GEOLOGICA RESOURCE CORP.

(FORMERLY CABBAY HOLDINGS CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Year Ended December 31, 2020

Overview

This MD&A has been prepared as of April 30, 2021 and the following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020 and the years ended December 31, 2019 and December 31, 2018 together with the notes thereto. The Company's financial statements for the year have been prepared in accordance with International Financial Reporting Standards (IFRS).

This discussion contains forward-looking statements that involve certain risks and uncertainties. Statements regarding future events, expectations and beliefs of management and other statements that do not express historical facts are forward-looking statements. In this discussion, the words "believe", "may", "will", "estimate", "continue", "anticipate", "intend", "expect", "plan", "predict", "potential" and similar expressions, as they relate to the Company, its business and management, are intended to identify forward looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the financial condition of the business. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements.

Except as may be required by applicable law or regulation, the Company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If the Company updates one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements. Additional information relating to the Company, is available by accessing the SEDAR website at www.sedar.com.

Business Overview and Strategy

Geologica Resource Corp. (formerly Cabbay Holdings Corp). (the "**Company"** or **"Geologica**") was incorporated as a wholly owned subsidiary of Tower One Wireless Corp. ("**Tower One**") in order to facilitate a plan of arrangement with Tower One, a public company whose common shares trade on the CSE. As part of the Plan of Arrangement which closed on October 3, 2016, Tower One transferred its interest in an asset purchase agreement with ForwoRx Therapeutics Inc. (the **"ForwoRx Agreement"**) and $1,000 to the Company. As a result of the Plan of Arrangement, the Company became a reporting Company in British Columbia. In connection with the Plan of Arrangement, $435,360 of indebtedness was assigned to and assumed by the Company. The Company recorded a financing fee of $435,359 as a result of the transaction. Also, in connection with the Arrangement during the fiscal year ended December 31, 2017

$5,929 of indebtedness was assigned to and assumed by the Company and fiscal year ended December 31, 2018 $4,179 of indebtedness was assigned to and assumed by the Company.

On closing of the Plan of Arrangement, the Company was a holding company with its major holding being the ForwoRx Agreement regarding the sale and purchase of therapies to treat fibrosis, erectile dysfunction and pulmonary arterial hypertension. The ForwoRx Agreement covered the lead compound for Fibrosis, PTL-202, a combination of already approved drugs which have well established safety profiles. PTL-202 has completed a phase 1 drug/ drug interaction clinical trial. In addition, the agreement covers the purchase of a sublingual formulation of sildenafil citrate for use as a treatment for erectile dysfunction and pulmonary arterial hypertension. Neither of these programs is currently being funded. This agreement was terminated on September 18, 2020.

The ForwoRx Agreement was originally entered into between Tower One (formerly Pacific Therapeutics Ltd., "**PT**") and ForwoRx (formerly Forge Therapeutics Inc.) on July 23, 2015 pursuant to which Tower One agreed to sell certain of its technology assets (the "**Assets**") to ForwoRx. In consideration, ForwoRx agreed to issue to Tower One 15,000,000 of ForwoRx shares (the "**ForwoRx Shares**"). Pursuant to the terms of the ForwoRx Agreement, subject to certain conditions, between the closing of the asset sale, which occurred on September 18, 2015, and the issuance of the ForwoRx Shares, ForwoRx is to pay to Tower One an annual maintenance fee of $50,000 until the ForwoRx Shares have been issued. Currently ForwoRx is in arrears $200,000 of these maintenance fees. If the ForwoRx Shares are not issued before September 18, 2018, Tower One may at any time prior to September 18, 2020 [the fifth anniversary of the Closing Date], provide notice to ForwoRx of its election to trigger the issuance of the ForwoRx Shares (in whole and not in part), in which case ForwoRx will issue the ForwoRx Shares to the Vendor within 10 business days of receipt of such notice. If ForwoRx has not issued the ForwoRx Shares to Tower One on or before September 18, 2020 [the fifth anniversary of the Closing Date], and Tower One has not earlier provided notice of its election to receive the ForwoRx Shares, ForwoRx is required to promptly transfer and assign the Assets back to Tower One, free and clear of all encumbrances other than permitted encumbrances. As at the date of this MD&A, the Company has not received any ForwoRx Shares or Maintenance Payments

Since the finalization of the plan of arrangement that spun out the Company from PT, the Company has been engaged in improving its balance sheet and seeking additional business opportunities. Initially the Company focused on business opportunities primarily related to the cultivation, marketing and/or distribution of medicinal cannabis and cannabis products for recreational purposes. Given the state of financial markets with respect to cannabis in 2020, the Company expanded its search for a viable business to additional industries. On October 19, 2020 the Company entered into an option agreement to acquire mining claims in British Columbia known as the Topley Property.

On March 26, 2018, the Company incorporated a British Columbia corporation Alta-Sun Samson Holdings Corp. ("Alta-Sun"). Alta-Sun pursued the licensing, construction and operation of a cannabis growing facility. Due to financial markets lack of interest in financing cannabis cultivation operations, and the lessor not meeting its obligations under the lease, Alta-Sun has terminated lease of 5 acres of Enoch First Nation's land for the cultivation of cannabis. Alta-Sun prepared an application for a standard cultivation license under the Cannabis Act for the terminated location. This application may be transferred to a new location with little updating. During the year ended December 31, 2020, the ForwoRx Agreement was transferred to Alta-Sun at its carrying value of $1.00. As per the ForwoRx Agreement Alta-sun gained control of the Assets on September 18, 2020. On October 16, 2020, Alta-Sun issued 100,000 common shares at a price of $0.001 per share to an arm's-length party. As a result, the Company lost control of its wholly owned subsidiary Alta-Sun. The Company no longer has a direct interest in the Assets.

Topley Property

Geologica Resource Corp. has transformed itself into a mineral explorer, building shareholder value through the acquisition of projects with significant technical merit. On October 19, 2020 the Company signed an option agreement for 100% of the mineral claims known as the Topley Project. The property includes 6 claims totaling 2,669ha. and is located near the Granisle and Bell mine sites north west of Prince George. The Company is a reporting issuer in British Columbia. The agreement was amended on October 28, 2020 to add an additional claim to the optioned property. In order to earn an interest in the property, the Company must make the following:

Cash payments:

- $5,000 on signing the agreement (paid)
- $50,000 by December 31, 2023

Share issuances:

- 250,000 on listing of the Company's shares
- 250,000 by December 31, 2021
- 250,000 by December 31, 2022
- 250,000 by December 31, 2023

Exploration expenditures:

- $15,000 by November 7, 2020 (incurred)
- $25,000 by December 31, 2020 ($11,426 incurred)
- 110,000 by December 31, 2021

The option is subject to a 2% Net Smelter Return royalty, of which 1% can be repurchased by the Company for $1,000,000.

Overall Performance

The Company has in the past focused on Cannabis production in Alberta, Canada in partnership with First Nations leaders and communities and the development of cannabis infused products. These partnerships were to develop cannabis facilities with the goal of being a low-cost producer in the cannabis industry. The Company, through its subsidiaries and partnerships with indigenous peoples, was to apply for a cannabis production licenses on First Nations lands in Alberta beginning with the Enoch Cree First Nation. The Company will not follow thru with plans to build a 5 acre outdoor cannabis cultivation facility on land it had leased on the Enoch First Nation lands as the lease has been terminated due to the Lessor not meeting its obligations under the lease.

Corporate Highlights

During the year ended, December 31, 2020 the Company's business was severely curtailed due to the Corona virus pandemic, however the Company accomplished the following. The Company's activities were limited to searching out additional business opportunities.

- On February 25, 2020 Mr. Harold Forzley resigned from the Company's board of Directors.
- On April 12, 2020, the Company's Board of Directors passed a resolution to modify the

terms of its 1,614,358 outstanding warrants expiring April 12, 2020, subject to securities regulations. The warrants expiration date will be extended by 3 years to April 12, 2023 and the exercise price will be decreased from $0.35 to $0.10.

- On August 7, 2020, the board passed a resolution to consolidate the Company's common shares on the basis of one new share for every 2.5 existing shares up to one new share for every four existing shares.
- On August 30, 2020 the Company transferred the ForwoRx agreement to its wholly owned subsidiary Alta-Sun Samson Holdings Corp. ("**Alta-Sun**").
- On September 18, 2020 the ForwoRx Agreement terminated and the Assets were transferred to Alta-Sun.
- On October 16, 2020, Alta-Sun issued 100,000 common shares at a price of $0.001 per share to an arm's-length party. As a result of the transaction, the Company lost control of its wholly owned subsidiary. As of October 16, 2020 Alta-Sun held the intellectual property for the development of therapies for fibrosis and erectile dysfunction and the ACMPR license assets.
- On October 19, 2020, the Company entered into an option agreement to earn a 100% interest in the Topley mineral claims. Under the terms of the agreement, the Company must make aggregate cash payments of $55,000 over four years, issue 1,000,000 common shares by December 31, 2023, and incur exploration expenditures of $150,000 by December 31, 2021. A $5,000 payment was made on signing the agreement. The option is subject to a 2% net smelter return royalty, of which 1% can be repurchased by the Company for $1,000,000.
- The agreement was amended on October 28, 2020 to add an additional mineral claim to the optioned property.
- On November 13, 2020, Derick Sinclair, Robert Charlton and Douglas Unwin all directors of the Company forfeited share purchase options totaling 308,000 which had been issued under the Company's Stock Option Plans.
- On November 17, 2020 the Company signed an engagement letter with Mackie Research Capital Corp. regarding the Company's initial public Offering.
- The Company agreed to convert a debt of $10,000 into 16,000 shares at $0.625 per share. The shares had not been issued as of December 31, 2020. Subsequent to December 31, 2020, the agreement was amended so the debt would be converted into 100,000 shares at $0.10 per share.
- On December 17, 2020, the company issued convertible notes in the amount of $35,000 pursuant to a private placement. Of that amount, $10,000 was issued to directors and family members of directors. The notes mature on December 17, 2023, bear interest at 12% annually, and convert into common shares at a conversion price of $0.025 per share automatically on completion of a 1 for 2.5 consolidation of the Company's shares.

Selected Financial Information

The financial information reported here has been prepared in accordance with IFRS. The Company uses the Canadian dollar (CDN) as its reporting currency. Selected audited financial data for the annual operations of the Company for the year ended December 31, 2020, for the year ended December 31, 2019 and for the year ended December 31, 2018:

Selected Statement of Operations Data

Year ended	**Year Ended December, 31 2020**	**Year Ended December, 31 2019**	**Year Ended December, 31 2018**
Total revenues	$Nil	$Nil	$Nil
Expenses	(134,238)	(474,366)	(433,353)
Net Income / (Loss)	(360,945)	(558,629)	(484,063)
Net Loss From Discontinued Operations	(225,386)	(84,263)	(27,000)
Basic and Diluted loss per share (Audited)	(0.07)	(0.11)	(0.125)
Weighted average shares (1)	5,111,752	4,876,035	4,074,984

(1) Post 1 new for each 2.5 old share consolidation

Selected Balance Sheet Data

Year ended	**December 31, 2020**	**December 31, 2019**	**December 31, 2018**
Cash & Equivalents	24,001	53	40,250
Current Assets	40,857	96,657	94,183
Total Assets	72,283	334,557	364,074
Current liabilities	169,259	123,190	167,932
Non-Current liabilities	154,750	112,148	$Nil
Total liabilities	324,009	235,338	167,932
Working Capital	(128,402)	(25,533)	(73,749)

Revenues

The Company had no revenues for the year ended December 31, 2020, or for the years ended December 31, 2019 and December 31, 2018. The Company does not expect any revenues during the next fiscal year.

Under the ForwoRx Agreement, ForwoRx was to pay to the Company $50,000 per year in maintenance fees. This fee for 2020, 2019, 2018, 2017 and 2016 has not been paid and the company will not recognize it as revenue until such time that management is confident of its payment. As at September 30, 2020, $200,000 is due from ForwoRx (September 30, 2019 - $200,000). This fee will no longer be accrued by the Company as the ForwoRx agreement was transferred to Alta-Sun.

Research & Development Expense

The company does not conduct any research or development. Any research or development on the therapeutics technology was to be conducted by ForwoRx.

General and Administrative Expenses

General and administrative costs consist primarily of accounting costs and other professional and administrative costs associated with general corporate activities.

The General and administrative costs for the year ended December 31, 2020 were $134,238, December 31, 2019 were $474,366 and for the year ended December 31, 2018 were $433,353.

The decrease in expenses for the year ended December 31, 2020 from the year ended December 31, 2019 was due to a reduction in the Companies activities as it abandoned its pursuit of a Cannabis business and transitioned into mineral exploration.

On March 15, 2019 the Company entered into agreements to access lines of credit of up to $1.2 million with a maturity date of March 31, 2022. Any amount borrowed on the lines of credit is subject to interest at 12% annually. Interest is payable quarterly beginning 365 days from the date the Company receives a standard cultivation license from Health Canada to grow Cannabis. Interest may be paid in cash or shares at the lender's discretion. Any amount in default will be subject to interest at 18% annually. Advances are available to the Company until March 31, 2022. An administrative fee of 500,000 common shares valued at $125,000 was paid to the lenders. Of this amount $31,250 was paid to a director of the Company. The shares were issued on April 26, 2019.

As at December 31, 2020 the Company has borrowed $Nil on the lines of credit (2019 - $Nil). These lines of credit were cancelled by the Company on December 15, 2020.

Intellectual Property and Intangible Assets

The company has had no costs associated with the maintenance of patents or intellectual property under the ForwoRx Agreement. ForwoRx has not made the necessary maintenance payments to the United States Patent and Trademark Office, therefore the United States patent covering the technology in PTL-202 has lapsed. On August 30, 2020 the Company transferred the ForwoRx agreement to its subsidiary Alta-Sun.

Interest Expense/(Income) and Bank Charges

The interest expense and bank charges for the year ended December 31, 2020 was $15,631 for the year ended December 31, 2019 was $12,331 and for the year ended December 31, 2018 was $11,701. This increase was due to interest accrued on the loan from an arms length party of $56,000.

Profits

At this time, the Company is not anticipating profit from operations. The Company will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity/or debt financing and maintenance fees from the ForwoRx Agreement to fund on-going operations. For information concerning the business of the Company, please see "*Business Overview and Strategy*".

Stock Based Compensation

For the year ended December 31, 2020 stock-based compensation was $Nil, December 31, 2019 stock-based compensation was $26,134 and for the year ended December 31, 2018 stock-based compensation was $60,152. The decrease in stock- based compensation from the year ended 2020 compared to the year ended 2019 was because no options were issued in the year ended December 31, 2020. The option values were assigned using the Black-Scholes pricing model.

Selected Quarterly Information

	Three Months Ended December 31, 2020	Three Months Ended September 30, 2020	Three Months Ended June 30, 2020	Three Months Ended March 31, 2020	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019
	$	$		$	$	$	$	$
Total Revenues	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Net Income (Loss) (1)	**(241,555)**	**(13,575)**	**(26,839)**	**(48,018)**	**(152,085)**	**(119,390)**	**(103,922)**	**(183,233)**
Income (Loss) per Share basic and diluted	**(0.05)**	**(0.00)**	**(0.00)**	**(0.01)**	**(0.03)**	**(0.02)**	**(0.02)**	**(0.04)**
Cash	**24,001**	**1,109**	**3,441**	**20**	**53**	**9,414**	**14,056**	**6,999**
Total Assets	**72,283**	**255,071**	**258,681**	**277,766**	**334,557**	**482,629**	**521,099**	**367,833**
Non-Current Liabilities	**154,750**	**117,726**	**115,869**	**114,009**	**112,148**	**109,476**	**Nil**	**Nil**

(1) Post 1 new for each 2.5 old share consolidation

Liquidity and Capital Resources

As at December 31, 2020, the Company had cash and cash equivalents of $24,001 (December 31, 2019 - $53, December 31, 2018 – $40,250). At December 31, 2020, the Company had a working capital deficit of $128,402 (December 31, 2019 – $25,553, December 31, 2018 – 73,749) Working capital is defined as current assets less current liabilities. For the year ended December 31, 2020 compared to the year ended 2019 the increase in the working capital deficit was due to expenditures being larger that any financing causing an increase in current liabilities and a decrease in current assets as well as the write off of licensing costs of $237,899 which had been carried on the Company's accounts a current asset. For the year ended 2019 compared to the year ended 2018 the decrease in the working capital deficiency was due to a decrease in current liabilities as $112,148 of short-term debt was converted to long term debt.

Cash utilized in operating activities during the period ended December 31, 2020 was $44,587 (December 31, 2019 – $217,859, December 31, 2108, $401,941. The decrease in cash used in operations in 2020 was due to a decrease in the net loss for the year, offset by a loss on disposal of subsidiary of $208,297 and an increase in prepaid expenses and a decrease in accounts payable. The decrease in cash utilization in 2019 was mainly due to an increase in accounts payable. The increase in cash utilization in 2018 was mainly due to an increase in administrative expenses.

At December 31, 2020 share capital was $1,296,597 comprising of 5,111,752 issued and outstanding Common Shares (December 31, 2019 - $1,608,675 comprising of 5,111,752 common shares, December 31, 2018 – $1,184,675 – 4,433,336 common shares).

Warrant and Option Reserves at December 31, 2020 was $ 492,329 (December 31, 2019 - $180,250, December 31, 2108 - $154,116). The increase in Warrant and Option Reserves at December 31, 2020 compared to December 31, 2019 was due to the modification of warrants at a value of $312,278. The increase in option reserves in 2019 was due to an increase in options to consultants and directors of 120,000 options to purchase common shares The increase in option reserves in 2018 was due to an increase in options to consultants and directors of 320,000 options to purchase common shares.

As a result of the expenses for the year ended December 31, 2020 of $134,238 and the net loss from discontinued operations of $225,386 the shareholders deficit at December 31, 2020 increased to $2,063,223 from $1,702,278 at December 31, 2019. As a result of the expenses for the year ended December 31, 2019 of $474,739 and the loss on the termination of the land lease of $9,500 and loss on write off of licensing cost of $74,390 the shareholders deficit at December 31, 2019 increased to $1,702,278 from $1,143,649 for the period ended December 31, 2018.

In order to finance the Company's future development, administrative and overhead expenses in the coming years the Company may raise money through equity sales. Many factors influence the Company's ability to raise funds, including the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress in the development of the Company's mineral exploration operations. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. Should those risks fully materialize, it may not be able to raise adequate funds to continue its operations.

Off Balance Sheet Arrangements

There are currently no off-balance sheet arrangements which could have an effect on current or future results or operations or the financial condition of the Company.

'Transactions with Related Parties

Transactions with related parties and key management compensation are as follows:

	December 31, 2020	December 31, 2019
Accounting fees to a Company controlled by a director	$ 13,500	$ 21,125
Consulting fees to a Company controlled by a director	-	10,000
Consulting fees to a director	12,000	2,000
Consulting fees to a Company controlled by a former director	-	40,000
Management fees to the CEO and director	12,000	72,000
Wages to the CEO and director	-	22,500
Finance fee to a director (Note 16)	-	31,250
Research and development fees to a former director (Note 9)	-	10,000
Share-based compensation	-	14,914
	$ 37,500	$ 223,789

Fourth Quarter

The table below sets out the unaudited quarterly results for the fourth quarter ending December 31, 2020, December 31, 2019, and December 31, 2018.

Unaudited	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018
	$	$	$
Total Revenues	Nil	Nil	Nil
Expenses	45,431	68,195	126,424
Net Income (Loss)	(241,555)	(152,085)	(138,160)
Income (Loss) per Share basic and diluted (1)	(0.05)	(0.03)	(0.03)
Cash	24,001	53	40,250
Total Assets	72,283	334,557	364,074
Current Liabilities	169,259	123,190	167,932

(1) Based on 1:2.5 consolidation

The net loss in the fourth quarter of $241,555 for 2020 increased compared to $152,085 in 2019 due to Net loss from discontinued operations of $225,386. The net loss for the fourth quarter of 2019 of $152,085 increased compared to the net loss in the fourth quarter of $138,160 in 2018. The increase was mainly due to a write-down of capitalized license costs on termination of the Enoch Cree Nation Lands lease. The Company does not anticipate earning any revenue in the foreseeable future. Net loss, quarter over quarter is influenced by a number of factors including the scope and stage of project development. Consequently, expenses may vary from quarter to quarter. General and administrative expenses are dependent on the infrastructure required to support the business development activities of the Company. An increase in general and administrative costs is anticipated over the short term, as the Company's business development costs are expected to increase. During the fourth quarter of 2020 the Company issued Nil common shares for total proceeds of $Nil (Q4, 2019 - $Nil, Q4 2018 - $Nil).

During the fourth quarter there were no dispositions of business segments, in addition the Company's business is not influenced by seasonal fluctuations as the business is developing.

Other MD&A Requirements

Additional Information relating to the Company may be found in the Company's audited financial statements for the fiscal year ended December 31, 2020, fiscal year ended December 31, 2019, the fiscal year ended December 31, 2018.

Additional Disclosure for Venture Company's Without Significant Revenue

The following table sets forth material cost for the Company, which has been derived from the Company's financial statements for the year ended December 31, 2020 for the year ended December 31, 2019, for the year ended December 31, 2018. This summary should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2020, December 31, 2019 and December 31, 2018:

Material Costs	Year Ended December 31 2020	Year Ended December 31 2019	Year Ended December 31 2018
Consulting fees	$69,619	$147,238	$151,174
Legal fees	2,699	100	16,953
Management fees	12,000	72,000	94,850
Share-based compensation	$Nil	26,134	60,152
Total Expenses	134,238	474,739	433,353
Financing fee	Nil	125,000	Nil
Net loss and comprehensive loss for the year	$(360,945)	$(558,629)	$(484,063)

Subsequent Events

There are no subsequent events to the date of this Management Discussion and Analysis, other than:

Since the date of this report, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks 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 the government and central bank 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.

- On February 4, 2020, the Company closed a private placement of convertible notes for gross proceeds of $160,000. The notes mature three years from the date of issuance, bear interest at 12% annually, and are convertible into common shares at a conversion price of $0.05 per share. The notes convert into common shares automatically on completion of a 1 for 2.5 consolidation of the Company's shares. The Company paid a cash finder's fee of $10,000 and issued 200,000 broker warrants on the transaction. The broker warrants have an exercise price of $0.05 per share and expire on February 3, 2023.
- On February 24, 2021, the convertible notes and accrued interest totaling $36,050 converted into 1,442,000 common shares on completion of the 1 for 2.5 share consolidation. Off these shares 206,000 were issued to Robert Charlton the Company's CFO.
- On February 24, 2021, the share consolidation was completed and the notes including accrued interest converted into 3,232,000 common shares. Subscriptions in the amount of $30,000 were collected prior to December 31, 2020.

- On March 22, 2021 Derick Sinclair, Robert Charlton and Douglas Unwin all directors of the Company forfeited share purchase options totaling 24,000 on a post consolidation basis which had been issued under the Company's Stock Option Plans
- On March 30, 2021, the Company closed a private placement and issued 661,300 units for gross proceeds of $66,130. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one common share at a price of $0.125 per share until March 29, 2026. Robert Charlton the Company's CFO subscribed for 220,000 units, Douglas Unwin the Company's CEO subscribed for 440,000 units
- On March 30, 2021, The Company settled accounts payable in the amount of $20,500 by issuance of 205,000 common shares. $8,000 of the amount is due to a former director and included in due to related parties, and $10,000 of the amount is included in subscriptions received at December 31, 2020.

Purchase and Sale Agreement

On April 14, 2021 the Company entered into a sale and purchase agreement for the purchase of the TAC Claim. The TAC Claim consists of two cells totaling approximately 37.34 Ha. located in central British Columbia, in the Omineca Mining Division. As per the Purchase and Sale Agreement: The Company has made an initial payment of $2,500; upon the Company's shares being listed on the Exchange the Vendor will transfer title of the TAC Claims to the Company.

Upon transfer of the TAC Claims to the Company the Company commits to the following, share issuances:

Due Date	$ Amounts paid in Shares (1)
December 31, 2021	$ 5,000
December 1, 2022	10,000
December 31, 2023	15,000
December 31, 2024	20,000
Total:	**$ 50,000**

(1) The value of the Company's Shares to be issued as deferred consideration shall be calculated based on the average closing price on the Exchange over the 10 trading days prior to the delivery of Notice to the Seller of issuance of the Company's Shares.

Proposed Transactions

As at the date of this Management Discussion and Analysis there are no transactions currently contemplated by the Company other than its ongoing efforts to complete and initial public offering.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and amounts due to shareholders. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

Disclosure of Outstanding Share Data Post 1 to 2.5 Consolidation

As at December 31, 2019, the Company had an unlimited number of authorized common shares with 5,111,752 common shares issued and outstanding (December 31, 2019 – 5,111,752, December 31, 2018 – 4,433,336).

As at December 31, 2020 the Company had 42,000 options outstanding (December 31, 2019 – 332,000, December 31, 2018 – 402,000).

As at December 31, 2020 the Company had 645,743 warrants outstanding. As at December 31, 2019 the Company had 790,676 warrants outstanding. As at December 31, 2018 the Company had 790,676 warrants outstanding.

The following table shows the details for the outstanding warrants and options as of December 31, 2020:

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Warrants 1 whole warrant exercisable at $0.25 up until April 12, 2023	645,743	645,743
Options expiring January 18, 2022 with an exercise price of $0.25	10,000	10,000
Options expiring August 23, 2024 with an exercise price of $0.625	8,000	8,000
Options expiring September 16, 2024 with an exercise price of $0.625	24,000	24,000