Management Discussion and Analysis
For the year ended July 31, 2019

This Management Discussion and Analysis ("**MD&A**") of Granite Creek Copper Ltd. (formerly Granite Creek Gold Ltd.) (the "**Company**" or "**Granite Creek**") is for the year ended July 31, 2019 and covers information up to the date of this MD&A.

This MD&A is dated **November 28, 2019**.

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 consolidated financial statements for the year ended July 31, 2019, 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.

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.

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.sedar.com 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 copper, gold and silver. Granite Creek was originally incorporated on May 10, 2007 under the British Columbia Business Corporations Act. The Company's key asset is the Stu copper-gold-silver project (the "**Stu Property**") in the high-grade Minto copper district in Yukon Territory, Canada. The project is located south of Pembridge Resources' Minto mine and adjacent to Copper North Mining Corp.'s ("**Copper North**") Carmacks project. The Company is a reporting issuer and trades on the TSX Venture Exchange ("**TSX-V**") in Canada under the symbol "**GCX**" 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.

OUTLOOK AND STRATEGY

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, **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 and corporate support for cost efficiency.

HIGHLIGHTS AND KEY DEVELOPMENTS (to the date of this report)

- In November 2019, the Company entered into an agreement to acquire 26,146,233 common shares of Copper North, representing approximately 30% of the outstanding shares of Copper North, in consideration for 10,529,663 common shares of the Company. The acquisition is subject to regulatory approval;

- In August and September 2019, the Company completed exploration work on the Stu Property that included geological mapping, geochemical surveys and Induced Polarity geophysical surveys. As of the date of this MD&A, the results from these surveys are still being compiled with the Company's historical data, with the goal of developing drill targets for the 2020 field season;

- On August 8, 2019, the Company completed a non-brokered private placement for aggregate gross proceeds $500,000 through the issuance of 5,882,352 units of the Company at a price of $0.085 per unit. Each unit consisted of one common share of the Company on a flow-through basis and one half non-flow-through share purchase warrant, with each full warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.20 per share with an expiry of August 8, 2022. The gross proceeds from the private placement are intended to be used on the Company's Yukon exploration projects;

- On July 15, 2019, the Company announced the results of compilation work, identifying four target areas requiring further follow up. As a result of the compilation work, the Company staked a further 21 claims bring the total area of the project to 115 square kilometers ("**km^2**");

- In May 2019, the Company announced the formation of, and first appointments to, a Technical Advisory Board which will assist the Company in guiding the development of the Stu Property. The first two appointees were Ms. Nikolett Kovacs, M.Sc., a well-respected geologist with extensive expertise in the Minto Copper District and Mr. Douglas Warkentin, P.Eng., a Senior Metallurgist with over 30 years of experience in mineral processing;

- In April 2019, the Company signed a comprehensive data-sharing agreement with Copper North in regards to existing mineral exploration data on the companies' adjoining mineral claims in the Minto copper district;

HIGHLIGHTS AND KEY DEVELOPMENTS (to the date of this report) (continued)

- In April 2019, the Company announced that its common shares have commenced trading on the Frankfurt Stock Exchange under the symbol "A2PFE0" in order to expand its shareholder base and gain access to international capital;

- In February 2019, the Company secured a substantial historic database detailing exploration work conducted by United Keno Hill Mines Ltd. on the area now covered by the Company's Stu Property, including historical trenching and sampling results including detailed geological mapping, and complete drill data from a 4,504 meter ("**m**"), 28-hole program including logs, assay results and lithology;

- In January 2019, the Company acquired an undivided 100% interest in the Stu Property from arms-length vendors (the "**Vendors**") in exchange for 3,000,000 units of the Company. See '*Mineral Property Acquisition'* below;

- In January 2019, concurrent with the Stu Property acquisition, the Company completed a non-brokered private placement issuing 24,000,000 units at a price of $0.075 per unit for gross proceeds of $1,800,000;

- In January 2019, the Company appointed Mr. John Cumming to its Board of Directors. Mr. Cumming is a securities and mining lawyer and businessman with 40 years of experience; and

- In January 2019, the Company graduated from the NEX Board to the TSX-V under the symbol "GCX".

MINERAL PROPERTY ACQUISITION

In January 2019, the Company entered into an agreement (the "**Agreement**") with the Vendors under which 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 Agreement also provides that the Company will 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.

Each Transaction Unit is comprised of one common share and one share purchase warrant, with each warrant exercisable into one additional common share at an exercise price of $0.15, with an expiry of January 16, 2022.

Stu Copper Property

The Stu Property is located in an area of well-known mineralization in Canada's Yukon Territory, approximately 47 km northeast of Carmacks, Yukon Territory, and approximately 210 km northwest of Whitehorse, the capital city of the Yukon Territory. The Stu Property, which consists of 541 contiguous claims covering approximately 11,100 hectares (111 km^2), is on trend with the Minto copper mine approximately 35 km north of the Stu Property, and is directly adjacent to Copper North's Carmacks Project to the south.

MINERAL PROPERTY ACQUISITION (continued)

Concurrent Financing

On January 16, 2019, the Company completed a concurrent non-brokered private placement of 24,000,000 units at a price of $0.075 per unit for gross proceeds of $1,800,000. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable into one additional common share at an exercise price of $0.20, with an expiry of January 16, 2022. In the event that the common shares close at or above $0.30 for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to expire on the 30th day after the date on which notice of acceleration is given by the Company.

OVERALL PERFORMANCE

FINANCIAL CONDITION

The net assets of the Company increased from a net liability of $683,770 at July 31, 2018 to net assets of $443,672 at July 31, 2019, an increase of $1,127,442. The most significant assets at July 31, 2019 were prepaid expenses and deposits of $236,575 (July 31, 2018: $1,480), exploration and evaluation assets of $225,336 (July 31, 2018: $Nil) and cash of $109,106 (July 31, 2018: $11,736). The liabilities at July 31, 2019 were accounts payable and accrued liabilities of $120,344 (July 31, 2018: $204,082) and due to related parties of $82,953 (July 31, 2018: $209,847). At July 31, 2018 there were additional liabilities including loans payable of $279,565 and a goods and services tax ("**GST**") payable of $3,492.

The majority of the increase in net assets was a result of the Company completing the private placement noted in '*Concurrent Financing*' on Page 3. Proceeds in the amount of $51,994 were not yet received as of July 31, 2019 and were included in GST and subscriptions receivables. With proceeds from the private placement, the Company settled its loans payable and amounts due to related parties that were recorded at July 31, 2018.

The majority of the prepaid expenses and deposits of $236,575 at July 31, 2019 consisted of related party transactions with TruePoint Exploration Inc. ("**TruePoint**"). TruePoint is a privately held geological consulting firm that is a related party to the Company through its management contracts, which confer significant influence over operations. Charges include exploration, management, accounting and office and administration. The prepaid amount of $229,908 consisted of advances made by the Company to TruePoint, partially offset by invoiced costs from TruePoint. The balance of $229,908 is expected to decrease over time as TruePoint continues to invoice Granite Creek.

The exploration and evaluation assets of $225,336 at July 31, 2019 consisted exclusively of the acquisition cost of the Stu Property, as noted in '*Mineral Property Acquisition*' above, and a small filing fee.

RESULTS OF OPERATIONS

Year ended July 31, 2019

The net loss for the year ended July 31, 2019 was $1,084,526 (2018: $276,491). The increase in net loss was a result of the Company becoming more active pursuant to the completion of a private placement, settling its liabilities, acquiring the Stu Property, commencing an investor outreach campaign and conducting some exploration activities on the Stu Property.

RESULTS OF OPERATIONS (continued)

Year ended July 31, 2019 (continued)

The majority of expenses for the year ended July 31, 2019 consisted of consulting and management fees of $263,758 ($209,045), exploration and evaluation expenditures of $243,122 (2018: $Nil), share-based payments expense of $193,072 (2018: $Nil), corporate advisory fees of $143,496 (2018: $Nil), professional fees of $89,661 (2018: $24,852) and investor relations costs of $71,956 (2018: $Nil).

The exploration and evaluation expenditures of $243,122 consisted exclusively of work performed on the Stu Property including geological consulting fees of $185,976 and salaries and benefits of $34,295. The consulting and management fees of $263,758 included CEO fees of $67,500 and CFO fees of $43,250. The share-based payments expense of $193,072 was a result of the Company granting 2,900,000 stock options in February 2019 and 750,000 stock options in May 2019. 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.

As a result of the Company becoming more active in fiscal 2019, it commenced an investor outreach campaign to increase awareness of the Company and consequently incurred $143,496 in corporate advisory fees and $71,956 in investor relations costs. Professional fees of $89,661 consisted of $69,061 in legal fees and $20,600 in audit and tax fees.

CASH FLOWS

Year ended July 31, 2019

During the year ended July 31, 2019, cash increased by $97,370, from $11,736 at July 31, 2018 to $109,106 at July 31, 2019. The increase was a result of cash of $1,342,920 provided by financing activities, partially offset by cash of $1,245,214 used in operating activities and $336 used in investing activities.

The cash of $1,342,920 provided by financing activities consisted of the receipt of net proceeds of $1,741,902 pursuant to the January 2019 private placement, partially offset by the repayment of loans of $272,088 and net payments to related parties of $126,894.

The cash of $1,245,214 used in operating activities consisted of the net loss of $1,084,526 and a net change in non-cash working capital items of $347,970, partially offset by non-cash items of $187,282.

SELECTED ANNUAL INFORMATION

Selected annual information as at and for the year ended July 31 is as follows:

	2019	2018	2017
	$	$	$
Revenues	-	-	-
Net loss for the year	(1,084,526)	(276,491)	(165,489)
Basic and diluted loss per share	(0.06)	(0.10)	(0.06)
Total assets, July 31	646,969	13,216	8,433
Total non-current liabilities	-	-	220,416
Cash dividends declared	-	-	-

As noted in '*Results of Operations*' on Page 4, the increase in the Company's net loss and total assets was a result of the Company becoming more active pursuant to the completion of a private placement, settling its liabilities, acquiring the Stu Property, commencing an investor outreach campaign and conducting some exploration activities on the Stu Property.

SUMMARY OF QUARTERLY RESULTS

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

	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019
	$	$	$	$
Net loss for the period	(416,544)	(183,731)	(387,986)	(96,265)
Basic and diluted loss per share	(0.01)	(0.01)	(0.05)	(0.03)

	Q4, 2018	Q3, 2018	Q2, 2018	Q1, 2018
	$	$	$	$
Net loss for the period	(157,145)	(33,886)	(52,731)	(32,729)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

SUMMARY OF QUARTERLY RESULTS (continued)

As a result of the acquisition of the Stu Property, the completion of the private placement and the commencement of an investor outreach campaign, the Company has become more active in fiscal 2019. The most significant expenses contributing to the net loss in Q4, 2019 were consulting fees of $140,677, share-based payments expense of $107,859, exploration and evaluation expenditures on the Stu Property of $57,184 and corporate advisory fees of $39,865.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2019, the Company had current assets totaling $421,633 comprised of cash, receivables and prepaid expenses and deposits. At July 31, 2019, the Company had working capital of $218,336 (July 31, 2018: working capital deficiency of $683,770). In addition, the Company completed a non-brokered private placement for gross proceeds of $500,000 on August 8, 2019.

The Company has no long-term debt and no capital lease obligations.

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.

RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and 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. Amounts paid by the Company for the services provided by related parties are determined by negotiation among the parties and are reviewed and approved by the Board. These transactions are in the normal course of operations and are measured at their exchange amount.

In addition to key management personnel, the Company transacted with the following related parties during the years ended July 31, 2019 and July 31, 2018:

- TruePoint Exploration Inc. (“**TruePoint**”), a privately held geological consulting firm controlled by Timothy Johnson, the President and CEO of the Company, Michael Rowley, a Director of the Company, is a related party through its management contracts, which confer significant influence over operations. Charges are for exploration, management, accounting and office and administration.

- 1111040 BC Ltd., a private company controlled by the President and CEO of the Company.

- MVR Consulting Inc. (“**MVR Consulting**”), a private company controlled by Michael Rowley, Director and former CFO of the Company.

- Foran Mining Corporation (“**Foran**”), a public company whose CFO, Tim Thiessen, is the CFO of the Company.

RELATED PARTY TRANSACTIONS (continued)

- Swiftcurrent Ventures Ltd., a private company controlled by a former Director.

a) Related Party Transactions

Related party transactions for the year ended July 31 were as follows:

		2019	2018
		$	$
Consulting and management fees	1	112,179	113,000
Share-based payments expense	2	72,124	-
Exploration and administrative support costs	3	187,254	-
		371,557	113,000

1 Consulting and management fees consisted of CEO, CFO and Corporate Secretary fees.

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

3 Exploration and administrative support costs were charged by TruePoint and consisted of $62,969 for exploration and evaluation expenditures, $50,974 for corporate advisory fees, $49,054 for consulting fees, $19,635 for investor relations fees and $4,622 for office and administration costs.

During the year ended July 31, 2019, the Company received rental income totalling $Nil (2018: $1,708) from two companies with common directors.

b) Related Party Balances

The Company's related party balances consisted of the following at July 31:

		2019	2018
Current assets - Prepaid expenses and deposits		$	$
Due from TruePoint, net	1	229,908	-
Current liabilities - Due to related parties			
Due to Tim Johnson, CEO		67,991	105,175
Due to 1111040 BC Ltd.		8,400	-
Due to Michael Rowley, Director		262	55,246
Due to Tim Thiessen, CFO		6,300	-
Due to Swiftcurrent Ventures Ltd.		-	49,426
		82,953	209,847

1 This amount was the net of cash advances made to TruePoint, partially offset by changes from TruePoint for exploration, management, accounting and office and administration.

The related party balances were non-interest bearing, unsecured, and had no specified terms of repayment.

RELATED PARTY TRANSACTIONS (continued)

c) Insider Participating in Private Placements

A summary of insider participation in the Company's private placements for the year ended July 31, 2019 was as follows:

January 2019 Private Placement	Number of Units	Price	Proceeds
		$	$
MVR Consulting	900,000	0.075	67,500
Timothy Johnson	800,000	0.075	60,000
	1,700,000		127,500

FOURTH QUARTER

The Company had a net loss of $416,544 for the quarter ended July 31, 2019. The most significant expenses in Q4, 2019 were consulting fees of $140,677, share-based payments expense of $107,859, exploration and evaluation expenditures on the Stu Property of $57,184 and corporate advisory fees of $39,865.

PROPOSED TRANSACTIONS

On November 21, 2019, the Company entered into an agreement to acquire 26,146,233 common shares of Copper North Mining Corp. ("**Copper North**"), representing approximately 30% of the outstanding shares of Copper North, in consideration for 10,529,663 common shares of the Company. The acquisition is subject to regulatory approval.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

i) Critical Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

i) Critical Accounting Estimates (continued)

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

ii) Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Exploration and Evaluation Expenditures

The application of the Company accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will follow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the Company's profit or loss in the period the new information becomes available.

ii) Critical Accounting Judgments

Title to Mineral Property Interests

Although the Company takes steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions within the reporting entity.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

ii) Critical Accounting Judgments (continued)

Going concern

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1 of the consolidated financial statements for the year ended July 31, 2019.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Commencing April 1, 2018 the Company adopted IFRS 9. The adoption of this new accounting standard did not have material impact to the Company's consolidated financial statements.

IFRS 9 covers classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS ("**International Accounting Standards**") 39 Financial Instruments. The new standard contains three classifications for financial assets: measured at amortized cost, fair value through other comprehensive income ("**FVTOCI**"), and fair value through profit and loss ("**FVTPL**"). The new standard eliminates the previous IAS 39 categories of held to maturity, loan and receivables, and available for sale.

Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

Following is the new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by- instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (continued)

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets	**Classification under IAS 39**	**Classification under IFRS 9**
Cash	FVTPL	Amortized cost
Receivables	Notes and receivables	Amortized cost

Financial liabilities	**Classification under IAS 39**	**Classification under IFRS 9**
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Short-term loan	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

There were no adjustments to the carrying amounts of financial instruments as a result of the change in classification from IAS39 to IFRS 9.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated Statements of Comprehensive Income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Consolidated Statements of Comprehensive Income in the period in which they arise.

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the Consolidated Statements of Comprehensive Income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (continued)

Accounting Standards Issued But Not Yet Adopted

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up to the date of issuance of the Company's consolidated financial statements. The Company intends to adopt the following standard when it becomes effective, if applicable.

IFRS 16 – Leases

In January 2016, the International Accounting Standards Board published a new standard, IFRS 16. The new standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less, or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 18 and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 11 of the Company's consolidated financial statements for the year ended July 31, 2019.

OTHER MD&A REQUIREMENTS

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Exploration expenditures and general and administration expenses for the year ended July 31 were as follows:

	2019	2018
	$	$
Consulting and management fees	263,758	86,000
Corporate advisory fees	143,496	-
Exploration and evaluation expenditures	243,122	-
Investor relations	71,956	-
Office and administration	44,956	31,986
Professional fees	89,661	7,500
Share-based payments expense	193,072	-
Transfer agent, regulatory and filing fees	33,956	3,257
Travel and accommodation	549	-
	1,084,526	128,743

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this report, there were 35,783,377 common shares, 29,941,176 share purchase warrants and 3,650,000 stock options outstanding.

DISCLOSURE OF OUTSTANDING SHARE DATA (continued)

As noted in '*Highlights and Key Developments*' on Page 2, the Company announced on November 21, 2019 that it had entered into an agreement to acquire 26,146,233 common shares of Copper North in consideration for 10,529,663 common shares of the Company. However, as of the date of this MD&A, the transaction had not been completed and the shares had not yet been issued.

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.

RISK FACTORS AND UNCERTAINTIES (continued)

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.

RISK FACTORS AND UNCERTAINTIES (continued)

Mineral Property Tenure and Permits (continued)

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 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.

Other Information

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

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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