

**Great Republic Mining Corp.**  
**Management's Discussion and Analysis**  
**For the Three and Twelve Months Ended June 30, 2022**

## **Corporate Overview**

Great Republic Mining Corp. (the "Company" or "GRM") is engaged in the business of mineral exploration and the acquisition of mineral property assets. Its objective is to locate and develop economic precious and strategic metal properties of merit and to conduct its current exploration program on the Porcher Island Project (the "Property"). GRM intends to fund the exploration of the Property and its initial commitments thereon using the proceeds of its prior private placement financings and the proceeds of its recent Initial Public Offering (the "IPO") of 7,860,000 shares @0.10 which closed June 8, 2022.

## **Porcher Island Project**

Ridgeline Exploration Services of Kelowna, British Columbia was engaged to carry out a mineral exploration program on the Property in 2019. This included a total of 472.48 line kilometre helicopter-borne magnetic survey over the property (Friesen, 2019). The results of the helicopter-borne magnetic survey highlighted two large, roughly concentric, magnetic high anomalies in the central portion of the survey area. The northern anomaly is slightly elongated in the north-south direction, with dimensions of roughly 2.6 by 2.6 kilometres with magnetic intensities ranging up to 57,145nT. The southern anomaly is roughly 2 by 3 kilometres and is slightly elongated in an east-west direction with magnetic intensities ranging up to 57,145nT (Friesen, 2019). In 2019, Ridgeline Exploration Services also undertook a prospecting and rock sampling program on the Property focused on the magnetic high anomalies identified during the helicopter-borne magnetic survey. A total of 61 rocks were collected during the campaign, many which returned anomalous iron, titanium, and vanadium results from various mafic intrusive units (ranging from metagabbros to metadiorites). 11 of the 61 selective outcrop grab samples returned >0.20% V<sub>2</sub>O<sub>5</sub> with individual results up to 0.42% V<sub>2</sub>O<sub>5</sub>, including 47.8% Fe and 2.69% Ti (Friesen, 2019).

## **Recommendations**

According to the 43-101 report on the Porcher Property, by Derrick Strickland, P. Geo., prepared February 17, 2022, the character of the Porcher Property warrants the following work program:

- A property-wide program of geological mapping, hand trenching in the area of the high vanadium values, and detailed drone magnetics over areas of interest.
- High-resolution (25m line spacing) drone magnetic data is required over the mineralized target zones. This data will outline zones of increased magnetite quantities within the gabbros as well as highlight any possible structural zones related to cumulate horizon emplacement.
- Detailed mapping of the area and trenching will be conducted at the same time. The estimated cost of this first phase program is \$197,560.

Currently 80% of vanadium is used as an addition for steel however it is used in a number of other products. Recent studies using vanadium redox flow batteries suggest that they are well suited to storing and capturing renewable energy, charging much faster than lithium batteries. There appears to be a growing market for vanadium as imports and prices continue to rise in China indicating strong ongoing demand, and low vanadium stocks. As China, Russia and South Africa are principal suppliers of vanadium there is a realistic expectation that the shortfall will not be relieved in the near future.

## **The Option Agreement (the Agreement")**

The Company entered into the Agreement on the Property whereby the Company was granted an irrevocable and exclusive option to acquire a 100% interest in the Property, consisting of the nine contiguous mineral titles covering an area of 3560.4 hectares in the northwest part of British Columbia, Canada, approximately 40 kilometres southwest of the city of Prince Rupert on Porcher Island. The

particulars of the option agreement are described in greater detail below. The Company can earn a 100% interest in the property by completing the following requirements:

Exploration expenditures of \$1.6 million as follows:

- \$100,000 within 12 months of listing on a public exchange (“listing”) or before December 31, 2022, whichever comes first;
- \$250,000 within 24 months of listing;
- \$500,000 within 36 months of listing; and
- \$750,000 within 48 months of listing.

Issuance of 2,250,000 common shares as follows:

- 300,000 shares on or before listing; (issued)
- 400,000 shares on or before the 12 month anniversary of listing;
- 500,000 shares on or before the 24 month anniversary of listing; and
- 1,050,000 shares on or before the 48 month anniversary of listing

Cash payments of \$75,000 as follows:

- \$6,000 within 5 days of signing agreement (paid);
- \$24,000 on or before the date of listing (paid); and
- \$45,000 on or before December 31, 2022.

Once the Company has paid the option consideration in full, then it shall be deemed to have earned a 100% undivided interest in the Property, subject to a 2% net smelter returns royalty (“NSR”) on the Property. The Company will have the right to purchase 50% of the NSR for \$1,000,000.

### **Financial Discussion:**

#### **Year Ended June 30, 2022**

The loss for the twelve-month period ended June 30, 2022 was \$115,809 (2021 - \$7,053). As at June 30, 2022 the Company had \$548,563 in cash (2021 - \$106,780) and working capital of \$514,996 (2021 - \$102,293).

On June 8, 2022, the Company closed an IPO for net proceeds of \$646,175. During the prior year, the Company completed private seed capital equity financing, raising aggregate gross proceeds of \$141,875 by way of non-brokered private placements as follows:

- In November 2020, 1,875,000 shares at \$0.005 for a total of \$9,375
- In February 2021, 6,625,000 shares at \$0.02 for gross proceeds of \$132,500.

These funds have been, and are being used for, the acquisition, exploration and maintenance of the Porcher Island Project and general working capital. The Company intends to use the funds raised to carry out additional exploration on the Property, as set out below.

The Company has authorized share capital of unlimited common shares without par value. As at June 30, 2022 there are 16,660,001 shares issued and fully paid.

During the year, accounting, audit and legal were \$57,849 (2021 - \$6,901), filing fees were \$26,469, and investor relations was \$26,250. The majority of these expenses were incurred to list the Company on the Canadian Securities Exchange and in preparation for the IPO.

## Quarter Ended June 30, 2022

During the quarter the Company completed its listing with the Canadian Securities Exchange and the setup with its transfer agent. The loss for the quarter was \$43,856, of which filing and listing fees were 15,028, and investor relations fees were \$26,250. In 2021 the loss was \$7,053 most of which legal fees.

## Summary of Quarterly Results

The following table presents our unaudited quarterly results for each of the last eight quarters.

	For the Three Months Ended (\$ in thousands except for earning per share)							
	June 30 2022	Mar. 31 2022	Dec. 31 2021	Sept. 30 2021	June 30 2021	Mar. 31 2021	Dec 31, 2021	Sept.30 2021
<b>Revenue</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Loss and comprehensive loss</b>	43,856	6,163	39,828	25,503	988	2,961	3,104	Nil
<b>Loss per share – basic and diluted</b>	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total assets</b>	647,949	101,804	91,214	127,675	132,267	135,224	91,214	0.00
<b>Total liabilities</b>	33,567	45,977	28,775	25,398	4,487	6,456	28,775	0.00

## Liquidity, Financial Position and Capital Resources

### Working Capital and Cash Flow

On June 8, 2022, the Company completed its initial public offering of 7,860,000 common shares, at a price of \$0.10 per share for gross proceeds of \$786,000. The Company paid cash commissions equal to 10% of the gross proceeds and the agents were granted an aggregate of 550,200 options entitling the holder to purchase shares at a price of \$0.10 per share, exercisable on or before June 8, 2024.

In 2021 the Company completed non-brokered private placements totalling 8,500,001 shares for gross proceeds of \$141,875.

Working capital at June 30, 2022 was \$514,996 (2021 - \$102,293) and cash was \$548,563, up \$441,783 from \$106,780 2021. Cashflow used in operations increased to \$86,729 (2021 - \$7,053) as the Company incurred costs to list with the Canadian Securities Exchange and prepared for its IPO. Investment in exploration and evaluation assets increased to \$43,899 compared to \$21,000 in 2021. The Company received net proceeds from equity financing of \$572,411 in 2022, compared to net proceeds totalling \$134,833 in 2021.

## Outstanding Share Data

	# of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares	16,660,001		
Agents options	550,200	\$0.10	June 8, 2024
Fully diluted	17,210,201		

## **Related Party Transactions**

There were no related party transactions during the year ended June 30, 2022.

During the period ended June 30, 2021, two directors of the Company purchased 750,001 common shares at \$0.005 per share and 750,000 common shares at \$0.02 per share for total proceeds of \$18,750. A party related to a director purchased 250,000 common shares for total proceeds of \$5,000. The terms and conditions offered to the related party in this transaction are identical to those offered to the non-related common shareholders

## **Off-balance sheet arrangements**

The Company has no off-balance sheet arrangements.

## **Financial Risks**

### **Going Concern:**

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Great Republic Mining Corp. is an exploration stage mining company which incurred a loss of \$115,809 and has an accumulated deficit of \$122,862 for the period ended June 30, 2022. The Company is expected to incur further operating losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the successful results from its business activities and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. These financial statements do not include adjustments that may be necessary if the going concern principal is not appropriate.

COVID-19 During the first calendar quarter of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization; this has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot yet be determined, but they could have a prospective material impact to the Company's exploration activities and ability to raise financing and therefore the Company's cash flows and liquidity. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company are not known at this time.

## **Financial instruments and Management of Financial Risk:**

### **Financial assets and liabilities**

The Company's financial instruments consist of cash and trade payables. Cash and trade payables are measured at amortized cost.

### **Financial instrument risk exposure**

The Company is exposed, in varying degrees to a, variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

#### Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

#### 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.

#### Capital Risks:

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year ended June 30, 2022. The Company is not subject to any externally imposed capital requirements.

#### **Operational Risk:**

The nature of the Company's business is demanding capital for property acquisition costs, exploration and development activities. The acquisition or discovery of an economic mineral deposit on its mineral properties may have a favourable effect on the Company's liquidity. Conversely, the failure to acquire or find one may have a negative effect. The major sources of liquidity will be the capital markets and project financing. The Company will be dependent upon adequate financing and investor support to meet its growth objectives.

The Property is located in a remote situation on an Island on British Columbia's North West Coast. Incremental weather, or other environmental issues may delay or interrupt activities.

#### **Political, Regulatory and Security Issues:**

The Company's activities are subject to control and scrutiny by several levels of government, various departments within each level, and corporate, environmental and mining regulations. Permissions must also be secured from local people, First Nations for exploration and drilling permits, water and land surface use rights. Consequently, in carrying out its activities the Company may be exposed to a large array of conditions.

#### **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Except for historical information, this MD&A may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements. The factors that could cause actual results to differ materially include, but are not limited to, the following:

general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company mines or hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; pandemics; the ability to properly and efficiently staff the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements.

On behalf of the Board of Directors,

"Frederick W. Davidson"

President and Chief Executive Officer

August 23, 2022