

GEOLOGICA RESOURCE CORP.

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

For the Year Ended December 31, 2021

Overview

This MD&A has been prepared as of March 5, 2022 and the following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021 and the years ended December 31, 2020 and December 31, 2019 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. was incorporated in British Columbia 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. The plan of arrangement closed on October 13, 2016. As a result of the plan of arrangement, the Company became a reporting issuer in British Columbia.

The Company is a mineral exploration and resource development company engaged in the business of acquiring, exploring and evaluating natural resource properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is complete. As at the date of this MD&A, the Company has not earned any production revenue and is considered to be an exploration stage company.

Topley Property

Geologica Resource Corp. is 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.

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 September 30, 2021	\$ 51,737

Overall Performance

The Company has focused during the year ended December 31, 2021 on the Company's initial public offering and business development in the mineral exploration space.

Corporate Highlights

During the year ended, December 31, 2021, the Company's business was curtailed due the COVID 19 pandemic, however the Company accomplished the following, focused on developing its mineral exploration business and completing its public listing.

- On February 4, 2021, 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, 2021, 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. Of 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*.
- October 14, 2021 – the Company amended its option agreement with Decoors Mining ("Decoors") regarding the Topley property (the "Amendment"). Under the terms of the Amendment, the Company and Decoors have agreed to extend the date that the Company must complete the remaining \$110,000 exploration expenditures on the property from December 31, 2021 to May 30, 2022.
- November 3, 2021 – the Company has issued common shares as required under its notes issued February 3, 2021 (the "Notes"). As required in the terms to the Notes if the Company had not completed an initial public offering by November 3, 2021, the Company is to issue bonus shares to the Note holders. Under the terms of the Notes, holders of common shares issued upon conversion of the Notes issued on February 3, 2021 will receive a bonus of an aggregate of 323,200 Common Shares, representing 10% of the 3,232,000 Common Shares that were issued upon the conversion of the Notes issued on February 3, 2021.
- On November 30, 2021 the Company issued \$30,000 of Notes and 39,000 common shares to subscribers in BC (the "Financing"). The Notes carry a 1% per month interest rate which accrues until the Notes are repaid or maturity of the Note 3 years from closing. On closing the Note holders were issued the first 3 interest payments and an administrative fee equal to 10% of the value of the Notes in common shares of the Company at a deemed value of \$0.10 per share. A \$1,000 finders fee was paid on the Financing.
- December 24, 2021 – The Company has issued 1,325,000 Flow-through shares (the "Shares") for gross proceeds of \$132,500. As previously announced the Company had intended to issue 1,200,000 Shares at an issue price of \$0.10 per Share for gross proceeds of \$120,000 (the "Financing"). The Company is pleased to announce that the Financing was over subscribed and has now closed the Financing for gross proceeds of \$132,500 and issued 1,325,000 Shares. The funds raised from the sale of the issuance of Shares are intended for exploration on the Topley Property.

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, 2021, December 31, 2020, and for the year ended December 31, 2019:

Selected Statement of Operations Data

Year ended	Year Ended December, 31 2021	Year Ended December, 31 2020	Year Ended December, 31 2019
Total revenues	\$Nil	\$Nil	\$Nil
Expenses	(232,132)	(134,238)	(474,366)
Net Income / (Loss)	(245,726)	(360,945)	(558,629)

Net Loss From Discontinued Operations	Nil	(225,386)	(84,263)
Basic and Diluted loss per share (Audited)	(0.02)	(0.07)	(0.11)
Weighted average shares ⁽¹⁾	9,847,676	5,111,752	4,876,035

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

Selected Balance Sheet Data

Year ended	December 31, 2021	December 31, 2020	December 31, 2019
Cash & Equivalents	\$73,019	\$24,001	\$53
Current Assets	122,408	40,857	96,657
Exploration & Evaluation Assets	69,679	31,426	Nil
Total Assets	192,384	72,283	334,557
Current liabilities	212,628	169,259	123,190
Non-Current liabilities	65,367	154,750	112,148
Total liabilities	277,995	324,009	235,338
Working Capital (deficit)	(90,220)	\$(128,402)	\$(25,533)

Revenues

The Company had no revenues for the year ended December 31, 2021, or for the years ended December 31, 2020 and December 31, 2019. The Company does not expect any revenues during the next fiscal year.

Mineral Property Exploration and Valuation

During the year ended December 31, 2021 the company spent \$38,550 in exploration and evaluation of the Topley Property compared to \$31,426 During the fiscal year ended December 31, 2020, an increase of \$6,824 in fiscal 2021.

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, 2021 were \$232,132, December 31, 2020 were \$134,238 and December 31, 2019 were \$474.

The increase in expenses for the year ended December 31, 2021 from the year ended December 31, 2020 was due to a expenses related to the Company's initial public offering and transition into mineral exploration.

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 due to the COVID-19 pandemic and abandoning 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, 2021 the agreements to access the lines of credit have been cancelled by the Company and the Company has borrowed \$Nil on the lines of credit (202 - \$Nil, 2019 - \$Nil). These lines of credit were cancelled by the Company on December 15, 2020.

Interest Expense/(Income) and Bank Charges

The interest expense and bank charges for the year ended December 31, 2021 was \$15,775, year ended December 31, 2020 was \$15,631 for the year ended December 31, 2019 was \$12,331. This increase was due to interest accrued on the loan from an arms length party of \$56,000 and interest on convertible notes.

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

Stock Based Compensation

For the years ended December 31, 2021 and December 31, 2020 stock-based compensation was \$Nil, December 31, 2019 stock-based compensation was \$26,134. The decrease in stock- based compensation from the year ended 2021 compared to the year ended 2020 was because no options were issued in the year ended December 31, 2020. 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, 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⁾
	\$	\$	\$	\$	\$	\$		\$
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss) ⁽¹⁾	(82,840)	(83,457)	(48,762)	(30,667)	(241,555)	(13,575)	(26,839)	(67,428)
Income ⁽²⁾ (Loss) per	(0.01)	(0.01)	(0.01)	(0.00)	(0.05)	(0.00)	(0.01)	(0.01)

Share basic and diluted								
Cash	73,019	500	6,845	38,696	24,001	1,109	3,441	20
Total Assets	192,384	97,834	113,159	142,398	72,283	255,071	258,681	277,766
Non-Current Liabilities	65,367	Nil	56,000	56,000	154,750	117,726	115,869	114,009

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

Liquidity and Capital Resources

As at December 31, 2021, the Company had cash and cash equivalents of \$73,019 (December 31, 2020 - \$24,001, December 31, 2019 - \$53). At December 31, 2021, the Company had a working capital deficit of \$90,220, (December 31, 2020 - \$128,402, December 31, 2019 – \$25,553). Working capital is defined as current assets less current liabilities. For the year ended December 31, 2021 compared to the year ended December 31, 2020 the decrease in working capital deficit was due to financing activities totaling \$269,247. 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 than 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 as a current asset.

Cash utilized in operating activities during the period ended December 31, 2021 was \$199,931 (December 31, 2020 - \$44,587, December 31, 2019 – \$217,859). The increase in cash used in operations in 2021 was due to a decrease in the loss on disposal of subsidiary from \$208,297 in 2020 to \$Nil in 2021. 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.

At December 31, 2021 share capital was \$1,696,489 comprising of 12,389,252 issued and outstanding Common Shares (December 31, 2020 - \$1,296,597 comprising of 5,111,752 common shares, December 31, 2019 - \$1,608,675 comprising of 5,111,752 common shares).

Warrant and Option Reserves at December 31, 2021 was \$514,277 (December 31, 2020 - \$492,328 December 31, 2019 - \$180,250). The increase in Warrant and Option Reserves at December 31, 2021 compared to December 31, 2020 was due to the issuance of warrants. 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.

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.

As a result of the expenses for the year ended December 31, 2021 of \$232,132 and net loss of \$245,726 the shareholders deficit at December 31, 2021 increased to \$2,308,949 from \$2,063,223 at December 31, 2020. 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.

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, 2021	December 31, 2020
Accounting fees to a Company controlled by the CFO and director	\$ 10,000	\$ 13,500
Consulting fees to the CFO and director	12,000	12,000
Management fees to the CEO and director	57,500	12,000
	\$ 79,500	\$ 37,500

Fourth Quarter

The table below sets out the unaudited quarterly results for the fourth quarter ending December 31, 2021, December 31, 2020, and December 31, 2019.

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
Unaudited	\$	\$	\$
Total Revenues	Nil	Nil	Nil
Expenses	82,840	45,431	68,195
Net Income (Loss)	(82,840)	(241,555)	(152,085)

Income (Loss) per Share basic and diluted ⁽¹⁾	(0.01)	(0.05)	(0.03)
Cash	73,019	24,001	53
Total Assets	192,384	72,283	334,557
Current Liabilities	212,628	169,259	123,190

(1) Based on 1:2.5 consolidation

The net loss in the fourth quarter of \$67,850 for 2021 decreased compared to the net loss in the fourth quarter of \$241,555 for 2020 which increased compared to \$152,085 in 2019 due to Net loss from discontinued operations of \$225,386 incurred in 2019. 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 long term, as the Company's business development and exploration costs are expected to increase.

During the fourth quarter of 2021 the Company did not issue shares other than:

- On November 3, 2021, the Company issued 323,200 common shares at a conversion rate of \$0.05 per share for total \$16,160 as contingent consideration on convertible notes.
- On November 25, 2021, the Company issued 30,000 shares with a fair value of \$3,000 as an administration fee on promissory notes. The Company also issued 9,000 shares with a fair value of \$900 as advance interest on the notes.
- On December 16, 2021, the Company issued 1,325,000 flow-through shares for proceeds of \$132,500 pursuant to a private placement. The Company recognized a flow-through premium liability in the amount of \$Nil in connection with the financing. The Company paid a cash finder's fee of \$10,000 in relation to the financing.
- On December 20, 2021, the Company issued 50,000 common shares with a fair value of \$5,000 on the acquisition of exploration and evaluation assets.

During the fourth quarter of 2020 the Company issued Nil common shares for total proceeds of \$Nil (Q4, 2019 - \$Nil).

During the fourth quarter there were no dispositions of business segments, The Company's business is influenced by seasonal fluctuations as the business is unable to conduct exploration through out the year due to weather conditions.

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, 2021, fiscal year ended December 31, 2020, the fiscal year ended December 31, 2019.

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, 2021 for the year ended December 31, 2020, for the year ended December 31, 2019. This summary should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2021, December 31, 2020 and December 31, 2019:

Material Costs	Year Ended December 31 2020	Year Ended December 31 2020	Year Ended December 31 2019
Consulting fees	\$13,000	\$69,619	\$147,238
Legal fees	62,211	2,699	100
Management fees	57,500	12,000	72,000
Share-based compensation	Nil	Nil	26,134
Exploration and Evaluation	38,550	31,426	Nil
Total Expenses	232,132	134,238	474,739
Financing fee	20,000	Nil	125,000
Net loss and comprehensive loss for the year	\$(245,726)	\$(360,945)	\$(558,629)

Subsequent Events

There are no subsequent events to the date of this Management Discussion and Analysis, other than the company received a receipt for its prospectus from the British Columbia Securities Commission and a conditional list from the Canadian Securities Exchange.

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, 2021, the Company had an unlimited number of authorized common shares with 12,389,252 common shares issued and outstanding (December 31, 2020 – 5,111,752, December 31, 2019 – 5,111,752).

As at December 31, 2021 the Company had Nil options outstanding (December 31, 2020 - 42,000 December 31, 2019 – 332,000).

As at December 31, 2021 the Company had 1,507,043 warrants outstanding. As at December 31, 2020 the Company had 645,74 as at December 31, 2019 the Company had 790,676 warrants outstanding.

The following table shows the details for the outstanding warrants and options as of December 31, 2021:

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