

GEOLOGICA RESOURCE CORP.

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

For the Year Ended December 31, 2022

Overview

This MD&A has been prepared as of May 1, 2023 and the following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022 and the years ended December 31, 2021 and December 31, 2020 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.

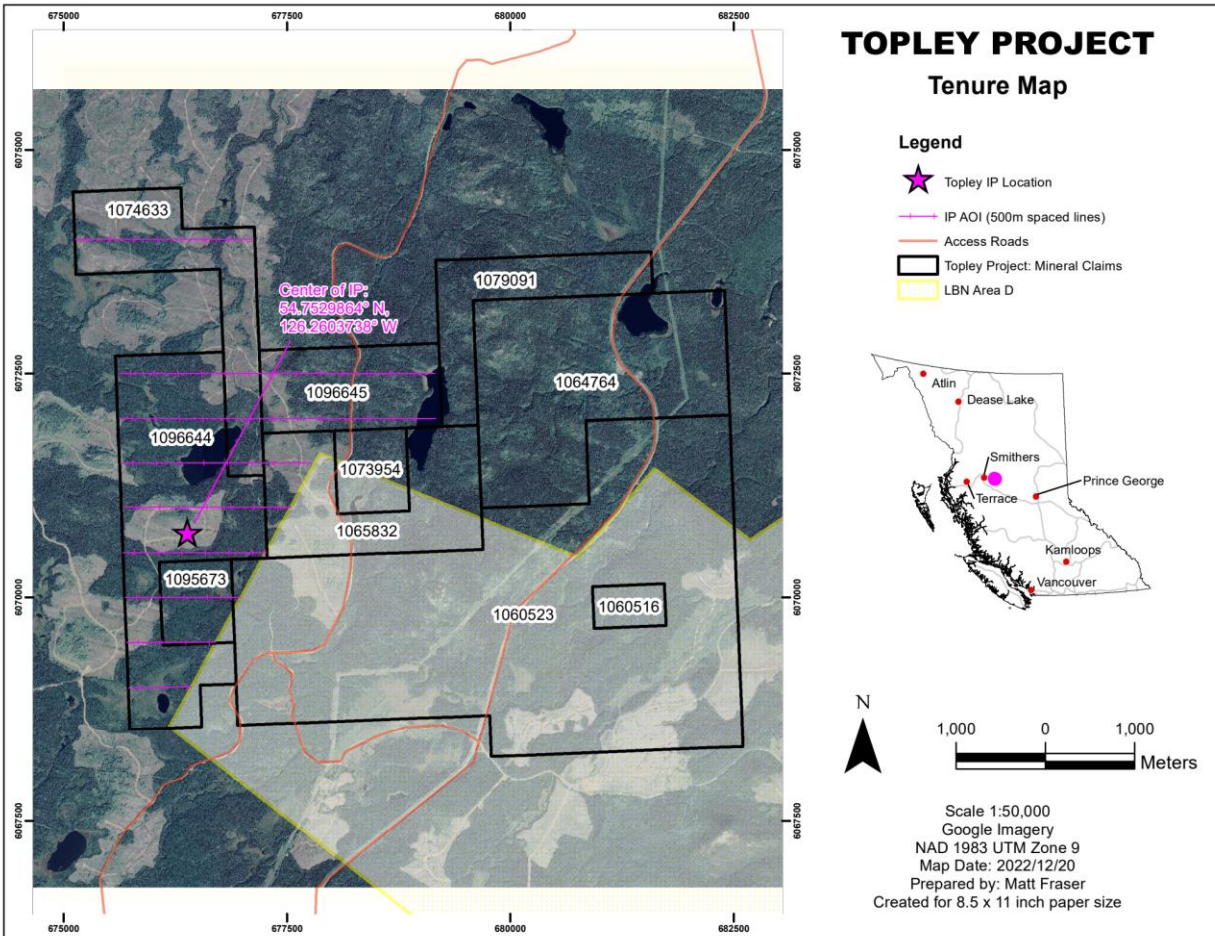
Business Overview and Strategy

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 (issued)
- 250,000 by December 31, 2021 (issued)
- 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 (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 (issued)
- 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. The owner of the TAC Claims has transferred the claims to Geologica on the listing the Company's shares on the CSE.

Topley Property		
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
Acquisition costs - shares		45,287
Exploration costs		
Assay		12,300
Geological		2,420
Permits		907
Sampling		6,256
Technical report		20,000
Balance December 31, 2022	\$	157,146

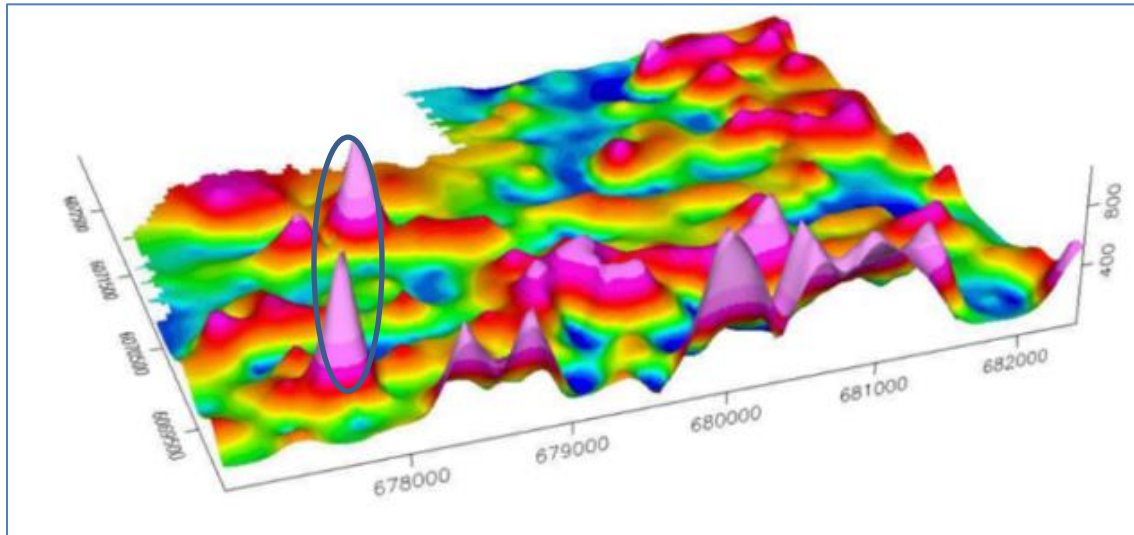
Topley Property

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 xlithic 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 90th+ 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.

Figure 1 Copper Geochemistry, Rabbit Ear Anomaly



Overall Performance

The Company has focused during the year ended December 31, 2022 on the Company's initial public offering and business development in the mineral exploration space.

Corporate Highlights

During the year ended, December 31, 2022, 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 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.
- On October 25, 2022 the Company's common shares were listed for trading on the Canadian Securities Exchange (CSE) and began trading on October 26, 2022.
- On November 3, 2022 Geologica Resource Corp. approved the grant of an aggregate of 1,125,000 stock options (the "Options") to purchase up to 1,125,000 common shares (the "Shares") in the capital of the Company to its director's, officers and consultants of the Company, in accordance with the Company's Stock Option Plan. The Options are exercisable for a period of 5 years unless terminated pursuant to the terms of the stock option plan. The Options are exercisable at \$0.075 per Share.
- On November 8, 2022 the Company accepted the resignation of director Derick Sinclair.
- On November 18, 2022 – Geologica announced that the Company's common shares had been

listed for trading on the Frankfurt Stock Exchange as of November 15, 2022 under the ticker symbol “862”.

- On December 9, 2022 – Geologica announced it has entered into an Marketing Program Agreement with NAI Interactive Limited, to assist with general market outreach and investor awareness to the Chinese speaking community as the Company continues to achieve important milestones. Through our partnership with NAI, Geologica has access to the NAI community and outreach platforms. Using these platforms, the Chinese speaking investor audience is exposed to Geologica.
- On January 5, 2023 – Geologica announced the closing of the previously announced (December 9, 2022) non-brokered private placement financing of common shares (the “Shares”) and flow-through shares (the “FT Shares”), issuing 2,511,951 Shares and 800,000 FT Shares for gross proceeds of C\$80,000. The gross proceeds raised from the FT Shares will be used before 2024 for general exploration expenditures which will constitute Canadian exploration expenses (within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”), that will qualify as “flow through mining expenditures” within the meaning of the Tax Act.

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 2022	Year Ended December, 31 2021	Year Ended December, 31 2020
Total revenues	\$Nil	\$Nil	\$Nil
Expenses	(406,808)	(232,132)	(134,238)
Net Income / (Loss)	(403,060)	(245,726)	(360,945)
Net Loss From Discontinued Operations	Nil	Nil	(225,386)
Basic and Diluted loss per share (Audited)	(0.03)	(0.02)	(0.07)
Weighted average shares ⁽¹⁾	13,715,569	9,847,676	5,111,752

Selected Balance Sheet Data

Year ended	December 31, 2022	December 31, 2021	December 31, 2020
Cash & Equivalents	\$47,594	\$73,019	\$24,001
Current Assets	530,377	122,408	40,857

Exploration & Evaluation Assets	157,146	69,679	31,426
Total Assets	687,523	192,384	72,283
Current liabilities	331,884	212,628	169,259
Non-Current liabilities	Nil	65,367	154,750
Total liabilities	331,884	277,995	324,009
Working Capital (deficit)	\$198,493	(90,220)	\$(128,402)

Revenues

The Company had no revenues for the year ended December 31, 2022, or for the years ended December 31, 2021 and December 31, 2020. The Company does not expect any revenues during the next fiscal year.

Mineral Property Exploration and Valuation

During the year ended December 31, 2022 the company spent \$87,170 in exploration and evaluation of the Topley Property compared to \$38,550 During the fiscal year ended December 31, 2021, an increase of \$48,620 in fiscal 2022.

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, 2022 were \$406,808 December 31, 2021 were \$232,132, December 31, 2020 were \$134,238.

The increase in expenses for the year ended December 31, 2022 from the year ended December 31, 2021 was due to a expenses related to the Company's initial public offering and transition into mineral exploration.

Interest Expense/(Income) and Bank Charges

The interest expense and bank charges for the year ended December 31, 2022 was \$11,158, December 31, 2021 was \$15,775, year ended December 31, 2020 was \$15,631. This decrease in 2022 vs 2021 was due to repayment of loans during 2022.

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 year ended December 31, 2022 stock based compensation was \$72,304. For the years ended December 31, 2021 and December 31, 2020 stock-based compensation was \$Nil. The increase in stock-based compensation from the year ended 2022 compared to the year ended 2021 was due to options issued

in the year ended December 31, 2022. 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, 2022	Three Months Ended Sept. 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021	Three Months Ended Sept. 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss)	(288,586)	(29,246)	(42,649)	(42,579)	(\$82,840)	(83,457)	(48,762)	(30,667)
Income (Loss) per Share basic and diluted	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
Cash	47,594	8,816	5,636	5,173	73,019	500	6,845	38,696
Exploration and Evaluation Assets	157,146	61,914	69,976	69,976	69,976	51,737	51,737	49,237
Total Assets	687,523	100,541	106,125	111,721	192,384	97,834	113,159	142,398
Non- Current Liabilities	Nil	68,724	59,969	66,268	65,367	Nil	56,000	56,000

Liquidity and Capital Resources

As at December 31 2022, the company had cash and cash equivalents \$47,594 (December 31, 2021, \$73,019 December 31, 2020 \$24,001). At December 31, 2022, the Company had a working capital of \$198,493 (December 31, 2021 (\$90,220), December 31, 2020 – (\$128,402)). Working capital is defined as current assets less current liabilities. For the year ended December 31, 2022 compared to the year ended December 31, 2021 the increase in working capital was due to financing activities totaling \$548,822. 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.

Cash utilized in operating activities during the period ended December 31, 2022 was \$532,984 (December 31, 2021 - \$199,931, December 31, 2020 - \$44,587). The increase was due to an increase in operating activities to \$338,723. 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, 2022 share capital was \$2,468,495 comprising of 22,631,203 issued and outstanding Common Shares (December 31, 2021 - \$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).

Warrant and Option Reserves at December 31, 2022 was \$586,581 (December 31, 2021 - \$514,277, December 31, 2020 - \$492,328). The slight increase in warrant option reserves was due to the expiry of some warrants and the issuance of new options (see *Disclosure of Outstanding Share Data Post 1 to 2.5 Consolidation*).

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.

As a result of the expenses for the year ended December 31, 2022 of \$403,060 the shareholders deficit at December 31, 2022 increased to \$2,712,009 from \$2,308,949 at December 31, 2021. 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.

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, 2022	December 31, 2021
Accounting fees to a Company controlled by the CFO and director	\$ 15,000	\$ 10,000
Consulting fees to the CFO and director	12,000	12,000
Management fees to the CEO and director	60,000	57,500
Exploration and evaluation assets expenditures to a director	5,000	-
	\$ 92,000	\$ 79,500

Fourth Quarter

The table below sets out the unaudited quarterly results for the fourth quarter ending December 31, 2022, December 31, 2021, and December 31, 2020.

Unaudited	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
	\$	\$	\$
Total Revenues	Nil	Nil	Nil
Expenses	292,334	82,839	45,635
Net Income (Loss)	(288,586)	(82,839)	(253,103)
Income (Loss) per Share basic and diluted ⁽¹⁾	(0.02)	(0.01)	(0.05)
Cash	47,594	73,019	24,001
Total Assets	687,523	192,384	72,283
Current Liabilities	331,884	212,628	169,259

The net loss for the fourth quarter of 2022 of \$288,586 increased compared to the net loss of \$82,839 for the fourth quarter of 2021. This increase was due to expenses related to the initial public offering and listing of the Company's common shares. The net loss in the fourth quarter of \$82,839 for 2021 decreased compared to the net loss in the fourth quarter of \$253,103 for 2020. 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 2022 the Company did not issue shares other than:

- On October 25, 2022, the Company completed an IPO by issuing 6,830,000 common shares for gross proceeds of \$683,000. In connection with the financing, the Company paid a finance fee of 100,000 common shares and issued 336,400 agent's warrants, entitling the holder to purchase one common share at a price of \$0.10 per share until October 25, 2024. The Company paid cash shares issuance costs of \$195,661 in relation to the financing.
- On December 23, 2022, the Company completed a financing of 800,000 flow-through shares for gross proceeds of \$80,000 and 1,750,000 common shares for gross proceeds of \$175,000. The Company recognized a flow-through premium in \$Nil in connection with the flow-through shares. The Company paid a finder's fee of \$4,000 and other cash share issuance costs of \$1,500 in relation to the financing. Of the proceeds, \$175,000 is receivable as of December 31, 2022.
- The Company issued 115,000 common shares with a fair value of \$0.07 to settle debt on the amount of \$11,500. Of that amount, \$1,000 was loans payable and \$10,500 was accounts payable. The Company recorded a gain of \$3,450 on the settlement.
- The Company issued 646,951 common shares with a fair value of \$0.07 on the acquisition of exploration and evaluation assets.

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, 2022, fiscal year ended December 31, 2021, the fiscal year ended December 31, 2020.

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, 2022 for the year ended December 31, 2021, for the year ended December 31, 2020. This summary should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2022, December 31, 2021 and December 31, 2020:

Material Costs	Year Ended December 31 2022	Year Ended December 31 2021	Year Ended December 31 2020
Consulting fees	\$122,416	\$13,000	\$69,619
Legal fees	18,971	62,211	2,699
Management fees	60,000	57,500	12,000
Share-based compensation	72,304	Nil	Nil
Exploration and Evaluation	87,170	38,550	31,426
Total Expenses	406,808	232,132	134,238
Financing fee	4,763	20,000	Nil
Net loss and comprehensive loss for the year	\$(403,060)	\$(245,726)	\$(360,945)

Subsequent Events

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

Rooster Claims

On February 21, 2023, the Company entered into an agreement to purchase a 100% interest in a mineral property located in British Columbia known as the Rooster Claims. The property is strategically located contiguous with the Topley Property. The vendor is controlled by the CEO and director of the Company.

In order to purchase the property, the Company must make a cash payment of \$20,000 on completion of a \$20,000 exploration program and issue 1,800,000 common shares on transfer of the property.

Under the terms of the agreement, the \$20,000 cash payment must be used by the vendor to complete exploration work on the claims.

Stock options

On March 3, 2023, the Company issued 400,000 options to purchase common shares with an exercise price of \$0.125 expiring two years after the date of issuance on March 2, 2025. The options were issued pursuant to consulting agreements entered prior to December 31, 2022.

On March 3, 2023, the Company issued 200,000 options to purchase common shares with a exercise price of \$0.10 expiring three years after the date of issuance on March 2, 2026. The options were issued pursuant to a consulting agreement entered prior to December 31, 2022.

On March 14, 2023 the Board granted to Mark Miyaoka 100,000 options to purchase common shares at a price of \$0.75 for a period of 5 years

Management Changes

On March 17, 2023 – Geologica Resource Corp. announced the addition of Mark Miyaoka, BS. Engineering to the Company’s board of directors.

On March 20, 2023 – the Company announced the passing of director, accomplished geophysicist and friend Mr. John Buckle P.Geol.

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 of December 31, 2022 and the date of this MD&A the Company had an unlimited number of authorized common shares with 22,631,203 common shares issued and outstanding (December 31, 2021 – 12,389,252, December 31, 2020 – 5,111,752).

As of the date of this MD&A the Company had 1,825,000 options outstanding (December 31, 2022 – 1,125,000, December 31, 2021 – Nil, December 31, 2020 - 42,000).

As of the date of this MD&A the Company had 997,700 warrants outstanding (December 31, 2022 – 1,843,443, December 31, 2021 – 1,507,043, December 31, 2020 - 645,743).

The following table shows the details for the outstanding warrants and options as of the date of this MD&A:

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 \$0.125 up until March 29, 2026	661,300	661,300
Warrants 1 whole warrant exercisable at \$0.10 up until October 25, 2024	336,400	336,400
Options exercisable at \$0.075 up until November 2, 2027	1,125,000	1,125,000
Options exercisable at \$0.125 up until March 2, 2025	400,000	400,000
Options exercisable at \$0.10 up until March 2, 2026	200,000	200,000
Options exercisable at \$0.075 up until March 16, 2028	100,000	100,000