



Management Discussion and Analysis For the year ended May 31, 2023

This Management Discussion and Analysis (“MD&A”) of Granite Creek Copper Ltd. (the “Company” or “Granite Creek”) is for the year ended May 31, 2023 and covers information up to the date of this MD&A. This MD&A is dated September 28, 2023.

This MD&A was prepared to conform to National Instrument 52-102F1 and was approved by the Board of Directors (the “Board”) prior to its release. This analysis should be read in conjunction with the Company’s audited consolidated financial statements for the year ended May 31, 2023, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

All of the Company’s public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedarplus.ca and readers are urged to review these materials, including the technical reports filed with respect to the Company’s mineral properties.

NATURE OF BUSINESS

Granite Creek is a growth stage exploration company, focused on the acquisition and development of exploration properties that host, or have the potential to host, precious base or battery metals. Granite Creek was originally incorporated on June 23, 2010 under the British Columbia Business Corporations Act. The Company’s flagship asset is the Carmacks and Carmacks North (Carmacks North was previously known as the Stu project) copper-gold-silver project (the “Carmacks Property”) in the high-grade Minto copper district in Yukon Territory, Canada. The project is located south and within 35km of Minto Metals’ Minto mine. The Company has also recently acquired the Star property and the LS Moly property. The Company is a reporting issuer and trades on the TSX Venture Exchange (“TSX-V”) in Canada under the symbol “GCX”, in the United States on the OTC Markets under the symbol “GCXXF” and the Frankfurt Stock Exchange under the symbol “A2PFE0”.

The Company’s principal business is the acquisition, exploration and development of mineral properties with the goal of establishing a mineable mineral resource. To date the Company has not generated any significant revenues.

Granite Creek is a member of the Metallic Group of Companies, a collaboration of three precious and/or base metals exploration companies, with a portfolio of large, brownfield assets in established mining districts adjacent to some of the industry’s highest-grade producers of silver, platinum group metals and copper. The Metallic Group includes highly successful explorationists, formerly with leading explorer/developers including NovaGold Resources Inc., Trilogy Metals Inc., Wellgreen Platinum Ltd. (now Nickel Creek Platinum Corp.) and others, as well as larger producers including Placer Dome Inc. (now Barrick Gold Corporation), Goldfields Limited, and Stillwater Mining Company (now Sibanye-Stillwater).

Member companies include Metallic Minerals Corp. (TSX-V: MMG) in the high-grade Keno Hill silver district and La Plata silver and gold district, Stillwater Critical Minerals Corp. (formerly Group Ten Metals Inc.) (TSX-V: PGE) in the Stillwater PGM-Ni-Cu district of Montana, and Granite Creek. Each of the Metallic Group companies has a dedicated, highly experienced management team and board of directors with a track record of exploration and project development success. The companies share back-office, corporate support and geological staff for cost efficiency.

HIGHLIGHTS AND KEY DEVELOPMENTS

- On August 23, 2023, the Company announced positive preliminary results of metallurgical testing designed to increase overall copper recovery at its Carmacks project. The work is an important first step in realizing an additional \$180M of Net Present Value that is identified in the Preliminary Economic Assessment (“PEA”) study as potential in a combined sulphide-oxide recovery system, with total copper recovery increasing by 20% from the current projected 64% to 77% total copper recovery.
- On June 2, 2023, the Company closed the second tranche of a private placement for aggregate gross proceeds of \$548,425 by issuing a total of 3,749,667 flow-through (“FT”) units at a price of \$0.075 per unit and 4,453,333 non-FT units at a price of \$0.06 per unit.
- On May 18, 2023, the Company closed the first tranche of a private placement for aggregate gross proceeds of \$716,750 by issuing a total of 4,436,667 FT units at a price of \$0.075 per unit and 6,400,000 non-FT units at a price of \$0.06 per unit.
- On March 23, 2023, the Company entered into an agreement to acquire 100% interest in the LS (formerly Lucky Ship) molybdenum property. Under the terms of the agreement the Company has the option to acquire the 100% interest by issuing 3,750,000 common shares over a three-year period and completing exploration work equivalent to two years’ worth of assessment credit during the first two years of the agreement and four years worth of assessment credit in the third year of the agreement. The LS property hosts a historical NI 43-101 molybdenum resource consisting of 65.66 million tonnes averaging 0.064% Mo containing 92.6 million pounds of Mo in the Indicated category with an additional 10.24 million tonnes averaging 0.054% Mo containing 12.2 million pounds Mo in the Inferred category. The Mineral Resource Estimate (“MRE”) was completed by A.C.A. Howe Int. Ltd with an effective date of May 1, 2008 and an amended date of June 30, 2008 to National Instrument 43-101 standards and is believed to be reliable.
- On March 7, 2023 the Company filed a National Instrument 43-101 technical report for the Carmacks property entitled “Carmacks Project Preliminary Economic Assessment (“PEA”) Yukon, Canada.
- On January 19, 2023 the Company reported positive results from its Preliminary Economic Assessment for the Carmacks property highlighted by a post tax Net Present Value (“NPV”) of C\$330 million and a 38% IRR using a 5% discount and case 1 metal process of US\$4.25/lb Cu, US\$2,000/oz Au and US\$25/z Ag .
- On, December 15, 2022, the Company closed the second tranche of a private placement for aggregate gross proceeds of \$134,700 by issuing a total of 472,727 FT shares at a price of \$0.11 per share and 1,102,667 non-FT units at a price of \$0.075 per unit.
- On November 22, 2022, the Company announced results from an Induced Polarization survey conducted at the Company’s Carmacks property. The Company also announced it had closed a second tranche of the previously announced private placement for gross proceeds of \$148,700 consisting of 1,142,667 non flow-through units and 572,727 flow-through shares.

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- On October 5, 2022, the Company announced the closing of a first tranche of the previously announced non-brokered private placement, and the amendment of the terms to an issuance of up to 5,000,000 units at a price of \$0.075 with each unit consisting of one common share and one transferable warrant and issue up to 2,000,000 FT shares at a price of \$0.11 per share. The Company closed a first tranche of 1,481,332 non-FT units and 1,460,546 FT shares for total gross proceeds of \$271,760.

CARMACKS and CARMACKS NORTH (Carmacks North previously known as the Stu Project)

The Carmacks and Carmacks North Project is located in the Minto Copper Belt, an area of well-known copper-gold-silver mineralization in Canada's Yukon Territory. Situated approximately 47 kilometers ("km") northeast of the village of Carmacks, and approximately 210 km northwest of Whitehorse, the capital city of the Yukon Territory, the project is within 20km of grid power, 34 km of paved highway and is accessed by an all-weather road maintained by the Yukon government. The combined projects cover approximately 17,700 hectares (177 square km) and are on trend with the formerly producing Minto copper-gold-silver mine approximately 35 km north of the center of the project.

Carmacks North Target Area (previously known as the Stu Project)

In January 2019, the Company acquired an undivided 100% interest in the Stu Property in consideration for an aggregate of 3,000,000 units (each, a "Transaction Unit") at \$0.075 per Transaction Unit valued at \$225,000 and a 3% net smelter return royalty to the vendors on any future production on the Stu Property (the "Royalty"). Granite Creek has the option to purchase up to two-thirds of the Royalty from the vendors. The Company will also make annual advance Royalty payments of \$30,000 to the vendors beginning in May 2022, and in each subsequent year thereafter until the commencement of any commercial production on the Stu Property.

Carmacks Project

The Company acquired 100% of the Carmacks Project, a copper, gold, and silver deposit located in Yukon, Canada, through its acquisition of Copper North.

At May 31, 2023, \$2.0 million has been paid in advance royalty payments. The Company is required to make an advance royalty payment of \$100,000 in any year in which the average daily copper price reported by the London Metal Exchange is US\$1.10 per pound or greater. Any production from the Carmacks Project is subject to either a 15% net profits interest or a 3% net smelter return royalty, at the Company's election. If the Company elects to pay the net smelter return royalty, it has the right to purchase the royalty for \$2.5 million, less any advance royalty payments made to that date.

Star Property

The Company acquired a 100% interest in the Star project located in the Omineca region of northern British Columbia in August of 2022. The Star project consists of 4,484 ha of ultramafic geology, highly prospective for copper, nickel, cobalt and platinum group metals. The Company began compiling historic data and completed an initial geological sampling and mapping program in the fall of 2022 that included confirmation of the location and tenure of multiple historical showings on the property.

LS (formerly Lucky Ship) Molybdenum Property

The Company entered into an agreement to acquire a 100% interest in the LS (formerly Lucky Ship) molybdenum property. Under the terms of the agreement the Company has the option to acquire the 100% interest by issuing 3,750,000 common shares over a three-year period and completing exploration work equivalent to two years' worth of assessment credit during the first two years of the agreement and four years' worth of assessment credit in the third year of the agreement.



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FINANCIAL CONDITION

The net assets of the Company decreased from \$7,836,057 at May 31, 2022, to \$7,298,457 at May 31, 2023, a decrease of \$537,600.

The most significant assets at May 31, 2023 were exploration and evaluation assets of \$8,579,435 (2022: \$8,361,256), and cash of \$886,989 (2022: \$949,655).

The exploration and evaluation assets of \$8,579,435 at May 31, 2023 mainly consisted of the Carmacks property.

The liabilities at May 31, 2023 were accounts payable and accrued liabilities of \$341,588 (2022: \$375,630), due to related parties of \$853,271 (2022: \$674,654) and flow-through share premium liability of \$46,381 (2022: \$145,334). Upon acquisition of Copper North, the Company had a long-term severance liability which was further accreted to \$724,272 at May 31, 2023 (2022: \$658,429). The Company also renegotiated \$377,119 of due to related party balances to longer terms and has classified as long term.

Of the due to related parties classified as current liabilities, \$853,271 at May 31, 2023, a total of \$689,885 consisted of a net payable balance with TruePoint Exploration Inc. ("TruePoint"). TruePoint is a privately held exploration service company that provides exploration and administrative services to the Company and other companies. Charges from TruePoint are for exploration, management and office administration expenses. The amount due to TruePoint consisted of invoiced costs offset with advances made by the Company.

The flow-through share premium was a result of the Company completing FT private placements throughout last fiscal and the current fiscal year. On issuance of FT units, the Company allocates the proceeds into i) share capital, ii) warrants, and iii) flow-through share premium, if any, using the residual value method. If there is a premium for the FT feature, it is recognized as a liability. Upon incurring qualifying expenditures, the Company reduces the liability and recognizes a deferred tax recovery in income for the amount of tax reduction renounced to the shareholders. At the end of a period, the flow-through share premium liability consists of the portion of the premium on FT shares that corresponds to the portion of qualifying exploration expenditures that have not yet been incurred.

During the year ended May 31, 2023, the Company incurred all qualifying expenditures required to be completed prior to December 31, 2022. As at May 31, 2023 there is \$332,750 of qualifying expenditures to be completed prior to December 31, 2024.

RESULTS OF OPERATIONS

The net loss for the year ended May 31, 2023 was \$2,145,294 (2022: \$4,627,455). The decrease in net loss was due to a significant decrease in exploration expenditures.

The majority of expenses for the year ended May 31, 2023 consisted of exploration expenditures of \$1,388,062 (2022: \$3,622,743), share-based payments expense of \$240,434 (2022: \$415,916), consulting and management fees of \$276,334 (2022: \$308,045) and investor relations of \$120,270 (2022: \$275,716).

Exploration expenditures of \$1,388,062 consisted of work performed on the Carmacks North property (formerly known as the Stu Property) of \$262,889 including \$44,128 in consulting and \$197,157 in camp. Work performed on the Carmacks property of \$1,096,109 including \$52,422 in analysis, \$135,508 in camp, \$796,970 in consulting, \$38,234 in equipment and communication.



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The share-based payments expense of \$240,434 was a result of the vesting of newly granted 4,300,000 options and previously granted stock options. The Company applies the fair value method of accounting for all awards of stock options by using the Black-Scholes option pricing model. Variations in share-based payments expense is based on a number of factors including, but not limited to, the size and occurrence of grants during a particular period, the Company's share price at the time of an option grant and the timing of recording share-based payments expense based on vesting schedules.

FOURTH QUARTER

The Company had a net loss of \$286,205 (2022: \$175,528) for the quarter ended May 31, 2023. The most significant expenses in Q4 2022 were consulting and management fees of \$88,603 (2022: \$120,844) and share-based payment expense of \$43,058 (2022: \$111,080).

CASH FLOWS

Subsequent to May 31, 2023, the Company closed the second tranche of a private placement for aggregate gross proceeds of \$548,425 by issuing a total of 3,749,667 FT units at a price of \$0.075 per unit and 4,453,333 non-FT units at a price of \$0.06 per unit.

Year ended May 31, 2023 and 2022

During the year ended May 31, 2023, cash decreased by \$62,666 from \$949,655 at May 31, 2022 to \$886,989 at May 31, 2023. The decrease was a result of \$1,342,550 used in operating activities and cash of \$148,179 used in investing activities, partially offset by cash of \$1,428,063 provided by financing activities.

The cash of \$1,342,550 used in operating activities consisted of the net loss of \$2,145,294 and a net change of \$786,450 in non-cash working capital items, offset by non-cash items.

The cash of \$148,179 used in investing activity relates to the annual advanced royalty payment for the Carmacks project.

The cash of \$1,428,063 provided by financing activities consists of the Company closing of a private placement for gross proceeds of \$1,123,210, along with \$279,975 of funds received in advance for private placement closed subsequent to May 31, 2023, and receiving \$62,500 for the exercise of options and warrants.

SELECTED ANNUAL INFORMATION

	2023	2022	2021
	\$	\$	\$
Other Items	224,140	308,761	1,340,056
Expenses	<u>(2,369,434)</u>	<u>(4,936,206)</u>	<u>(3,481,000)</u>
Net loss for the year	<u>(2,145,294)</u>	<u>(4,627,445)</u>	<u>(2,140,944)</u>
Basic and diluted loss per share	(0.02)	(0.04)	(0.03)
Total assets	9,641,088	9,690,104	12,681,449
Total non-current liabilities	1,101,391	658,429	598,570
Cash dividends declared	<u>-</u>	<u>-</u>	<u>-</u>



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As noted in ‘Results of Operations’ on Page 5, the decrease in the Company’s net loss the compared to last fiscal year was due to a significant decrease in exploration expenditures.

SUMMARY OF QUARTERLY RESULTS

Selected quarterly information for each of the eight most recently completed financial periods is set out below.

	Q4, 2023	Q3, 2023	Q2, 2023	Q1, 2023
Net income (loss) for the period	(286,205)	(302,687)	(590,304)	(966,098)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.00)
	Q4, 2022	Q3, 2022	Q2, 2022	Q1, 2022
Net income (loss) for the period	(175,528)	(722,884)	(1,195,459)	(2,533,574)
Basic and diluted loss per share	(0.00)	(0.01)	(0.02)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2023, the Company had current assets totaling \$981,353 comprised of cash, receivables, and prepaid expenses and deposits. At May 31, 2023, the Company had working capital deficiency of \$259,887 (2022: working capital of \$42,930).

During May 2023, the Company closed the first tranche of a private placement for aggregate gross proceeds of \$716,750 by issuing a total of 4,436,667 FT units at a price of \$0.075 per unit and 6,400,000 non-FT units at a price of \$0.06 per unit.

During October and December 2022, the Company closed a private placement (in multiple tranches) for aggregate gross proceeds of \$406,460 by issuing a total of 1,933,273 FT units at a price of \$0.11 per unit and 2,583,999 non-FT units at a price of \$0.075 per unit.

During the year ended May 31, 2023, the Company issued 500,000 common shares pursuant to the exercise of options for total gross proceeds of \$40,000 and issued 300,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$22,500.

During the year ended May 31, 2022, the Company closed a private placement by issuing a total of 8,333,337 FT shares for gross proceeds of \$1,500,001.

During the year ended May 31, 2022, the Company issued 400,000 common shares pursuant to the exercise of options for total gross proceeds of \$55,000.

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As the Company has no revenues, its ability to fund operations is dependent upon its ability to secure financing through the sale of equity or assets, or to obtain loans. While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, there is no assurance it will be able to raise funds in this manner in the future and there remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. The Company's trade and other payables are due in the short term.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS

As a result of the issuance of FT shares in December 2021, the Company had a commitment to incur \$1,500,001 on qualifying Canadian exploration expenditures prior to December 31, 2022. All expenditures were incurred prior to December 31, 2022.

As a result of the issuance of FT shares in October 2022 and December 2022 the Company had a commitment to incur \$212,660 prior to December 31, 2023. All expenditures were incurred as at May 31, 2023.

As a result of the issuance of FT shares in May 2023, the Company had a commitment to incur \$332,750 on qualifying Canadian exploration expenditures prior to December 31, 2024. No expenditures have been incurred as at May 31, 2023.

RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Executive Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and are reviewed and approved by the Company's Board. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

In addition to key management personnel, the Company transacted with the following related parties during the years ended May 31, 2023 and 2022:

- TruePoint Exploration Inc. ("TruePoint") is a privately held exploration service company that provides exploration and administrative services to the Company as well as to other exploration companies. Costs covered by TruePoint include exploration expenditures (technical work on the project such as drilling, sampling and geophysics), consulting, investor relations and corporate development costs and other admin costs. Timothy Johnson, President and CEO of the Company, and another director of the Company are minority shareholders of TruePoint;
- 1111040 BC Ltd., a private company controlled by the President and CEO of the Company; and
- MVR Consulting Inc. ("MVR Consulting"), a private company controlled by Michael Rowley, Director.

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a) Related Party Transactions

Related party transactions for the years ended May 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Consulting and management fees ⁽¹⁾	233,340	209,958
Share-based payments ⁽²⁾	44,441	99,095
Exploration and administrative support costs ⁽³⁾	1,383,452	3,623,032
	<u>1,661,233</u>	<u>3,932,085</u>

¹ Consulting fees for the years ended May 31, 2023 and 2022 consisted of fees earned by key management personnel including the CEO and CFO.

² Share-based payments expense is a non-cash item that consisted exclusively of the fair value of stock options that were granted to key management personnel.

³ Transactions with TruePoint for the year ended May 31, 2023 consisted of exploration expenditures (\$1,194,191; 2022: \$3,267,971), investor relations and corporate development fees (\$176,875; 2022: \$37,500) and other/office fees (\$12,386; 2022: \$nil).

b) Related Party Balances

The Company's related party payable balances consisted of the following:

	<u>May 31,</u>	<u>May 31,</u>
	<u>2023</u>	<u>2022</u>
	\$	\$
Current liabilities – Due to related parties		
TruePoint, net ⁽¹⁾	689,885	504,546
TruePoint, Promissory note	-	111,589
Tim Johnson	62,053	25,436
1111040 BC Ltd	84,000	15,750
Loy Chunpongtong (Director) ⁽²⁾	17,333	17,333
	<u>853,271</u>	<u>674,654</u>

¹ This amount was the net of cash advances made to TruePoint, for future exploration offset by charges from TruePoint

² This amount is related to director fees payable by Copper North Mining Corp. for the time Mr. Chunpongtong served as a Copper North Mining Corp. director prior to its acquisition by the Company.

Current amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

	<u>May 31,</u>	<u>May 31,</u>
	<u>2023</u>	<u>2022</u>
	\$	\$
Long-term liabilities – Due to related parties		
TruePoint, Promissory note	260,530	-
TruePoint, Promissory note	116,589	-
	<u>377,119</u>	<u>-</u>

PROPOSED TRANSACTIONS

As of the date of this report, there were no proposed transactions that have not been disclosed elsewhere in this MD&A.

FINANCIAL AND OTHER INSTRUMENTS**Categories of Financial Instruments**

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Cash, accounts receivable, accounts payable and accrued liabilities and due to related parties are classified as amortized cost.

As at May 31, 2023 the Company believes the carrying values of cash, receivables, accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, currency risk, interest rate risk, credit risk, and other price risk.

The Company's exposure to these risks and its methods of managing the risks are summarized as follows:

i) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities and through management of its capital structure.

As at May 31, 2023, all of the Company's financial liabilities had contractual maturities of less than 90 days, except for the severance liability which is due and payable in June 2025 and certain loans due to related parties. The Company may not have sufficient cash to meet requirements for administrative overhead, maintaining its mineral interests and continuing with its exploration program in the following twelve months. The Company may be required to raise additional capital in the future to fund its operations.

ii) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools and considers the risks related to foreign currency are not significant at this time. The Company is not exposed to material currency risk.

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iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Based on the current cash balances and expected future interest rates, the Company is not exposed to material interest rate risk.

iv) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk mainly in respect to managing its cash. The Company's mitigates such credit risk by risk management policies that require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better. All investments must be less than one year in duration.

v) Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this report, there were 160,767,747 common shares, 18,805,822 share purchase warrants and 17,489,000 stock options outstanding.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended May 31, 2023 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim and Annual Filings on SEDAR at www.sedarplus.ca.

RISK FACTORS AND UNCERTAINTIES*Overview*

The Company is subject to many risks that may affect future operations over which the Company has little control. These risks include, but are not limited to, intense competition in the resource industry, market conditions, and the Company's ability to access new sources of capital, mineral property title, results from property exploration and development activities, and currency fluctuations. The Company has a history of recurring losses and there is no expectation that this situation will change in the foreseeable future.

Competition

Other exploration companies, including those with greater financial resources than the Company, could adopt or may have adopted the same business strategies and thereby compete directly with the Company, or may seek to acquire and develop mineral claims in areas targeted by the Company. While the risk of direct competition may be mitigated by the Company's experience and technical capabilities, there can be no assurance that competition will not increase or that the Company will be able to compete successfully.

Access to Capital

The exploration and subsequent development of mineral properties is capital intensive. Should it not be possible to raise additional equity funds when required, the Company may not be able to continue to fund its operations which would have a material adverse effect on the Company's potential profitability and ability to continue as a going concern. At present, the Company does not have cash resources to fund planned exploration for the next twelve months. Timing of additional equity funding will depend on market conditions as well as exploration requirements.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. These conditions may persist for an indeterminate period of time.

Foreign Operations and Political Risk

In foreign jurisdictions, mineral exploration and mining activities may be affected in varying degrees by political or economic instability, expropriation of property and changes in government regulations such as tax laws, business laws, environmental laws and mining laws. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may materially adversely affect its business, or if significant enough, may make it impossible to continue to operate in certain countries. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and exploration health and safety. These risks are not unique to foreign jurisdictions and apply equally to the property interests in Canada.

Speculative Nature of Mineral Exploration and Development

The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of ore will be discovered on any of the Company's properties. Even if commercial quantities of ore are discovered, there is no assurance that the mineral property will be brought into production.

Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as its size, grade, metallurgy, and proximity to infrastructure; commodity prices, which have fluctuated widely in recent years; and government regulations, including those relating to taxes, royalties, land tenure, land use, aboriginal rights, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, and the Company's business may be adversely affected by its inability to advance projects to commercial production.

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's evaluation of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and operating activities.

Commodity Prices

The prices of gold, silver, copper, lead, zinc, moly, and other minerals have fluctuated widely in recent years and are affected by a number of factors beyond the Company's control, including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, consumption patterns, and speculative activities and increased production due to improved exploration and production methods. Fluctuations in commodity prices will influence the willingness of investors to fund mining and exploration companies and the willingness of companies to participate in joint ventures with the Company and the level of their financial commitment. The supply of commodities is affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Mineral Property Tenure and Permits

The Company completes reviews of its mineral property titles and believes that all requirements have been met to ensure continued access and tenure for property titles. However, ongoing requirements are complex and constantly changing so there is no assurance that these titles will remain valid. The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and production operations at its projects.

Although the Company has acquired the rights to some or all of the resources in the ground subject to the tenures that it acquired, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable laws usually provide for rights of access to

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the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time consuming. It is necessary, as a practical matter, to negotiate surface access.

There can be no guarantee that, despite having the right at law to access the surface and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with existing landowners for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors, officers and advisors of other companies involved in natural resource exploration and development. To the extent that such companies may participate in ventures with the Company, such directors and officers may have conflicts of interest in negotiating and concluding the terms of such ventures. Such other companies may also compete with the Company for the acquisition of mineral property rights. In the event that any such conflict of interest arises, the Company's policy is that such director or officer will disclose the conflict to the board of directors and, if the conflict involves a director, such director will abstain from voting on the matter. In accordance with the Business Corporations Act (BC), the directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

Dependence Upon Others and Key Personnel

The success of the Company's operations will depend upon numerous factors including its ability to attract and retain additional key personnel in exploration, marketing, joint venture operations and finance. This will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel and consultants can be particularly intense.

Government Regulation

The Company operates in an industry which is governed by numerous regulations, including but not limited to, environmental regulations as well as occupational health and safety regulations. It is possible that regulations or tenure requirements could be changed by the respective governments resulting in additional costs or barriers to development of the properties. This would adversely affect the value of properties and the Company's ability to hold onto them without incurring significant additional costs. It is also possible that the Company could be in violation of, or non-compliant with, regulations it is not aware of.

FORWARD-LOOKING INFORMATION

This MD&A includes certain statements that may be deemed “forward-looking statements” concerning the future performance of the Company’s business, its operations, its financial performance and condition, as well as management’s objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as “may”, “will”, “plan”, “expect”, “anticipate”, “estimate”, “intend” and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that may cause actual results to vary from forward looking statements include, but are not limited to, the Company’s ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, as described in more detail in this document under “Risk Factors and Uncertainties”. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Other Information

All technical reports on material properties, press releases and material change reports are filed on SEDAR at www.sedarplus.ca.

Investor relations

Company management liaises with the investment community and communicates with investors and shareholders about the Company’s projects and progress. The Company's website is www.gcxcopper.com.



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Corporate Information

CORPORATE HEAD OFFICE & RECORDS OFFICE

904 - 409 Granville Street
Vancouver, British Columbia, Canada V6C 1T2
Telephone: 604-235-1982
Website: www.gcxcopper.com Email: info@gcxcopper.com

DIRECTORS & OFFICERS

Timothy Johnson, President, CEO, & Director
Michael Rowley, Director
Loy Chunpongtong, Director
Geordan Clark, Director
Robert Sennot, Director
Rebecca Moriarty, CFO
Alicia Milne, Corporate Secretary

STOCK EXCHANGE LISTING

TSX Venture Exchange - Trading Symbol "GCX"
OTC Markets - Trading symbol "GCXXF"
Frankfurt Stock Exchange – Trading Symbol "A2PFE0"

TRANSFER AGENT & REGISTRAR

Odyssey Trust Company
350 - 409 Granville Street, Vancouver, British Columbia, Canada V6C 1T2

LEGAL COUNSEL

Sangra Moller LLP
1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2

AUDITORS

WDM Chartered Professional Accountants
1501 W Broadway #420, Vancouver, British Columbia, Canada V6J 4Z6
