

## GEOLOGICA RESOURCE CORP.

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

For the Three and Nine Months Ended September 30, 2022

#### Overview

This MD&A has been prepared as of November 29, 2022 and the following information should be read in conjunction with the Geologica Resource Corp's, (the "**Issuer or the Company**") un-audited financial statements for the three and nine months ended September 30, 2022 together with the notes thereto and the audited consolidated financial statement and accompanying notes for the year ended December 31, 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](http://www.sedar.com).

#### *Business Overview and Strategy*

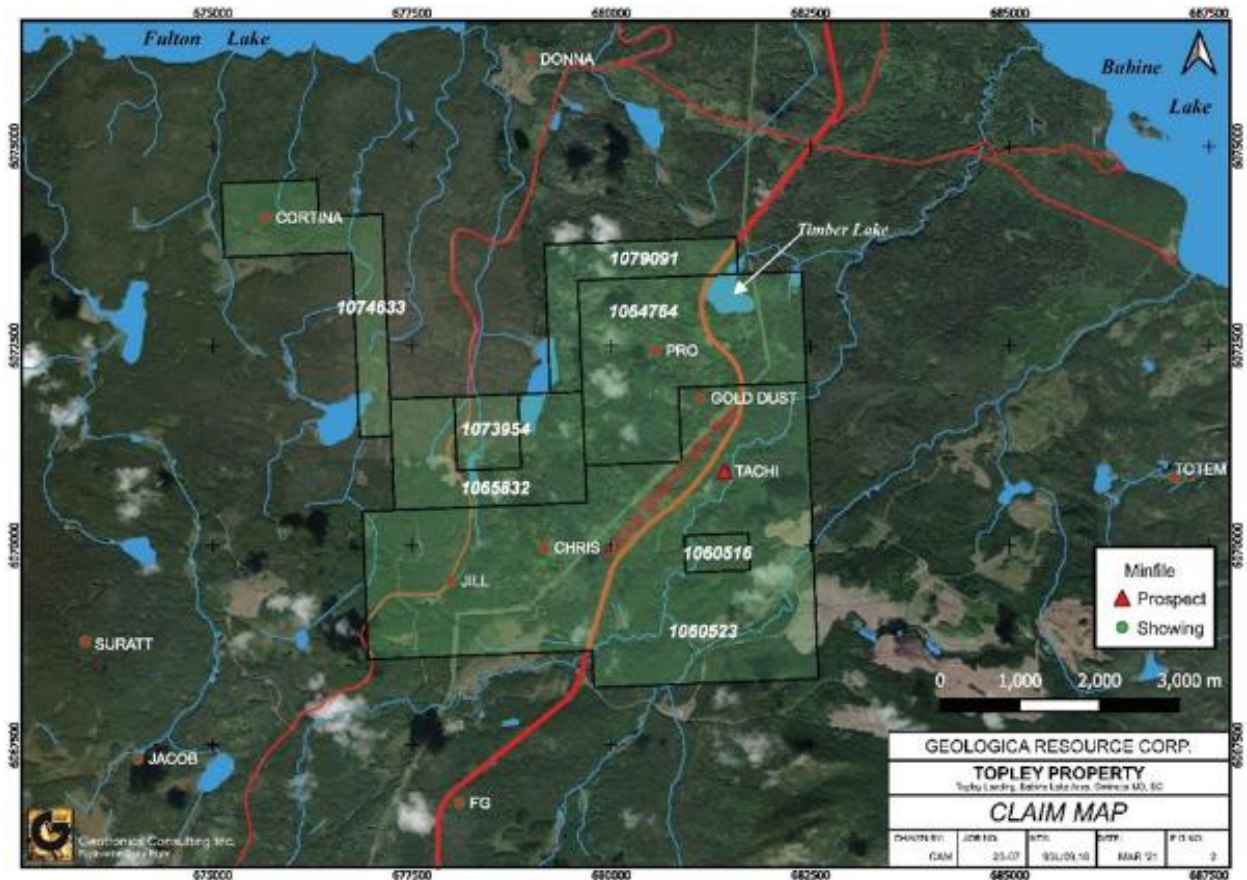
Geologica Resource Corp. was incorporated as a wholly owned subsidiary of Tower One Wireless Corp. ("**Tower One**") in order to facilitate a plan of arrangement with Tower One which closed on October 13, 2016. As a result of the plan of arrangement, the Company became a reporting issuer in British Columbia. On July 27, 2022 the Company received a receipt for its Amended and Restated Final Prospectus in British Columbia, Ontario and Alberta.

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 (incurred)
- 110,000 by May 30, 2023 (\$21,941 incurred)

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 (issued)
- 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.

### ***Overall Performance***

The Company has focused during the nine month period ended September 30, 2022 on the Company's initial public offering and business development.

### **Corporate Highlights**

During the nine-month period ended, September 30, 2022 the Company's activities were focused on exploration of the Topley Claims, financing and restructuring the Company and preparing regulatory documents.

- On July 27, 2022 the Company received conditional approval to list its common shares on the Canadian Securities Exchange ("CSE") and final receipt for its Amended and Restated Final Prospectus from the British Columbia Securities Commission ("BCSC").

- The Company held its Annual General Meeting (the “AGM”) on August 9, 2022. At the AGM all resolutions were passed by a 100% majority.

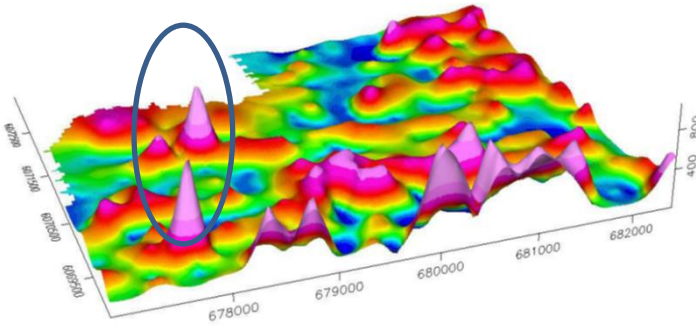
## Topley Property

Geologica has decided to focus its exploration on the western side of the Topley property for the following reasons:

- Copper bearing float has been reported in the western region of the claims;
- Magnetics from previous area wide surveys suggest that this area is structurally complex with multiple circular magnetic features and a large magnetic high;
- The 2020 geochemistry survey identified a large redox center with corresponding gold and copper values;
- Drill results from holes just west of the claims when exploring the Fulton Lake area for VMS intersected intense epithermal alteration with Ag, Pb, and Zn mineralization;
- Potential epithermal/VMS system
- 3 percussion holes to test the top of bedrock (ie. 2- 3m beneath the till) within the current claims was drilled by previous owners, LLRC-13-001 intersected maroon xlitic tuff at 24m depth. LLRC-13-007 intersected pink intrusive rock at 19.5m depth. LLRC-13-008 assayed 200-300 ppm Cu in volcanics at 36m depth (*note: these values are similar to percussion top of bedrock holes drilled in the same program at the Lennac Lake copper porphyry deposit 6 km west*).
- Sporadic regional till samples in the area are in the 90<sup>th</sup>+ percentile for As, Sb, Pb, and Zn; and
- A small lake on the claims contains the highest regional lake sediment samples for molybdenum.

The 2020 geochemistry survey identified a rabbit ear copper anomaly in the western area of the Topley claims within the redox zone. The same geochemistry identified the Mount Milligan copper rich MBX zone rabbit ear anomaly. In addition the 2020 survey identified an apical gold anomaly in the same area.

Copper Geochemistry, Rabbit Ear Anomaly  
Western Redox Zone – Topley Property



**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, 2022 and for the three months and nine months ended September 30, 2021 are presented:

*Selected Statement of Operations Data*

| <b>Period ended</b>                | <b>Three Months Ended September 30, 2022</b> | <b>Three Months Ended September 30, 2021</b> | <b>Nine Months Ended September 30, 2021</b> |
|------------------------------------|--|--|---|
| Total revenues                     | \$Nil  | \$Nil  | \$Nil                                       |
| Net Income / (Loss)                | \$(29,246)                                   | \$(83,457)                                   | \$(162,886)                                 |
| Basic Income/(loss) per share      | \$(0.00)                                     | \$(0.01)                                     | \$(0.02)                                    |
| Diluted loss per share (Unaudited) | \$(0.00)                                     | \$(0.01)                                     | \$(0.02)                                    |
| Weighted average shares            | 12,389,252                                   | 10,652,036                                   | 10,652,036                                  |

### *Selected Balance Sheet Data*

| <b>Period ended</b>     | <b>September 30, 2022</b> | <b>September 30, 2021</b> | <b>December 31, 2021</b> |
|-------------------------|---------------------------|---------------------------|--------------------------|
| Cash & Equivalents      | 8,186                     | \$500                     | \$73,019                 |
| Current Assets          | 38,600                    | \$46,097                  | \$122,408                |
| Total Assets            | 100,541                   | \$97,834                  | \$192,384                |
| Current liabilities     | 231,902                   | \$232,005                 | \$212,628                |
| Non-Current liabilities | 68,724                    | \$Nil                     | \$65,367                 |
| Total liabilities       | 300,902                   | \$232,005                 | \$277,995                |
| Working Capital         | \$(193,302)               | \$(185,908)               | \$(90,220)               |

### **Comparison of the Quarters ending September 30, 2022 and September 30, 2021**

#### *Revenues*

The Company had no revenues for the nine months ended September 30, 2022, or for the nine months ended September 30, 2021. The Company does not expect any revenues during the current fiscal year.

#### *Expenses*

For the three months ended September 30, 2021 expenses totaled \$29,246 compared to expenses of \$76,403 for the three month period ended September 30, 2021. Finance fees for the three months ended September 30, 2022 were \$790 and September 30, 2021 was \$16,160 a reduction of \$15,370. The reduction in finance fees was due to a reduction in financing during the period. Transfer agent and filing fees were \$7,701 less for the three months ended September 30, 2022 when compared to the three months ended September 30, 2021 due to a reduction in financing activities. Management Fees and wages remained constant at \$15,000 for the three months ended September 30, 2022 when compared to \$15,000 for the three months ended September 30, 2021. Share based compensation remained at \$Nil for the three months ended September 30, 2022 and for the three months ended September 30, 2021, 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. There were no write offs during the three months ended September 30, 2022.

#### *Mineral Property Exploration and Evaluation*

During the 9 month period ended September 30, 2022 the Company spent \$Nil in exploration and evaluation of the Topley Property compared to \$38,550 During the fiscal year ended December 31, 2021.

|                            | <b>Topley Property</b> |
|----------------------------|------------------------|
| Balance December 31, 2020  | \$ 31,426              |
| Acquisition costs - cash   | 2,500                  |
| Acquisition costs - shares | 5,000                  |
| Exploration costs          |                        |
| Assay                      | 29,194                 |
| Sampling                   | 1,856                  |

|   |                  |
|---|------------------|
| Balance December 31, 2021                                   | 69,976           |
| Exploration costs   |                  |
| Expense recovery - assay                                    | (8,035)          |
| <b>Balance December 31, 2021 and<br/>September 30, 2022</b> | <b>\$ 61,941</b> |

### *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 \$29,246. The General and administrative costs for the three months ended September 30, 2021 was \$76,403 For additional discussion of the expenses please see "Expenses".

### *Exploration and Evaluation Assets*

See Topley Property and Mineral Property Exploration and Evaluation above.

### *Interest Expense/(Income)*

The interest expense in the 9 month period ended September 30, 2022 was \$6,752 which is a decrease of \$3,585 from the interest expense of \$10,337 for the 9 month period ended September 30, 2021. The decrease is due to a decrease of interest on convertible debentures which were converted to shares in 2021. Interest expense for the three month periods ended June 30, 2022 and June 30, 2021 was comparable.

### *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 9 month periods ended September 30, 2022 stock based compensation was \$Nil (September 30, 2021, \$Nil) No stock options were issued to directors and consultants during the periods.

### **Selected Quarterly Information**

|  | <b>Three<br/>Months<br/>Ended<br/>Sept.<br/>30, 2022</b> | <b>Three<br/>Months<br/>Ended<br/>June 30,<br/>2022</b> | <b>Three<br/>Months<br/>Ended<br/>March<br/>31, 2022</b> | <b>Three<br/>Months<br/>Ended<br/>Decembe<br/>r 31, 2021</b> | <b>Three<br/>Months<br/>Ended<br/>Sept. 30,<br/>2021</b> | <b>Three<br/>Mont<br/>hs<br/>Ended<br/>June</b> | <b>Three<br/>Months<br/>Ended<br/>March<br/>31, 2021</b> | <b>Three<br/>Months<br/>Ended<br/>Decembe<br/>r 31, 2020</b> |
|--|--|---|--|--|--|---|--|--|
|  |  |   |  |  |  |   |  |  |

|  |                |                |                |                |               |                     |                |                |
|--|----------------|----------------|----------------|----------------|---------------|---------------------|----------------|----------------|
|  |                |                |                |                |               | <b>30,<br/>2021</b> |                |                |
|  | \$             | \$             | \$             | \$             | \$            | \$                  | \$             | \$             |
| <b>Total Revenues</b>                            | Nil            | Nil            | Nil            | Nil            | Nil           | Nil                 | Nil            | Nil            |
| <b>Net Income (Loss)</b>                         | (29,246)       | (42,649)       | (42,579)       | (\$82,840)     | (83,457)      | (48,762)            | (30,667)       | (241,555)      |
| <b>Income (Loss) per Share basic and diluted</b> | (0.00)         | (0.00)         | (0.00)         | (0.00)         | (0.01)        | (0.01)              | (0.00)         | (0.05)         |
| <b>Cash</b>                                      | <b>8,816</b>   | <b>5,636</b>   | <b>5,173</b>   | <b>73,019</b>  | <b>500</b>    | <b>6,845</b>        | <b>38,696</b>  | <b>24,001</b>  |
| <b>Exploration and Evaluation Assets</b>         | <b>61,914</b>  | <b>69,976</b>  | <b>69,976</b>  | <b>69,976</b>  | <b>51,737</b> | <b>51,737</b>       | <b>49,237</b>  | <b>31,426</b>  |
| <b>Total Assets</b>                              | <b>100,541</b> | <b>106,125</b> | <b>111,721</b> | <b>192,384</b> | <b>97,834</b> | <b>113,159</b>      | <b>142,398</b> | <b>72,283</b>  |
| <b>Non-Current Liabilities</b>                   | <b>68,724</b>  | <b>59,969</b>  | <b>66,268</b>  | <b>65,367</b>  | <b>Nil</b>    | <b>56,000</b>       | <b>56,000</b>  | <b>154,750</b> |

### *Liquidity and Capital Resources*

At September 30, 2022, the Issuer had cash and cash equivalents of \$8,186 (December 31, 2021 – \$73,019) and a working capital deficit of \$193,302 (December 31, 2021 - \$90,220). Working capital decreased by \$103,082 when compared to the year ended December 31, 2021. This decrease was mostly due to reduced financing activity and expenses associated with the Company's' initial Public Offering during the nine month period ended September 30, 2022. Working capital is defined as current assets less current liabilities.

|   | Nine Months<br>Ended<br>September<br>30, 2022 | Nine Months<br>Ended September<br>30, 2021 |
|---|---|--|
| <b>Financing Activities</b>             |   |  |
| Proceeds from issuance of common shares |   | 66,130                                     |
| Share issuance costs                    | -   | (10,000)                                   |
| Issuance of convertible notes           | -   | 130,000                                    |
| Loan received                           | 10,000  | -  |
| Payment of loans payable                | (1,029)                                       | (8,400)                                    |
| Payment of convertible notes            | -   | (71,584)                                   |
| Change in due to related parties        | 42,820  | 21,297                                     |
| Cash provided by financing activities   | <u>51,791</u>                                 | <u>127,443</u>                             |



The Issuer's Cash flows from financing activities for the six months ended September 30, 2022 consisted of the issuance of Nil common shares for proceeds of \$Nil. The Issuer's Cash flows from financing activities for the nine months ended September 30, 2022 consisted of a loan received for \$10,000 and an increase of related party debt by \$42,820.

Cash utilized in operating activities during the six months ended September 30, 2022 was \$124,659 (September 30, 2021 - \$130,633).

At September 30, 2022 share capital was unchanged from December 31, 2021 at \$1,696,489 comprised of 12,389,252 issued and outstanding Common Shares.

Warrant and Option Reserves at September 30, 202 of \$514,277 is unchanged from December 31, 2021.

As a result of the net loss for the nine months ended September 30, 2022 of \$114,474 the deficit at September 30, 2022 increased to \$2,423,423 from \$2,308,949 for the year ended December 31, 2021.

Total equity decreased from a deficit of \$85,611 at December 31, 2021 to a deficit of \$200,085 at September 30, 2022.

At present, the Company's operations do not generate cash inflows and its financial success after September 30, 2022 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***

Transactions with related parties are as follows:

|   | <b>September 30,<br/>2022</b> | <b>September 30,<br/>2021</b> |
|---|-------------------------------|-------------------------------|
| Accounting fees to a Company controlled by the CFO and director | \$ 9,000                      | \$ 6,500                      |
| Consulting fees to the CFO and director                         | 9,000                         | 9,000                         |
| Management fees to the CEO and director                         | 45,000                        | 42,500                        |
|   | <b>\$ 63,000</b>              | <b>\$ 58,000</b>              |

Balance due to the CEO and director:

As of September 30, 2022, the Company has \$42,772 (December 31, 2021: \$16,902) owing to the CEO and director of the Company and \$1,000 (December 31, 2021: \$Nil) owing to a company controlled by the CEO and director. The balances do not bear interest and have no set terms of repayment.

Balance due to the CFO and director:

As of September 30, 2022, the Company has \$51,413 (December 31, 2021: \$41,963) owing to a company controlled by the CFO and director, and \$32,500 (December 31, 2021: \$26,000) owing to that director. The balances do not bear interest and have no set terms of repayment.

Balance due from former subsidiary:

As of September 30, 2022, the Company as \$100 (December 31, 2021: \$100) due from its former subsidiary, Alta-Sun. The amount does not bear interest and has no set terms of repayment.

***Subsequent Events***

There have been no subsequent events from September 30, 2022 to the date of this Management Discussion and Analysis other than:

October 25, 2022 - The Company's Shares were Listed for trading on the CSE and began trading on October 26, 2022 under the symbol GRM;

October 25, 2022 - The Company completed its IPO raising \$383,000 gross proceeds;

October 28, 2022 – Geologica announced it has entered into a Client Services Agreement with Stockhouse Publishing Ltd. ("**Stockhouse**"), to assist with general market outreach and investor awareness as the Company continues to achieve important milestones;

November 2, 2022 – The board of directors of the company voted to issue 1,125,000 stock purchase options to directors and consultants, the options can be exercised at \$0.10 for up to 5 years;

November 8, 2022 - The Company accepted the resignation of director Derick Sinclair. Derick is leaving the board for personal reasons;

November 9, 2022 – Geologica announced the successful completion of its fall soil sampling collection. The fall 2022 soil geochemistry survey\* expanded on the fall 2020 survey. 176 additional samples were collected for analysis. The fall 2022 survey extends the 2020 survey to cover the rest of the magnetic high from the historical airborne magnetic survey, the intrusive bedrock identified in percussion LLRC-13-007 drilled by Riverside, and a new VMS target;

November 15, 2022 – the Company's common shares were listed for trading on the Frankfurt Stock Exchange, under the ticker symbol "862". The listing provides Geologica with increased investor exposure and liquidity potential by offering European funds, institutions, and retail investors the opportunity to participate in the Company's advancement of its copper projects;

### ***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, 2021 and the fiscal year ended December 31, 2020, the unaudited interim financial statements for the nine months ended September 30, 2022 and the nine month period ended September 30, 2021.

### ***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, 2022 and the nine month period ended September 30, 2021. This summary should be read in conjunction with the Issuer's un-audited financial statements for the three and nine months ended September 30, 2022 and the three and nine month periods ended September 30, 2021.

| Material Costs                  | Nine Months Ended September 30, 2021 | Nine Months Ended September 30, 2021 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Consulting fees                 | \$9,000                              | \$10,000                             |
| Legal fees                      | 16,515                               | 32,490                               |
| Management fees                 | 45,000                               | 42,500                               |
| Finance Fee                     | 3,344                                | 16,160                               |
| Transfer Agent & Filing fees    | 18,021                               | 23,609                               |
| Share-based compensation        | Nil                                  | Nil                                  |
| Total Expenses                  | 114,474                              | 149,292                              |
| Net loss and comprehensive loss | \$(114,474)                          | \$(162,886)                          |

### ***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, 2022, the Issuer had an unlimited number of authorized common shares with 12,389,252 common shares issued and outstanding.

As at September 30, 2022 the issuer had Nil options outstanding.

As at September 30, 2022 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   |