GOLCAP RESOURCES CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED SEPTEMBER 30, 2022 and 2021

Management's Discussion and Analysis

The following discussion and analysis, prepared by management (the "**MD&A**"), reviews Golcap Resources Corp.'s (the "Company") financial condition and results of operations based on information that is currently available. This discussion contains forward-looking statements that involve certain risks and uncertainties. See also "*Forward-Looking Statements*" and *"Risk Factors"*.

Cautionary Note Regarding Forward Looking Statements

Certain statements contained in the foregoing MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

Date of Report

This MD&A is dated January 27, 2023.

Overview

The following information should be read in conjunction with the Company's audited financial statements for the years ended September 30, 2022 and 2021, together with the notes thereto, prepared by management in accordance with International Financial Reporting Standards and expressed in Canadian Dollars.

This MD&A has been prepared by management and reviewed by the audit committee of the board. For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares ("**Shares**"); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Description of Business

The Company was incorporated on September 20, 2019 pursuant to the provisions of the BCBCA. The Company is a minerals exploration company involved in the exploration and development mineral properties including the initial Tulameen Project. At present none of the Company's mineral properties are at commercial development or production stage.

Selected Annual Information

The following discussion of the Company's financial performance is based on the audited financial statements for the years ended September 30, 2022, 2021 and 2020, which were prepared in accordance with IFRS.

	Year ended September 30, 2022 (audited)	Year ended September 30, 2021 (audited)	Year ended September 30, 2020 (audited)
Revenue	$ Nil	$ Nil	$ Nil
Loss (per share and fully diluted)	(970,716)	(687,273)	(92,610)
Working capital (deficit)	(141,172)	724,248	290,504
Total assets	251,542	755,336	418,127
Total liabilities	270,476	31,088	31,622
Share capital	1,567,700	1,563,623	479,998
Deficit	(1,751,482)	(780,766)	(93,493)

Overall Performance

Highlights of the Company's activities for the year ended September 30, 2022:

- The Company considered and evaluated the current financing environment and the potential projects which could be developed.

Financial Performance

The statements of financial position as of September 30, 2022 indicated total current assets of $129,304 ($755,336: September 30, 2021) represented primarily in an investment portfolio with a brokerage firm ($115,390) along with receivables of ($7,924).

At September 30, 2022, current liabilities totaled $270,476 ($31,088: September 30, 2021) all of which comprised primarily of accounts payable and accrued liabilities.

At September 30, 2022, the Company had a working capital deficit of ($141,172) (positive working capital of $724,248: September 30, 2021). Management's short-term plans are to fund the Company's day-to-day operations through equity or, to a minor extent, debt financing.

Shareholders' equity was comprised of share capital of $1,567,700 ($1,563,623: September 30, 2021), reserves of 164,848 ($166,129: September 30, 2021) and an accumulated deficit of $1,751,482 ($780,766: September 30, 2021) for a net deficit of ($18,934) (net equity $948,986: September 30, 2021).

The Company is an exploration stage company and engages principally in the acquisition, exploration and development of mineral properties. The Company capitalizes, on a property-by-property basis, all acquisition and exploration costs until the property to which those costs are related is placed into production, sold, or abandoned. The decision to abandon a property is largely determined based on exploration results and management's judgment as to whether the property may be used in a potential transaction with another exploration or mining company.

None of the Company's properties are in production. Therefore, mineral exploration expenditures are capitalized and losses are incurred as a result of general exploration and administrative expenses relating to the operation of the Company's business. Consequently, the Company's net income is not a meaningful measure of its performance or potential.

The key performance drivers for the Company include securing the best geological expertise it can, and acquiring and developing high potential prospective mineral properties. By hiring highly qualified staff and acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity/or debt financing to fund on-going operations. For information concerning the properties of the Company, please see "*Mineral Properties*".

Additional financing will be required for new exploration and promotional initiatives. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

Results of Operations Years Ended September 30, 2022 and 2021

Net Loss

During the year ended September 30, 2022, the Company reported a net loss of $970,716 ($687,273: September 30, 2021). The largest items that contributed to the Company's net loss were realized loss on sale of marketable securities, write off of the acquisition costs of an exploration asset, consultant fees, and professional fees. In the comparable prior year, there was no investments held at a brokerage firm and the additional exploration asset was just acquired but there was more activity resulting in more share based compensation, professional fees, and CSE listing expense.

Revenue

During the years ended September 30, 2022 and 2021, the Company did not earn any revenue.

Operating Expenses

During the year ended September 30, 2022, the Company recorded operating expenses of $320,704 ($687,353: September 30, 2021), comprised primarily of consultant fees, professional fees, regulatory and management fees. As the Company's current operations do not generate revenues, the Company will continue relying on equity and debt financing in order to meet its ongoing day-to-day operating requirements. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time, or, if available, that it can be obtained on terms satisfactory to the Company.

Results of Operations Three Month Period Ended September 30, 2022

Net Loss

During the three-month period ended September 30, 2022, the Company reported a net loss of $142,490 ($188,801: September 30, 2021). The largest item that contributed to the Company's net loss were changes in investment value, management fees, professional fees, and consulting fees.

Revenue

The Company did not earn any revenue.

Operating Expenses

During the three-month period ending September 30, 2022, the Company recorded operating expenses of $76,555. The largest factors contributing to operating expenses were consulting fees, management fees and professional fees. As the Company's current operations do not generate revenues, the Company will continue relying on equity and debt financing in order to meet its ongoing day-to-day operating requirements. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time, or, if available, that it can be obtained on terms satisfactory to the Company.

Summary of Quarterly Results

	September 30, 2022 (unaudited)	June 30, 2022 (unaudited)	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Income (Loss)	(148,790)	(459,161)	(414,956)	52,191
Working capital (negative)	(141,172)	6,440	465,601	779,235
Total assets	251,542	312,426	714,967	1,057,219
Total liabilities	270,476	183,748	127,128	53,246
Share capital	1,567,700	1,567,700	1,567,700	1,567,700
Deficit	(1,751,482)	(1,603,870)	(1,144,709)	(728,575)

	September 30, 2021 (unaudited)	June 30, 2021 (unaudited)	March 31, 2021 (unaudited)	December 31, 2020 (unaudited)
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Income (Loss)	(188,801)	(35,601)	(66,559)	(396,312)
Working capital	724,248	334,412	370,763	435,779
Total assets	980,074	547,513	598,648	613,286
Total liabilities	31,088	750	16,284	75,006
Share capital	1,563,623	930,574	930,574	817,439
Deficit	(780,766)	(591,965)	(556,364)	(489,805)

Mineral Property

The Company's sole mineral project is the Tulameen Project, located in British Columbia.

The Tulameen Project

A technical report prepared in accordance with the form requirements of NI 43-101 on the Tulameen Project dated September 15, 2020 has been prepared for the Company by Robert J. Johnston, P. Geo. The Tulameen Report reviews the Tulameen Project's geology and mineralization and recommends an initial exploration program. The author of the Tulameen Report is an independent Qualified Person as defined by NI 43-101.

A complete copy of the Tulameen Report is available for review, in colour, on SEDAR at: www.sedar.com.

Share Consolidation

Effective upon the opening of trading day on May 10, 2022, the Company's share capital was consolidated on the basis of three (3) pre-consolidation common shares into one (1) new post-consolidation common share. The effect of the consolidation is reflected throughout the financial statements including comparative figures and this MD&A.

Liquidity and Capital Resources

The Company is an exploration stage company and therefore has no regular cash inflows. The Company's mineral properties are located in British Columbia. The investment in these properties, which are categorized as capitalized mineral property costs, together with cash, represent the bulk of the Company's asset base. Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements

As at September 30, 2022, the Company had $990 in cash, with negative working capital of ($141,172). The Company's share capital was $1,567,700 representing 9,311,175 common shares issued. As at September 30, 2022, the Company had accumulated a deficit of $1,751,482.

As at September 30, 2021, the Company had $745,692 in cash, with working capital of $724,248. The Company's share capital was $1,563,623 representing 9,301,855 common shares issued. As at September 30, 2021, the Company had accumulated a deficit of $780,766.

Dividends

The Company has neither declared nor paid any dividends on any of its share capital. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its shares in the foreseeable future. The payment of dividends on the Shares in the future is unlikely and will depend on the earnings and financial conditions of the Company and such other factors as the Board may consider appropriate. There are no restrictions on the Company paying dividends or distributions, except those set out in the BCBCA.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Related Party Transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Key management includes directors and key officers of the Company.

Key management personnel include the Company's CEO, CFO, and directors.

(a) Balances with related parties:

As at September 30, 2022, there was $8,000 owed to the CEO, $5,250 owed to a company controlled by the CFO and $16,550 owed to a related company Crest Resources Inc. (a company with a common CFO), in accounts payable and accrued liabilities. There are no balances owing to or from related parties as at September 30, 2021.

(b) Compensation paid to key management personnel during the years ended September 30, 2022 and 2021 was:

	Year ended September 30, 2022 $	Year ended September 30, 2021 $
Consulting fees	-	7,500
Management fees (former CEO)	(17,333)	96,000
Management fees (current CEO)	48,000	-
Professional fees	30,000	51,320
Rent (in General and Administration)	11,000	-
Exploration asset – geological and geophysical costs	-	13,587
Stock-based compensation	-	82,887

On December 22, 2020 of the total 553,333 incentive stock options granted, 333,333 incentive stock options were issued to directors of the Company.

On November 12, 2021, the former CEO returned a portion of the prior year management fee termination benefit back to the Company.

The management fee recovery is a result of the return of $17,333 in prior year May 31, 2021 management fees (net of GST), which was negotiated after the resignation of the former CEO.

The related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Significant Accounting Policies and Critical Accounting Estimates

All significant accounting policies and critical accounting estimates are fully disclosed in Note 3 of the audited consolidated financial statements for the years ended September 30, 2022 and 2021.

Financial Instruments

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	September 30, 2022 $	September 30, 2021 $
Fair value through profit or loss (i)	116,380	745,692
Amounts receivable (ii)	7,924	9,644
Other financial liabilities (ii)	270,476	31,088

(i) Cash and investment with a brokerage firm
(ii) GST receivable
(iii) Accounts payable and accrued liabilities and amounts due to related parties

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 – observable inputs such as quoted prices in active markets.

Level 2 – Inputs other than quoted prices that in active markets, that are observable either directly or indirectly, and

Level 3 – unobservable inputs in which there is little or no market data which require the reporting entity to develop its own assumptions.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	990	-	-	990
Investment	115,390	-	-	115,390

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and currency risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's credit risk is attributable to cash. The Company manages such risk by holding cash as operating bank accounts with Canadian chartered banks with minimum DBRS ratings of AA (S&P AA-).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's primary source of liquidity is its cash reserves. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to develop profitable operations in the future. The Company has generated operating losses since inception. As disclosed in Note 1 to the Company's financial statements, there can be no assurance these efforts will be successful in the future. All the Company's financial liabilities are subject to normal trade terms.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company does not have any significant transaction in foreign currencies and therefore is not exposed to significant currency risk.

Outstanding Share Data

As of the date of this MD&A, the Company had the following securities issued and outstanding:

Type	Amount	Exercise Price	Expiry Date
Common shares[1]	9,311,175	n/a	Issued and outstanding
Options	553,333	$0.30	December 22, 2025
Warrants	3,333,324	$0.225	July 28, 2026
Options	25,000	$0.51	August 20, 2026
	13,222,832		Total shares outstanding (fully diluted)

(1) *Authorized: Unlimited common shares without par value.*

Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published and are fully disclosed in Note 3 of the audited consolidated financial statements for the years ended September 30, 2022 and 2021. Management is assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

Additional Disclosure for Venture Issuers without Significant Revenue

The following table sets forth certain financial information for the Company, which has been derived from the Company's financial statements as contained in this MD&A. This summary should be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this MD&A.

The following table details the Company's expenditures for the years ended September 30, 2022 and 2021 in respect of the Tulameen Project, which is the Company's sole mineral property:

Capitalized Acquisition and Exploration Costs on the Tulameen Project	**Year Ended September 30, 2022** **$**	**Year Ended September 30, 2021** **$**
Additional area acquisition	Nil	102,500
Geological and Geophysical Costs	99,850	99,850
Staking Costs	2,456	2,456
Survey Costs	19,932	19,932
Total	**122,238**	**224,738**

Risk Factors

The risk and uncertainties below are not the only risks and uncertainties facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations and future prospects of the Company and cause the price of the Shares to decline. If any of the following risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer significantly.

Additional Financing

The exploration and development of the Tulameen Project will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold and copper industries in particular), the Company's status as a new enterprise with a limited history, the price of commodities and/or the loss of key management personnel. Further, if the price of gold, copper and other metals on the commodities markets decreases, then potential revenues from the Tulameen Project and any other project will likely decrease and such decreased revenues may increase the requirements for capital. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development. The Company will require additional financing to fund its operations until positive cash flow is achieved.

Volatility of Stock Markets

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of Shares to sell their securities at an advantageous price. Market price fluctuations in the Shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Shares.

Financial markets have historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Shares may be materially adversely affected.

Risk Factors Related to Dilution

The Company may issue additional securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Shares. The Company's shareholders do not have pre-emptive rights in connection with any future issuances of securities by the Company. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Shares will be issued by the Company on the exercise of options under the Stock Option Plan and upon the exercise of outstanding warrants.

It is likely that the Company will enter into more agreements to issue Shares and warrants and options to purchase Shares. The impact of the issuance of a significant amount of Shares from these warrant and option exercises could place downward pressure on the market price of the Shares.

Ability of Company to Continue as a Going Concern

The Company is in the exploration stage and is currently seeking additional capital to develop its exploration properties. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Negative Cash Flow from Operations

The Company had negative cash flows from operating activities and expects to continue to have negative cash flows. The Company currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations.

Mineral exploration is speculative and uncertain and involves a high degree of risk

The exploration for, and development of, mineral deposits involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

All of the properties in which the Company has an interest are without any mineral reserves. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its properties and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Dependence on the Tulameen Project

The Company will be an exploration stage company and as such does not anticipate receiving revenue from its mineral properties for some time. The Company will be solely focused on the exploration and development of the Tulameen Project, which does not have any identified mineral resources or reserves. Unless the Company acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

Mineral exploration and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs at the Tulameen Project will result in the definition of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered that Tulameen Project will be brought into commercial production. Failure to do so will have a material adverse impact on the Company's operations and potential future profitability. The discovery of bodies of commercial mineralization is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the Company's control.

Title to Mineral Properties

While the Company has performed its own due diligence with respect to the validity of the mineral claims comprising the Tulameen Project, this should not be construed as a guarantee of title. There is no assurance that applicable governmental bodies will not revoke or significantly alter the conditions of the applicable claims that are included in the Tulameen Project or that such claims will not be challenged or impugned by third parties.

The Tulameen Project may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of the Tulameen Project and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Tulameen Project or the size of the area to which such claims and interests pertain.

Uncertainties about the resolution of aboriginal rights in British Columbia may affect the Company.

On June 26, 2014, the Supreme Court of Canada (the "**SCC**") released a decision in *Tsilhqot'in Nation v. British Columbia* (the "**William Decision**"), pursuant to which the SCC upheld the First Nations' claim to Aboriginal title and rights over a large area of land in central British Columbia, including rights to decide how the land will be used, occupancy and economic benefits. The court ruling held that while the provincial government had the constitutional authority to regulate certain activity on aboriginal title lands, it had not adequately consulted with the Tsilhqot'in. The SCC also held that provincial laws of general application apply to land held under Aboriginal title if the laws are not unreasonable, impose no undue hardship, and do not deny the Aboriginal tile holders their preferred means of exercising their rights. The Company currently does not hold any properties in the area involved in the William Decision. The Company will continue to manage its operations within the existing legal framework while paying close attention to the direction provided by the Province of British Columbia and First Nations regarding the application of this ruling. Therefore, risks and uncertainties remain consistent with those referenced herein.

Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Tulameen Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Tulameen Project will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Mineral Resources and Reserves

There is no NI 43-101 compliant mineral resource or mineral reserve on the Tulameen Project. There can be no assurances that an NI 43-101 compliant resource or reserve will ever be estimated on the Tulameen Project

Because the Company has not defined or delineated any proven or probable reserves on any of its properties, any future mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Fluctuating Price of Metals

Future production, if any, from the Company's mineral properties will be dependent upon the prices of gold, copper and other metals being adequate to make these properties economic. Materially adverse fluctuations in the price of such minerals and metals may adversely affect the Company's financial performance and results of operations. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the control of the Issuer, including levels of supply and demand, industrial development levels, inflation and the level of interest rates, the strength of the U.S. dollar and geopolitical events in significant mineral producing countries. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in the value of the commodity held, and/or revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from streams, royalties or interests in mineral properties applicable to the relevant commodities. There is no assurance that, even if commercial quantities of cobalt are produced, a profitable market will exist for them.

Competitive Risks

The mineral resource industry is competitive in all of its phases. The Company competes with other companies, some of which have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. The Company competes with other exploration and mining companies for the acquisition of leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that the Company can compete effectively with these companies.

Government and Regulatory Risks

The Company's subject to various laws governing exploration, taxes, labour standards and occupational health, safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail the Company's activities.

Amendments to current laws, regulations and permits governing activities of exploration and mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses or require abandonment or delays in activities.

Failure to comply with any applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Environmental Risks

All phases of the Company's operations with respect to the Tulameen Project will be subject to environmental regulation in Canada. Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. In addition, environmental hazards may exist on the Tulameen Project which are currently unknown. The Company may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the properties, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's operations and future potential profitability.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The Company may be subject to reclamation requirements designed to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance land forms and vegetation. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and could have a material adverse impact on the Company's financial resources.

License and Permits

In the ordinary course of business, the Company will be required to obtain and renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Tulameen Project. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Uninsured risks

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions and floods. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Limited Operating History and Lack of Profits

The Company is an early-stage exploration company with a limited operating history. The likelihood of success of the Company's business plan must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with developing and expanding early-stage businesses and the regulatory and competitive environment in which the Company operates.

The Company has no history of earnings and has not commenced commercial production on any of its properties. The Company has experienced losses from operations and expects to continue to incur losses for the foreseeable future. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures are likely to increase in future years as needed consultants, personnel and equipment associated with advancing exploration, and, if permitted, development and, potentially, commercial production of its properties, are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties, government regulatory processes and other factors, many of which are beyond the Company's control. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

Reliance on Personnel

If the Company is not successful in attracting and retaining highly qualified personnel, the Company may not be able to successfully implement its business strategy.

The Company will dependent on a number of key management personnel, including the services of certain key employees. The Company's ability to manage its exploration, appraisal and potential development and mining activities will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical and a skilled workforce. The loss of the services of one or more key management personnel could have a material adverse effect on the Company's ability to manage and expand the business. In addition, the Company's ability to keep essential operating staff in place may also be challenged as a result of potential COVID-19 outbreaks or quarantines.

Adverse General Economic Conditions

The unprecedented events in global financial markets in the past several years, including in relation to the COVID-19 pandemic have had a profound impact on the global economy. Many industries, including the mineral resource industry, were impacted by and continue to be impacted by these market conditions. Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations.

Adverse capital market conditions could continue to affect the Company's ability to meet its liquidity needs, as well as its access to capital and cost of capital. The Company needs additional funding to continue development of its internal pipeline and collaborations. The Company's results of operations, financial condition, cash flows and capital position could be materially affected by continued disruptions in the capital markets.

COVID-19

The outbreak of the novel coronavirus (COVID-19) may cause disruptions to the Company's business and operational plans. These disruptions may include disruptions resulting from (i) shortages of employees, (ii) unavailability of contractors and subcontractors, (iii) interruption of supplies from third parties upon which the Company relies, (iv) restrictions that governments impose to address the COVID-19 outbreak, and (v) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others. Further, it is presently not possible to predict the extent or durations of these disruptions.

These disruptions may have a material adverse effect on the Company's business, financial condition and results of operations. Such adverse effect could be rapid and unexpected. These disruptions may severely impact the Company's ability to carry out its business plans.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, physical distancing, government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic including delays in commencing exploration operations, reduced resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including resources companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the proposed management of the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a proposed director or officer of the Company except as otherwise disclosed herein.

Corporate Governance

The Company's Board of Directors and its audit committee substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to the shareholders. The current Board of Directors is 4 individuals comprised of 3 independent members and 1 executive officers/directors. The audit committee consists of 3 financially literate members comprised of 2 independent directors and the chief executive officer who is a director.

Additional Information

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Symbol:

CSE symbol - GCP
OTC symbol - GCRCF
FSE symbol – 2SO

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