GEOLOGICA RESOURCE CORP.

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

For the Three and Nine Months Ended September 30, 2021

Overview

This MD&A has been prepared as of November 26, 2021 and the following information should be read in conjunction with the Geologica Resource Corps', (the **"Issuer or the Company"**) un-audited financial statements for the three and nine months ended September 30, 2021 together with the notes thereto. The Issuer's financial statements for the period 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 Issuer, 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 Issuer 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 Issuer 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 Issuer, 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 30, 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 November 1, 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 ($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.

<u>TAC Claim Purchase and Sale Agreement</u>

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 September 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 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. Geologica has focused its recent efforts during the quarter ended September 30, 2021 on the Company's initial public offering and business development in the mineral exploration space.

Corporate Highlights

During the nine-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 "Geologic 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. Off these shares 206,000 were issued to Robert Charlton the Company's CFO.
- On February 24, 2021, 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 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 nine months ended September 30, 2021 and for the three months and nine months ended September 30, 2020 are presented:

Selected Statement of Operations Data

Period ended	**Three Months Ended September 30, 2021**	**Three Months Ended September 30, 2020**	**Nine Months Ended September 30, 2021**	**Nine Months Ended September 30, 2020**
Total revenues	$Nil	$Nil	$Nil	$Nil
Net Income / (Loss)	$(83,457)	$(13,575)	$(162,886)	$(107,842)
Basic Income/(loss) per share	$(0.01)	$(0.00)	$(0.02)	$(0.02)
Diluted loss per share (Unaudited)	$(0.01)	$(0.00)	$(0.02)	$(0.02)
Weighted average shares	10,652,036	5,111,752	10,652,036	5,111,752

Selected Balance Sheet Data

Period ended	**September 30, 2021**	**September 30, 2020**	**December 31, 2020**
Cash & Equivalents	$500	$1,109	$24,001
Current Assets	$46,097	$17,172	$40,857
Total Assets	$97,834	$255,071	$72,283
Current liabilities	$232,005	$145,968	$169,259
Non-Current liabilities	$Nil	$117,726	$154,750
Total liabilities	$232,005	$263,694	$324,009
Working Capital	$(185,908)	$(128,796)	$(128,402)

Comparison of the Quarters ending September 30, 2021 and September 30, 2020

Revenues

Under the ForwoRx Agreement, ForwoRx was to pay to the Issuer $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, 2021, $250,000 is due from ForwoRx (September 30, 2020 - $250,000). This fee will no longer be accrued by the Company as the ForwoRx agreement was transferred to Alta-Sun.

Expenses

For the three months ended September 30, 2021 expenses totaled $76,403 compared to expenses of $13,882 for the three month period ended September 30, 2020. Consulting fees for the three months ended September 30, 2021 and September 30, 2020 remained the same at $3,000, accounting and audit fees increased to $3,500 for the three months ended September 30, 2021 from $2,500 when compared to the three months ended September 30, 2020. Legal fees increase to $26,614 in the period ended September 30, 2021 as compared to $868 for the Period ended September 30, 2020. The change was due to increased fees for the preparation of the Company's prospectus offering. Management Fees and wages increased to $15,000 for the three months ended September 30, 2021 when compared to $3,000 for the three months ended September 30, 2020 due to an increase in the CEO's fee. Share based compensation remained at $Nil for the three months ended September 30, 2021 and for the three months ended September 30, 2020, as no options were issued to insiders or consultants during the periods.

During the period ended September 30, 2021 $7,054 in GST receivable was written off and $307 was written off as a loss from discontinued operations. During the period ended September 30, 2020 $2,150 was of expense advances was written off as uncollectable and $17,090 written off as a loss from discontinued operations.

Research & Development Expense

The company did not incur any expense associated with research and development under the ForwoRx Agreement.

No research and development expense was incurred for the three and nine month periods period ended September 30, 2021 and September 30, 2020.

General and Administrative Expenses

General and administrative costs for the period ended September 30, 2021 consist primarily of consulting fees, management fees, accounting costs and other professional and administrative costs associated with maintenance of the Issuer's reporting status, preparation of regulatory documents and general corporate activities such as pursuing the development of opportunities in mineral exploration.

The General and administrative costs for the 3 month period ended September 30, 2021 was $76,403. The General and administrative costs for the three months ended September 30, 2020 was $13,882. For additional discussion of the expenses please *see "Expenses"*.

The General and administrative costs for the nine month period ended September 30, 2021 was $149,292. The General and administrative costs for the nine months ended September 30, 2020 was $88,602. For additional discussion of the expenses please *see "Expenses"*.

Intellectual Property and Intangible Assets

The company had no costs associated with the maintenance of patents or intellectual property under the ForwoRx Agreement. ForwoRx did not pay the fees to the United States Patent and Trademark Office in 2019, resulting in the patent for the Assets lapsing. The Company carried the ForwoRx Agreement on its books for $1.00 up until the Agreement was transferred to Alta-Sun.

Exploration and Evaluation Assets

See Topley Property above.

Interest Expense/(Income)

The interest expense in the nine month period ended September 30, 2021 was $10,337 (September 30, 2020 $11,492). On September 26, 2019 the Company signed an agreement whereby the principal of the loan from an arms length party in the amount of $58,015 became due on September 30, 2022. The loan accrues interest at 1% per month and interest is payable quarterly. Interest expense for the period ended September 30, 2021 was $5,040 (2020: $5,040).

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 to fund on-going operations. For information concerning the business of the Issuer, please see "*Business Overview and Strategy*".

Stock Based Compensation

For the 3 month and nine month periods ended September 30, 2021 stock based compensation was $Nil (September 30, 2020, $Nil) No stock options were issued to directors and consultants during the periods.

Selected Quarterly Information

	Three Months Ended September 30, 2021	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
	$	$	$	$	$		$	$
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss) (1)	(83,457)	(48,762)	(30,667)	(241,555)	(13,575)	(26,839)	(67,428)	(152,085)
Income (2) (Loss) per Share basic and diluted	(0.01)	(0.01)	(0.00)	(0.05)	(0.00)	(0.01)	(0.01)	(0.03)
Cash	500	6,845	38,696	24,001	1,109	3,441	20	53
Total Assets	97,834	113,159	142,398	72,283	255,071	258,681	277,766	334,557
Non-Current Liabilities	Nil	56,000	56,000	154,750	117,726	115,869	114,009	112,148

Liquidity and Capital Resources

At September 30, 2021, the Issuer had cash and cash equivalents of $500 and a working capital deficit of $185,908. The working capital deficit increased by $57,506 when compared to the deficit of $128,402 for the year ended December 31, 2020. This increased deficit was due to the reclassification of the Interest-bearing loan of $56,000 to current liabilities from non-current liabilities as it had become due within the year. Working capital is defined as current assets less current liabilities.

The principal changes to the working capital as at September 30, 2021 compared to December 30, 2020 are due to: with respect to the current assets, a decrease in cash from $24,001 as at December 30, 2020 to $500 as at September 30, 2021; a decrease in GST receivable from $8,520 as at December 30, 2020 to $2,408 as at September 30, 2021, due to payments received from Canada Revenue Service; an increase in advances from $5,412 as at December 30, 2020 to $6,189 as at September 30, 2020 due to accruals, and, an increase in prepaid expenses of $34,076 related to the Issuer's future listing on the Canadian Securities Exchange. With respect to changes in current liabilities for the period ended September 30, 2021 when compared to the period ended December 30, 2020: accounts payable increased due to activities related to the preparation of the prospectus; loans payable increased from $46,039 to $98,676 due to the $56,000 interest-bearing loan being reclassified as current from non-current. Due to related parties increased due to an increase in payables for accounting services owed to a company controlled by the Issuer's CFO.

The Issuer's Cash flows from financing activities for the nine months ended September 30, 2021 consisted of: proceeds from the issuance of common shares of $66,130 less share issuance costs of $10,000; issuance of convertible notes of $130,000; a loss of $8,400 in loan payments and $71,584 in payment of convertible notes. Amounts due to related parties for the nine months ended September 30, 2021increased to $21,297 from $15,511 for the nine months ended September 30, 2020.

Cash utilized in operating activities during the nine months ended September 30, 2021 was $124,148 (September 30, 2020: $78,186). The increase in cash utilized in operations was mainly due to an increase in the net loss for the nine month period ending September 30, 2021 of $162,886 from a net loss of $107,842 for the nine month period ended September 30, 2020.

Share based compensation due to issuance of stock options under the Issuers stock option plan for the nine month period ended September 30, 2021 was $Nil (2020 - $Nil).

For the nine month perioded ended September 30, 2021 the Issuer incurred financing fees of $16,160 (2020 - $Nil).

At September 30, 2021 share capital increased to $1,548,929 comprised of 10,652,052 issued and outstanding Common Shares as compared to December 31, 2020 of $1,296,597 comprised of 5,111,752 outstanding common shares.

Warrant and Option Reserves at September 30, 2021 were $514,227, an increase of $21,949 as compared to the year ended 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 nine months ended September 30, 2021 of $162,886, the deficit at September 30, 2021 increased to $2,226,109 from $2,063,223 for the year ended December 31, 2020.

Total equity increased from of $72,283 at December 31, 2020 to of $97,834 at September 30, 2021.

At present, the Issuer's operations do not generate cash inflows and its financial success after September 30, 2021 is dependent on Issuers ability to raise adequate funding through equity or debt financings to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

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 are as follows:

		September 30, 2021		September 30, 2020
Accounting fees to a Company controlled by the CFO and director	$	6,500	$	7,500
Consulting fees to the CFO and director		9,000		9,000
Management fees to the CEO and director		42,500		3,000
	$	58,000	$	19,500

Balance due to the CEO and director:

As of September 30, 2021, the Company has $14,249 (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 September 30, 2021, the Company has $38,313 (December 31, 2020: $30,638) of short-term debt owing to a company related to the CFO and director, and $23,000 (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 nine-months ended September 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.

Subsequent Events

There have been no subsequent events from September 30, 2021 to the date of this Management Discussion and Analysis other than:

Amendment to option agreement

On October 12, 2021, the agreement to earn a 100% interest in the Topley Copper-Gold project was amended. The Company and the vendor have agreed to extend the date that the Company must complete the remaining $110,000 exploration expenditures from December 31, 2021 to May 30, 2022 (Note 5).

Promissory note subscriptions
Subsequent to September 30, 2021, the Company received promissory note subscriptions in the amount of $30,000. The notes will mature three years from the date of issuance and bear interest at 12% annually, payable quarterly. The first three months of interest equal to 3% of the principal will be paid in advance at closing at a conversion rate of $0.10 per share. The holder will also receive an administration fee of common shares at a rate of $0.10 per share for 10% of the value of the promissory notes.

In the case that the Company has not completed an IPO within nine months of issuance of the notes, the Company will issue additional notes to the holders for 10% of the value of the original notes. The new notes will have the same terms as the original notes less the contingent consideration and administration fee.

Issuance of Bonus Shares
Subsequent to period end, the Company had not completed the proposed IPO and as a result, the Company will issue 323,000 common shares with a fair value of $0.05 per share as Contingent Consideration, representing 10% of the 3,232,000 common shares issued upon conversion of the notes. Accordingly, the Company recorded a reserve for bonus shares to be issued in the amount of $16,160.

Receipt of Subscriptions for Flow-Through shares
The Company has received a subscription for $100,000 of flow-through shares to be issued at $0.10 per share.

Amendment to Interest-bearing Loan
On November 18, 2021, the Company signed an agreement whereby the due date of the principal of the interest-bearing loan in the amount of $56,000 (December 31, 2020: $56,000) was extended and became due on November 18, 2023. The loan accrues interest at 1% per month and interest is payable quarterly. The Company paid a fee of $5,600 which was added to the outstanding amount of $56,000 increasing the loan amount to $61,600.

Other MD&A Requirements

Additional Information relating to the Issuer may be found in the Issuer's audited financial statements for the fiscal year ended December 31, 2020 and the fiscal year ended December 31, 2019, the unaudited interim financial statements for the nine months ended September 30, 2021 and the nine month period ended September 30, 2020.

Additional Disclosure for Venture Issuers Without Significant Revenue

The following table sets forth material cost for the Issuer, which has been derived from the Issuer's unaudited financial statements for the nine months ended September 30, 2021 and the nine month period ended September 30, 2020. This summary should be read in conjunction with the Issuer's un-audited financial statements for the three and nine months ended September 30, 2021 and the three and nine month periods ended September 30, 2020.

Material Costs	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Consulting fees	$10,000	$56,619	$110,211
Legal fees	32,490	2,699	100
Management fees	42,500	3,000	72,000
Finance Fee	16,160	Nil	125,000
Capitalized Research	Nil	Nil	10,000
Share-based compensation	Nil	Nil	22,375
Total Expenses	149,292	88,807	406,544
Net loss and comprehensive loss	$(162,886)	$(107,842)	$(406,544)

Proposed Transactions

As at the date of this Management Discussion and Analysis there are no transactions currently contemplated by the Issuer other than those described above in *Subsequent Events*.

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

As at September 30, 2021 the issuer had Nil options outstanding. Each option has an exercise price as detailed in the table below. During the nine month period ended September 30, 2021: 42,000 options held by directors and consultants were forfeited. During the year ended December 31, 2020: 356,000 options held by directors and consultants were forfeited.

As at September 30, 2021 the Issuer had 1,507,043 warrants outstanding. 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. 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 following table shows the details for the outstanding warrants and options:

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