GEOLOGICA RESOURCE CORP.

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

For the Six Months and Three Months Ended June 30, 2021

Overview

This MD&A has been prepared as of August 16, 2021 and the following information should be read in conjunction with the Geologica Resource Corp. **("Geologica"** or the **"Company")** un-audited financial statements for the six months and three months ended June 30, 2021 and the audited consolidated financial statement and accompanying notes for the year ended December 31, 2020, together with the notes thereto. The Company's financial statements for the six (6) month period ended June 30, 2021 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. Geologica Resource Corp. 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. 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 13, 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 issuer in British Columbia.

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 Tower One, 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 Claims, *see Topley Claims below*.

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 the lease of 5 acres of Enoch First Nation's land for the cultivation of cannabis. Prior to terminating the lease, 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. The Topley Property consists of the Topley Claims and the TAC Claim.

Topley Claims

On October 19, 2020 the Company signed an option agreement for 100% of the mineral claims known as the Topley Claims. The property includes 6 claims totaling 2,669ha. and is located near the Granisle and Bell mine sites north west of Prince George. The option agreement was amended on October 28, 2020 to add an additional claim to the optioned claims. In order to earn a 100% 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 (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.

TAC Claim Purchase and Sale Agreement

On April 14, 2021, the Company entered into an agreement to purchase a 100% interest in a mineral property in British Columbia known as the TAC Claims. The property is strategically located within the Topley Claims and adds 37.4 hectares to the Company's land position. In order to earn an interest in the property, the Company must make the following:

Cash payment:

- $2,500 on signing the agreement (paid)

Share issuances:

- Shares valued at $5,000 by December 31, 2021
- Shares valued at $10,000 by December 31, 2022
- Shares valued at $15,000 by December 31, 2023
- Shares valued at $20,000 by December 31, 2024.

The number of shares to be issued is calculated based on the 10-day average closing price of the Company's shares immediately preceding delivery of notice of the share issuance to the vendor.

		Topley Property
Balance December 31, 2019	$	-
Acquisition costs - cash		5,000
Exploration costs		
Sampling		26,426
Balance December 31, 2020		**31,426**
Acquisition costs - cash		2,500
Exploration costs		
Assay		16,574
Sampling		1,237
Balance June 30, 2021	**$**	**51,737**

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 through 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.

Geologica has focused its recent efforts during the quarter ended June 30, 2021 on reviewing additional exploration opportunities and further regulatory filings.

Corporate Highlights

During the six-month period ended, June 30, 2021 the Company's activities were focused on exploration of the Topley Claims, financing and restructuring the Company and preparing regulatory documents.

- 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 11, 2021 at the Company's annual general meeting a 1 new for 2.5 old shares consolidation was approved and a change of the Company's name was approved.
- On February 24 the Company's new name "Geologica Resource Corp." became effective.
- 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. Of these shares, 206,000 were issued to Robert Charlton, the Company's CFO.
- On February 24, 2021, the convertible notes and accrued interest totaling $161,600 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 24,000 share purchase options 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 and 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 Mark van der Horst and included in due to related parties, and $10,000 of the amount is included in subscriptions received at December 31, 2020.
- On April 14, 2021 the Company entered into a purchase and sale agreement (the "**Purchase and Sale Agreement**") with Mr. Glen Prior for to purchase what is colloquially known as the "**TAC Claim**", see above *Tac Claim Purchase and Sale Agreement.*

Selected Financial Information

The financial information reported here has been prepared in accordance with IFRS. The Issuer uses the Canadian dollar (CDN) as its reporting currency. Selected un-audited financial data for interim operations of the Issuer for the three months and six months ended June 30, 2021 and for the three months and six months ended June 30, 2020:

Selected Statement of Operations Data

Period ended	**Three Months Ended June 30, 2021**	**Three Months Ended June 30, 2020**	**Six Months Ended June 30, 2021**	**Six Months Ended June 30, 2020**
Total revenues	$Nil	$Nil	$Nil	$Nil
Net Income / (Loss)	$(48,762)	$(26,839)	$(79,426)	$(94,267)
Basic Income/(loss) per share	$(0.01)	$(0.01)	$(0.01)	$(0.00)
Diluted loss per share (Unaudited)	$(0.01)	$(0.00)	$(0.01)	$(0.00)
Weighted average shares	8,826,312	5,111,752	10,652,052	5,111,752

Selected Balance Sheet Data

As At	**June 30, 2021**	**December 31, 2020**
Cash & Equivalents	$6,845	$24,001
Current Assets	$61,422	$40,857
Total Assets	$113,159	$72,283
Current liabilities	$124,033	$169,259
Non-Current liabilities	$56,000	$154,750
Total liabilities	$180,033	$324,009
Working Capital / (deficit)	$(62,611)	$(128,402)

Comparison of the Three Months and Six Months periods ending June 30, 2021 and June 30, 2020

Revenues

The Company had no revenues for the six months ended June 30, 2021, or for the six months ended June 30, 2020. The Company does not expect any revenues during the current fiscal year.

The Company had no revenues for the quarter ended June 30, 2021, or for the quarter ended June 30, 2020.

Under the ForwoRx Agreement, ForwoRx was to pay to the Company $50,000 per year in maintenance fees. This fee for 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 June 30, 2021, $200,000 is due from ForwoRx (June 30, 2020 - $200,000). This fee will no longer be accrued by the Company as the ForwoRx agreement was transferred to Alta-Sun and Alta-Sun is no longer a subsidiary.

Research & Development Expense

As at June 30, 2020 the Company had capitalized $237,899 (December 31, 2019 - $237,899) of development expenses related to the license application to grow cannabis at the Enoch lands, the license application can be modified for another site with minimal changes.

On June 4, 2018 the Company entered into a binding agreement with Cannabis Compliance Inc. ("CCI"). CCI would provide the Company with consulting services related to an Access to Cannabis for Medical Purposes ("ACMPR") Cannabis Act license application and construction of a cannabis cultivation facility.

The costs incurred to complete the license application were capitalized as an intangible asset. The Company also classified certain consulting charges associated with obtaining the Cannabis Act license.

On October 16, 2020, the balance was derecognized as a result of loss of control of Alta-Sun.

Costs and Net Carrying Amount

		Cannabis Act License Costs
Balance December 31, 2019	**$**	237,899
Derecognized		(237,899)
Balance December 31, 2020 and June 30, 2021	**$**	**-**

Expenses

For the six months ended June 30, 2021 expenses totaled $79,426 (June 30, 2020 - $94,267)

For the three months ended June 30, 2021 expenses totaled $48,762 (June 30, 2020 - $26,839).

For the six month period ended June 30, 2021 expenses decreased marginally, expenses increased in all categories other than accounting and consulting fees. Consulting fees decreased by $46,619 when compared to the six months ended June 30, 2020. The decrease was due to a decrease in amortization of financial consulting. Activity in the six months ended June 30, 2020 were curtailed due to COVID 19, management fees in the six months ended June 30, 2020 were $Nil as management suspended all fees. The increase in all other categories was due to the increase in activity as business restarted and COVID 19 restrictions were eased.

For the three month period ended June 30, 2021 expenses increased in legal fees for preparation of regulatory documents, increases in management fees were offset by decreased consulting expenses. Marketing, office and administration and transfer agent and filing fees all increased due to increased activity towards filing a prospectus.

Exploration Expenditures

Exploration expenses for the 6 month period ended June 30, 2021 were $20,311 (June 30, 2020 - $Nil).
Exploration expenses for the 3 month period ended June 30, 2021 were $2,500 (June 30, 2020 - $Nil)

Intellectual Property and Intangible Assets

The company had no costs associated with the maintenance of patents or intellectual property under the asset purchase agreement with ForwoRx Therapeutics Inc. ForwoRx did not pay the fees to the United States Patent and Trademark Office in 2019, resulting in the patent for PTL-202 lapsing. On August 30, 2020 the Company transferred the ForwoRx agreement to its subsidiary Alta-Sun. On October 16, 2020, the lost of control of Alta-Sun.

Discontinued Operations

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 held the intellectual property for the development of therapies for fibrosis and erectile disfunction and the ACMPR license assets.

Consequently, the assets and liabilities held by Alta-Sun were derecognized from the statements of financial position. The Company recognized a corresponding loss on derecognition of Alta-Sun as follows:

Bank indebtedness	$	(12)
GST receivable		1,250
Intellectual property		1
License costs		237,899
Accounts payable and accrued liabilities		(30,841)
Net assets disposed		208,297
Loss on derecognition of subsidiary	**$**	**208,297**

As of October 16, 2020 and June 30, 2021, the Company has balance of $386,656 due from Alta-Sun. In the Company's judgement, no portion of the amount will be recognized until collection can be assured. The Company measures the loss allowance for the receivable at an amount equal to the lifetime expected credit losses of the credit risk to be $386,656.

The operations of Alta-Sun have been classified as discontinued operations. Income and losses relating to the discontinued operations have been eliminated from the Company's continuing operations and are shown as a single line item on the face of the statements of loss and comprehensive loss. The following summarizes operating information relating to the discontinued operations:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Bank fees and interest charges	$ -	$ 68	$ -	$ 137
Total expenses	-	(68)	-	(137)
Write-off of expense advances	-	-	-	(17,260)
Net loss from discontinued operations	**$ -**	**$ (68)**	**$ -**	**$ (17,397)**

Cash flows generated by Alta-Sun for June 30, 2021 and 2020 are as follows:

	June 30, 2021	June 30, 2020
Operating activities	$ -	$ 69
Cash flows from discontinued operations	**$ -**	**$ 69**

Interest Expense/(Income)

On September 26, 2019, the Company signed an agreement whereby the due date of the principal of an interest-bearing loan in the amount of $56,000 (December 31, 2020: $56,000) was extended and became due on September 30, 2022. The loan accrues interest at 1% per month and interest is payable quarterly. Interest expense for the six months ended June 30, 2021 was $3,360 (2020: $3,360). Interest accrued at June 30, 2021 of $5,376 is past due (December 31, 2020: $10,416).

Convertible notes due from related parties had a face value of $65,000, were payable on July 10, 2022, bore interest at 5% annually, and were convertible into common shares at the option of the holder at a conversion price of $0.25 per share. During the six months ended June 30, 2021, the Company paid $71,584 to extinguish the notes.

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 matured on December 17, 2023, bore interest at 12% annually, and were convertible 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. On February 24, 2021, the Company completed a 1 for 2.5 share consolidation and the principal and accrued interest converted into 1,442,000 common shares.

On February 4, 2021, the company issued convertible notes in the amount of $160,000 pursuant to a private placement. Of that amount, $30,000 were subscriptions received prior to December 31, 2020. The notes matured on February 4, 2024, bore interest at 12% annually, and were convertible into common shares at a conversion price of $0.05 per share automatically on completion of a 1 for 2.5 consolidation of the Company's shares. On February 24, 2021, the Company completed a 1 for 2.5 share consolidation and the principal and accrued interest converted into 3,232,000 common shares. The equity component was allocated to share capital on conversion.

Profits

At this time, the Issuer is not anticipating profit from operations. The Issuer 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 Asset Purchase Agreement to fund on-going operations. For information concerning the business of the Issuer, please see "*Business Overview and Strategy*".

Stock Based Compensation

For the three month and six month periods ended June 30, 2021 stock based compensation was $Nil (June 30, 2020 - $Nil,).

Selected Quarterly Information

	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	Three Months Ended September 30, 2020	Three Months Ended June 30, 2020	Three Months Ended March 31, 2020 (1)	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019
	$	$	$	$		$	$	$
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss) (1)	48,762	(30,667)	(241,555)	(13,575)	(26,839)	(67,428)	(152,085)	(119,390)
Income (2) (Loss) per Share basic and diluted	(0.01)	(0.00)	(0.05)	(0.00)	(0.01)	(0.01)	(0.03)	(0.02)
Cash	6,845	38,696	24,001	1,109	3,441	20	53	9,414
Total Assets	113,159	142,398	72,283	255,071	258,681	277,766	334,557	482,629
Non- Current Liabilities	56,000	56,000	154,750	117,726	115,869	114,009	112,148	109,476

Notes

(1) Restated

(2) For the period ended June 30, 2021 and March 31, 2021 the per share (Loss) is calculated on a post consolidation basis

Liquidity and Capital Resources

At June 30, 2021, the Issuer had cash and cash equivalents of $6,845 (December 31, 2020 – $24,001) and a working capital deficit of $62,591 (December 31, 2020 - $128,042). Working capital Increased by $65,451 when compared to the year ended December 31, 2020. This increase was mostly due to financing activity during the six month period ended June 30, 2021. Working capital is defined as current assets less current liabilities.

	Six Months Ended June 30, 2021	Six Months ended June 30, 2020
Financing Activities		
Proceeds from issuance of common shares	66,130	-
Share issuance costs	(10,000)	-
Issuance of convertible notes	130,000	-
Payment of loans payable	(8,400)	-
Payment of convertible notes	(71,584)	-
Change in due to related parties	7,797	9,266
Cash provided by financing activities	113,943	9,266

The Issuer's Cash flows from financing activities for the six months ended June 30, 2021 consisted of the issuance of 5,540,300 common shares for proceeds of $264,110. The Issuer's Cash flows from financing activities for the six months ended June 30, 2020 consisted of the issuance of Nil common shares for proceeds of $Nil.

Cash utilized in operating activities during the six months ended June 30, 2021 was $110,788 (June 30, 2020 - $5,878). The increase in cash utilized in operations was due to an increase in management fees of $27,500 and changes to non-cash working capital items for the six month period ending June 30, 2021. During the six month period ended June 30, 2021 the issuers Changes to non-cash working capital items increased by $104,910.

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Changes in non-cash working capital item related to operations:		
Advances	(352)	(617)
GST receivable	(3,293)	10,602
Prepaid expenses	(31,576)	49,869
Accounts payable and accrued liabilities	(9,982)	2,044
Cash provided by operating activities	(110,788)	(5,878)

At June 30, 2021 share capital was $1,548,929 comprised of 10,652,052 issued and outstanding Common Shares (December 31, 2020: $1,269,597 comprised of 5,111,752 shares).

Warrant and Option Reserves at June 30, 2021 was $514,277 an increase of $21,949 from December 31, 2020. On February 4, 2021, the Company issued 200,000 broker warrants pursuant to a convertible debenture financing. Each warrant entitles the holder to purchase one common share at $0.05 per share until February 23, 2023. The warrants were assigned a value of $1,778 using the Black-Scholes pricing model.

On March 30, 2021, the Company issued 661,300 warrants pursuant to a private placement of units. Each warrant entitles the holder to purchase one common share at $0.125 per share until March 29, 2026. The warrants were deemed the more easily valuable component were assigned a value of $20,171 using the Black-Scholes pricing model.

During the year ended December 31, 2020 the Company amended the terms of its 645,743 warrants by extending the expiry date by 3 years from April 12, 2020 to April 12, 2023. The exercise price was revised from $0.875 per share to $0.25 per share. The modification resulted in an additional allocation of $312,078 to contributed surplus.

As a result of the net loss for the six months ended June 30, 2021 of $79,429 the deficit at June 30, 2021 increased to $2,142,652 from $2,063,223 for the year ended December 31, 2020.

Total equity increased from a deficit of $251,726 at December 31, 2020 to a deficit of $66,874 at June 30, 2021.

At present, the Company's operations do not generate cash inflows and its financial success after June 30, 2021 is dependent on the development of its mineral exploration operations which will not generate revenues for the foreseeable future.

In order to finance the Issuer's future exploration and development plans as well as administrative and overhead expenses in the coming years the Issuer may raise money through equity sales. Many factors influence the Issuer's ability to raise funds, including the Issuer'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 of the Issuer's exploration activities, issuance of permits and licenses from governments, approval from first nations band councils, construction of facilities. 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 are as follows:

	June 30, 2021	**June 30, 2020**
Accounting fees to a Company controlled by the CFO and director	$ 3,000	$ 5,000
Consulting fees to the CFO and director	6,000	6,000
Management fees to the CEO and director	27,500	-
	$ 36,500	$ 11,000

<u>Balance due to the CEO and director:</u>

As of June 30, 2021, the Company has $7,499 (December 31, 2020: $6,279) of short-term debt owing to the CEO and director of the Company. The balance has no set terms of repayment and does not bear interest.

Balance due to the CFO and director:

As of June 30, 2021, the Company has $34,563 (December 31, 2020: $30,638) of short-term debt owing to a company controlled by the CFO and director, and $20,000 (December 31, 2020: $14,000) owing to that director. The amounts do not bear interest and has no set terms of repayment.

Balance due from former subsidiary:

During the six-months ended June 30, 2021, the Company loaned $100 to its former subsidiary, Alta-Sun. The amount does not bear interest and has no set terms of repayment. The Company has additional loans due from Alta-Sun that are not recognized because collection is not assured.

Additional Disclosure for Venture Issuers 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 six month period ended June 30, 2021 and June 30, 2020. This summary should be read in conjunction with the Company's unaudited financial statements for the periods ended June 30, 2021 and June 30, 2020:

Material Costs	**Six Months ended June 30, 2021**	**Six Months ended June 30, 2020**
Consulting fees	$7,000	$53,619
Legal fees	$8,081	$7,569
Management fees	$27,500	$Nil
Transfer Agent & Filing Fees	13,736	4,077
Share-based compensation	$Nil	$Nil
Total Expenses	$72,889	$74,720
Net loss and comprehensive loss for the six months	$(79,429)	$(94,267)

Subsequent Events

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

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.

Proposed Transactions

As at the date of this Management Discussion and Analysis there are no transactions currently contemplated by the Issuer, See "*Business Overview and Strategy"*

Financial Instruments and Other Instruments

The Issuer'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 Issuer 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

As at June 30, 2021, the Issuer had an unlimited number of authorized common shares with 10,652,052 common shares issued and outstanding.

As at June 30, 2021 the issuer had Nil options outstanding.

As at June 30, 2021 the Issuer had 1,507,043 warrants outstanding.

The following table shows the details for the outstanding warrants:

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
Warrants 1 whole warrant exercisable at $0.05 up until February 3, 2023	200,000	200,000
Warrants 1 whole warrant exercisable at $0.125 up until March 29, 2026	661,300	661,300