic, antimony and silver (see Figure 1). This geochemical anomaly corresponds to the eroded edge of a 3x2 kilometre magnetic anomaly. Prospecting returned shear-hosted sulphide-bearing outcrop samples grading 4.1 g/t Au and locally-derived angular quartz float samples running 7.98 g/t Au. The magnetic anomaly reveals the potential size of the alteration system, and stream geochemistry anomalies that are 2.5 kilometres from the soil anomaly suggests that mineralizing fluids may have travelled at a similar scale.

### ***Cynthia Gold Project, Yukon Territory***

The 710 hectare Cynthia Gold Project is located in the Selwyn Basin, eastern Yukon Territory. The Cynthia claims cover a 4 square kilometre area of gold mineralization between two adjacent exposures of a Cretaceous Tombstone suite intrusion. Mineralization is controlled by district-scale fault zones and is

especially intense in the central part of the project. Surface grab samples in these zones commonly assay from 200 ppb to 3 grams per tonne gold, with values up to 16 g/t Au in a central zone. Cynthia is along strike of the past producing Plata silver mine, and is within 8 km of an inactive heavy equipment winter access trail that connects to the North Canal Road.

Cynthia is interpreted to have both bulk-tonnage and high grade, structurally-controlled exploration potential. Historical first pass drilling in 2010 returned broad zones of elevated gold associated with extensive quartz veining and stockwork, including 1.2 g/t Au over 6.5 m within a broader interval of 0.43 g/t Au over 32 m (drilled widths given, true widths unknown). Approximately 1,100 m of historical drilling was completed on the property in 7 holes. The Cynthia property is located between two Cretaceous quartz monzonite stocks in a zone of variably folded and faulted, late Paleozoic Selwyn Basin passive margin sedimentary rocks.

The two stocks are thought to be apophyses of a larger intrusion at depth. Adjacent sedimentary rocks have undergone intense hornfelsing, with abundant pyrite and pyrrhotite. Two prominent structural zones intersect in the saddle zone between the intrusions. These structures host gold-bearing massive and drusy quartz veins. Within the intersection zone are zones of intense stockwork and strong brecciation, as well as numerous felsic dykes. Multi-staged gold mineralization in the quartz veins, stockwork and altered quartz porphyry dykes include sulphide minerals (mainly pyrite and arsenopyrite) and elevated As, Bi and Ag values. Abundant chalcedony accompanied by elevated Sb, Hg, Ag and Pb values has been variously interpreted by historical operators to represent a late-stage epithermal gold environment, or to represent an earlier sedex-style mineralizing event.

## **ADDITIONAL STAKING**

In April 2021, the Company staked 782 new claims for an additional 18,864 hectares. This brought Snowline's mineral tenure in the Yukon to 89,724 hectares across its 7 projects. The new claims were strategically staked to cover structures, trends, and gold anomalies that extended beyond the bounds of its original holdings. The enhanced land position cements Snowline's cornerstone position in an emerging gold district in the prospective Selwyn Basin.

### ***Rogue***

Recent staking has expanded the Rogue Project by 4.6 times to 11,227 hectares covering high priority gold targets that Snowline is intending to further explore in the upcoming season.

Snowline's mineral tenure at Rogue was significantly increased with the staking of 321 new claims in three blocks—Arrowhead, Old Cabin and JP—targeting reduced intrusion related gold systems associated with members of the Cretaceous-aged Tombstone Plutonic Suite.

Holdings around the project's primary Valley and Gracie targets on the Arrowhead block were increased by 117 claims (2,422 ha) to better cover the existing target zones and to secure prospective areas in their vicinity. Historical geochemical sampling by previous operators included two drainages downstream of the newly-staked ground with reported gold-in-silt concentrations of 160 and 100 parts per billion gold. Elsewhere, a soil sample returned 1.32 grams per tonne gold where an inferred fault striking north northeast from the Gracie zone crosses a contour soil sampling line, some 3.5 km northeast of the central Gracie target area.

An additional large block, Old Cabin, comprising 176 new claims (3,569 ha) was staked to connect and expand claim holdings over a suspected buried intrusive stock inferred from a small (roughly 200 m) granodiorite plug within a 2 x 4 km magnetic anomaly. Historical grab samples within this zone include quartz vein material assaying 8.7 g/t Au, and sulphide-rich skarn assaying 5.3 g/t Au. Elsewhere on the block, historical grab samples of quartz vein material have assayed up to 10.0 g/t Au. Streams draining the claim block consistently returned values in the hundreds of parts per billion gold., One particular stream draining from the magnetic anomaly returned gold-in-sediment values ranging from 233 to 1150 ppb Au. It

is thought that a buried intrusion at Old Cabin could have an intact carapace at its top, with increased potential to host a significant reduced-intrusion-related gold deposit.

The third block, JP, comprises 28 new claims (563 ha) above and around a 900 by 600 m exposure of an intrusive stock 7 km southwest of the Valley target. Historical sampling found subparallel gold-bearing quartz veins averaging 2 cm in width within and adjacent to the intrusion, commonly assaying between 1 and 4 g/t Au with samples up to 36.0 g/t Au.

### **Rainbow**

Recent staking has expanded the Rainbow Project 10 times, now totalling 1,255 hectares.

Rainbow covers a gold and pathfinder element soil anomaly associated with surface alteration caused by a recently discovered intrusion. Staking expands the property to include parts of the historical soil anomaly previously outside its boundaries, including a northwest zone with anomalous gold in soils to 0.93 g/t Au, silver in soils exceeding a 100 g/t Ag assay limit, and anomalous bismuth, tungsten and antimony. The new land position also covers a 3 km magnetic signature extending eastward from the soil anomaly.

### **Ursa**

Recent staking has expanded the Ursa Project 54 times, now totalling 7,755 hectares.

Ursa cover a 9 km trend of anomalous gold in stream sediment and soil samples, thought to be associated with sulphide minerals hosted in tightly folded Cambrian and Ordovician shales and cherts. Ursa also hosts a separate, 14 km-long trend of elevated to highly anomalous zinc along with elevated silver, copper, molybdenum, nickel and vanadium, thought to be associated with Devonian age enriched black shales.

As part of the Company's ongoing efforts in the Yukon, we have engaged several companies that are affiliated with the First Nations of Na-Cho Nyak Dun. During the year ended August 31, 2021, the company spent \$1.9M with these affiliated companies as part of the exploration work performed.

## **SELECTED ANNUAL INFORMATION**

Information for the years ended August 31, 2021, 2020, and 2019, as extracted from the Company's audited financial statements, is presented as follows:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Revenue	-	(23,991)	(30,589)
Exploration expenses	3,179,718	-	-
Operating expenses*	1,459,455	266,583	126,166
Other expenses	56,804	27,743	137,179
Net loss	4,695,977	323,612	319,533
Net loss per share	(0.07)	(0.01)	(0.01)
Total assets	10,035,156	112,315	349,191

\*Operating expenses noted above and below include general and administrative expenses, consulting, marketing, transfer agent and regulatory fees, professional fees, wages and salaries, and share based payment expenses.

The Company had a loss of \$4.7M for the year ended August 31, 2021 compared to a net loss of \$323K and \$319K in the comparative periods. The increase in the loss for the 2021 period compared to the prior periods is the net result of a number of differences in various line items, predominantly the following:

- Exploration expenses of \$3.2M (2020 - \$nil. 2019 - \$nil) due to the company switching its principal business activities to now focus on the acquisition and exploration of mineral properties.

- Operating expenses of \$1.5M (2020 - \$267K, 2019 - \$126K). The significant increase in G&A expenses was the result of the company shifting its focus to mineral exploration and increased spending in marketing, professional fees, share based payments, and wages.

The company had total assets of \$10M as at August 31, 2021, compared to \$112K and \$349K in 2020, and 2019, respectively. The increase was the direct result of the acquisition of Senoa Gold Corp. and the private placement equity financings that occurred during the current year.

## SUMMARY OF QUARTERLY RESULTS

### Quarterly Financial Information

For the three months ended (\$)	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Total revenue	-	-	-	-
Exploration expenses	(2,750,681)	(429,037)	-	-
Net loss	(3,519,431)	(959,949)	(179,050)	(37,547)
Basic and diluted loss per share	(0.06)	(0.01)	(0.01)	(0.00)
Total assets	10,035,156	11,461,009	12,387,332	61,104
Shareholders' equity (deficit)	8,191,822	10,564,113	11,323,574	(24,142)

  

For the three months ended (\$)	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019
Total revenue	660	2,646	8,058	12,627
Exploration expenses	-	-	-	-
Net loss	(76,600)	(83,274)	(71,124)	(92,614)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	112,315	115,853	180,170	275,779
Shareholders' equity	(3,585)	65,034	143,035	210,986

### ***Three months ended August 31, 2021 vs. May 31, 2021, February 28 2021, and November 30, 2020***

The Company suspended its cryptocurrency mining operation in Q3 2020 and therefore did not recognize revenue for the quarters ended after August 31, 2020. On December 1, 2020, the Company acquired Senoa Gold Corp. and shifted its principal business to the acquisition and exploration of mineral properties. For the quarter ended August 31, 2021, the company began incurring exploration expenses on its properties in the Yukon. Net loss was significantly higher than the previous quarters as the Company incurred significant exploration expenses as well as general and administrative expenses as it switched its principal business away from cryptocurrency mining.

Total assets and shareholders' equity for the last three quarters are higher than previous quarters as the Company completed multiple private placements as well as acquired Senoa Gold Corp.

### ***Three months ended August 31, 2021 vs. August 31, 2020 and all prior historic quarters***

The Company suspended its cryptocurrency mining operation in Q3 2020 and therefore did not recognize revenue for the three months ended August 31, 2021. On December 1, 2020, the Company acquired Senoa Gold Corp. and shifted its principal business to the acquisition and exploration of mineral properties. For the quarter ended August 31, 2021, the had incurred significant exploration expenses on its properties in the Yukon. Net loss was significantly higher than the comparative quarters as the Company incurred

significant exploration expenses as well as general and administrative expenses as it switched its principal business away from cryptocurrency mining.

Total assets and shareholders' equity for the current quarter are significantly higher than previous quarters as the Company completed multiple private placements as well as acquired Senoa Gold Corp.

## LIQUIDITY AND CAPITAL RESOURCES

	For the year ended August 31,	
	2021	2020
<b>Net cash used in operating activities</b>	<b>(3,664,951)</b>	(195,045)
<b>Net cash provided by financing activities</b>	<b>8,704,977</b>	-
<b>Net cash used in investing activities</b>	<b>(1,149,485)</b>	-
<b>Net change</b>	<b>3,890,541</b>	(195,045)
<b>Cash, end of period</b>	<b>\$ 3,917,754</b>	\$ 27,213

Cash used in operating activities for the year ended August 31, 2021 was \$3.7M, compared to \$195K for the year ended August 31, 2020. The significantly higher outflow in the current year was due to increased business activity as the Company switched its principal business away from cryptocurrency mining to the acquisition and exploration of mineral properties.

Cash provided by financing activities during the year ended August 31, 2021 was the result of cash received from equity financings through private placements and exercise of warrants. There were no financing activities in the comparative period.

Cash used in investing activities during the year ended August 31, 2021, was related to the Purchase Agreement, pursuant to which the Company acquired all of the issued and outstanding shares in the capital of Senoa then held by 18526. There were no investing activities in the comparative period.

## TRANSACTIONS WITH RELATED PARTIES

During the years ended August 31, 2021, and 2020, the Company incurred the following expenditures charged by directors and officers of the Company and/or companies controlled or significantly influenced by directors and officers:

	2021	2020
	\$	\$
Professional fees	-	40,280
Consulting fees	55,761	48,742
Share based payment expense	189,079	-
	244,840	89,022

At August 31, 2021, accounts payable and accrued liabilities included \$10,970 (2020 - \$28,959) owing to directors and officers of the Company or companies controlled or significantly influenced by directors and officers. The amounts owing include amounts related to expenditures charged to the Company. The

amounts are unsecured, non-interest bearing and are due on demand. The amounts have been recorded at their exchange amount, being the amount agreed to by the parties.

## OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

## FINANCIAL INSTRUMENTS

The Company is exposed, in varying degrees, to a variety of financial related risks. The fair value of the Company's financial instruments, including cash, accounts receivable and accounts payable and accrued liabilities, approximate their carrying values due to their short-term nature.

The following describes the risk exposure of the Company and the way in which such exposure is managed:

### *Credit Risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions as well as accounts receivable.

The Company's cash is held at a major Canadian financial institution.

The maximum exposure to credit risk is equal to the carrying value of the financial assets.

### *Interest Rate Risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no interest-bearing financial assets or liabilities.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

## SHAREHOLDERS EQUITY

The authorized capital stock consists of an unlimited number of common shares without par value:

	Stock Options	Share Purchase Warrants	Common Shares
As at August 31, 2021	5,400,000	11,729,915	92,453,610
Stock options exercised	(150,000)	-	150,000
Stock options forfeited	(300,000)	-	-
Warrants exercised	-	(25,000)	25,000
Property option acquisition	-	-	500,000
Private placement	-	4,770,678	9,541,358
As at date of report	4,950,000	16,475,593	102,669,968

- i) On September 1, 2021, the Company issued 500,000 common shares and \$50,000 as part of a property option acquisition.
- ii) On October 25, 2021, 50,000 stock options were exercised with an exercise price of \$0.30.
- iii) On November 1, 2021, 300,000 stock options were cancelled with an exercise price of \$0.30.
- iv) On November 2, 2021, 50,000 stock options were exercised with an exercise price of \$0.30.
- v) On November 3, 2021, 50,000 stock options were exercised with an exercise price of \$0.30.

- vi) On November 10, 2021, 25,000 share purchase warrants were exercised with an exercise price of \$0.50.
- vii) On December 20, 2021, the Company closed a non-brokered private placement, and issued:
  - a. 8,783,783 premium flow-through common shares (the "Premium FT Shares") at a price of \$0.74 per premium FT Share for gross proceeds of \$6,500,000;
  - b. 757,575 flow through common shares ("FT Shares") at a price of \$0.66 per FT share for gross proceeds of \$500,000

Each FT share and Premium FT share will be accompanied by one-half of one common share purchase warrant, with each warrant being exercisable for one common share of the Company at an exercise price of \$0.75 for a period of two years.

## **RISK AND UNCERTAINTIES**

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

A number of the risks and uncertainties are discussed below:

### ***History of losses***

The Company has historically incurred losses as evidenced by its consolidated financial statements for the year ended August 31, 2021 and 2020. The Company has financed its operations principally through the sale of its equity securities. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever. If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

### ***Joint ventures and other partnerships***

The Company may seek joint venture partners to provide funding for further work on any or all of its other properties. Joint ventures may involve significant risks and the Company may lose any investment it makes in a joint venture. Any investments, strategic alliances or related efforts are accompanied by risks such as:

1. the difficulty of identifying appropriate joint venture partners or opportunities;
2. the time the Company's senior management must spend negotiating agreements, and monitoring joint venture activities;
3. the possibility that the Company may not be able to reach agreement on definitive agreements, with potential joint venture partners;
4. potential regulatory issues applicable to the mineral exploration business;
5. the investment of the Company's capital or properties and the loss of control over the return of the Company's capital or assets;
6. the inability of management to capitalize on the growth opportunities presented by joint ventures; and
7. the insolvency of any joint venture partner.

There are no assurances that the Company would be successful in overcoming these risks or any other problems encountered with joint ventures, strategic alliances or related efforts.

### ***Unexpected delays***

The Company's minerals business will be subject to the risk of unanticipated delays including permitting its contemplated projects. Such delays may be caused by fluctuations in commodity prices, mining risks, difficulty in arranging needed financing, unanticipated permitting requirements or legal obstruction in the permitting process by project opponents. In addition to adding to project capital costs (and possibly operating costs), such delays, if protracted, could result in a write-off of all or a portion of the carrying value of the delayed project.

### ***Potential conflicts of interest***

Several of the Company's directors are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which could place the Company in a worse position than if no conflict existed. The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest which they may have in any project or opportunity of the Company. However, each director has a similar obligation to other companies for which such director serves as an officer or director. The Company has no specific internal policy governing conflicts of interest.

### ***Competition***

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

### ***Dividends***

The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment will be solely determined by his or her ability to sell common shares in the secondary market.

### ***Title Risk***

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

### ***Price Risk***

The Company is exposed to price risk with respect to commodity and 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly iron. The prices of this metal greatly affect the value of the Company and the potential value of its property and investments.

### ***Financial Markets***

The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor

support of its projects. The coronavirus outbreak has caused economic disruption worldwide and the resulting impact may affect the Company's ability to raise equity financing.

### ***Credit Risk***

Credit risk is the risk of an unexpected loss of a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

### ***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is invested in bank accounts.

### ***Interest Risk***

The Company's bank accounts do not bear interest income. The fair value of cash approximates its carrying value due to the immediate or short-term maturity of this financial instrument.

### ***Currency Risk***

Business is transacted by the Company in multiple currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

### ***Community Risk***

The Company has negotiated with the local communities on its mineral property concessions for access to facilitate the completion of geological studies and exploration work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by such certain groups or individuals within the community.

### ***Environmental Risk***

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

### ***COVID 19***

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Corporation. The extent to which the COVID-19 pandemic impacts the Corporation's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Corporation's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Corporation. Even after the COVID-19 pandemic has subsided, the Corporation may experience adverse impacts to its business as a result of any economic recession or

depression that has occurred or may occur in the future. Therefore, the Corporation cannot reasonably estimate the impact at this time our business, liquidity, capital resources and financial results.

## **MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109") the Chief Executive Officer and Chief Financial Officer have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the years ended August 31, 2021 and 2020 and this accompanying MD&A (together the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "will", "may", "should", "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance.

Forward-looking statements are not historical facts, and include but are not limited to:

- a) Estimates and their underlying assumptions;
- b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations, and market opportunities;
- c) General industry and macroeconomic growth rates;
- d) Uncertainty on success of corporate development initiatives; and
- e) Statements regarding future performance.

Although forward-looking statements and information contained in this MD&A are based on the beliefs of management, which we consider to be reasonable, as well as assumptions made by information currently available by management, there is no assurance that the forward-looking statements or information will prove to be accurate.

Forward-looking statements used in this MD&A are subject to various known and unknown risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, failure to obtain licenses that are expected to be issued (or issued in a timely manner), impact resulting from lack of community support, impact resulted from lack of governmental and regulatory support, and other factors. This list is not exhaustive and these and other factors should be considered carefully.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

## **QUALIFIED PERSON**

Geological and mining technical information presented in this MD&A above has been approved by the CEO, Mr. Scott Berdahl, a qualified person who by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements of a Qualified Person as defined in NI 43-101.