

PEAK MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED SEPTEMBER 30, 2023

January 29, 2024

This Management Discussion and Analysis ("MD&A") of Peak Minerals Ltd. ("Peak" or the "Company") has been prepared by management as of January 29, 2024 and should be read together with the financial statements and related notes for the year ended September 30, 2023 which are prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

OVERALL PERFORMANCE

The Company is engaged in the business of mineral exploration.

The Company's head office is located at #1507, 1030 West Georgia Street, Vancouver, B.C. V6E 2Y3 and its registered and records office is located at #2600 – 1066 West Hastings Street, Vancouver, B.C. V6E 3X1. The Company was incorporated under the *Business Corporations Act* (British Columbia) on May 12, 2021.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the year ended September 30, 2023 and 2022. This information has been summarized from the Company's audited financial statements for the same period and should be read in conjunction with the Company's audited financial statements, including the notes thereto.

	Year ended September 30, 2023 (\$)	Year ended September 30, 2022 (\$)
Mineral properties	1	141,390
Total assets	22,947	476,634
General and administrative expenses	441,532	176,363
Net loss	(441,532)	(159,355)
Basic and diluted loss per share ⁽¹⁾	\$0.03	\$0.02

(1) Based on weighted average number of common shares issued and outstanding for the period. See "Selected Financial Information and Management's Discussion and Analysis".

RESULTS OF OPERATIONS

As at September 30, 2023, the Company had total assets of \$22,947. As at September 30, 2023, the Company had current liabilities of \$24,536.

For the year ended September 30, 2023, the Company reported a net loss of \$441,532 (2022- \$159,355). The losses for the year ended September 30, 2023 comprised of:

- Consulting fees of \$112,000 (2022 - \$nil). Consultants for the Company were hired subsequent to the IPO on September 28, 2022, and as such, no charges were incurred in the prior year.
- Filing and transfer agent fees of \$13,193 (2022 - \$18,959). Filing and transfer agent fees in the prior period included one-time fees that were related to the IPO, and as such, costs have decreased in the current period.
- Initial public offering costs of \$nil (2022 - \$75,386). The IPO was completed on September 28, 2022, and all costs related to the IPO was charged in the prior year.
- Management fees of \$26,500 (2022 - \$30,000).
- Professional fees of \$33,942 (2022 - \$47,125). Reductions professional fees was a result of elevated activity in the prior period related to the IPO.
- Impairment of exploration and evaluation assets of \$202,364 (2022 - \$nil). The impairment during the year ended September 30, 2023 is due to the impairment assessment of the Aida property.

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on May 12, 2021 and, for that reason, only the previous six quarters have been presented in the table below.

	Q4	Q3	Q2	Q1
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2023
Net Loss for the Period	\$(274,162)	\$(49,172)	\$(43,166)	\$(75,032)
Loss per Share	\$(0.02)	\$(0.00)	\$(0.00)	\$(0.00)

	Q4	Q3	Q2	Q1
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Net Loss for the Period	\$(121,325)	\$(14,656)	\$(10,166)	\$(13,208)
Loss per Share	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.00)

The increase of net loss in the period ended September 30, 2023 is primarily due to the impairment of the Aida Property recorded in Q4 of 2023 of \$202,364. Overall operating expenses have decreased during the three months ended September 30, 2023 as a result of the completion of the exploration program.

EXPLORATION AND PROJECTS

The principal asset of the Company is its option to acquire up to a 75% interest in the Aida Property, a gold prospect.

Aida Property

On June 8, 2021 the Company entered into an agreement to acquire up to a 75% interest in six mining claims in the Kamloops Mining Division, British Columbia. To acquire a 51% interest, the Company issued 100,000 common shares (issued for \$2,000) and made a cash payment of \$5,000 to the vendor.

To earn a further 24% (for a total of 75%), the Company must pay the vendor \$5,000 on or before June 8, 2022 (paid), issue 100,000 common shares on or before the first anniversary of the initial listing of the Company's shares on an exchange (issued), and incur aggregate exploration expenditures of \$200,000 of which \$75,000 must be incurred before June 8, 2022 (incurred) and \$125,000 on or before the first anniversary of the initial listing of the Company's shares on an exchange. Effective September 28, 2023, the vendor has waived the requirement of the \$200,000 aggregate exploration expenditure.

The property is subject to a net smelter return royalty of 2% payable to the vendors.

The Property is located in the Kamloops Mining approximately two kilometres South of Salmon Arm in the southern interior of British Columbia. The Property consists of five mineral claims covering an area of 2,335 hectares.

The Property is in a relatively undeveloped area. Since 1920, exploration has been limited to prospecting, sampling, trenching and geophysical surveys. The programs have identified potential zinc, lead, and silver deposits.

An independent geological report (the "Technical Report") prepared by Derrick Strickland, P. Geo. who is a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), was completed in relation to the Property on October 2, 2021. The Technical Report recommends that the Company conduct further data compilation and geophysical analysis and a surface exploration and trenching program.

Exploration Expenditures

Peak Minerals has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred from incorporation to September 30, 2023:

Assays and testing	\$ 21,271
Geological consulting	83,168
Geophysics	16,190
Reports and administration	18,000
Travel, accommodation, and supplies	42,155
Mining Tax Credit	(420)
	<u>\$ 180,365</u>

Future Plans

The Company completed the exploration program recommended in the Technical Report which included mapping, soil sampling and trenching of areas of interest. The final results are pending. The Company has not decided on completing any additional work on the Property, and additional exploration programs are contingent on completing a further financing. Therefore, the Company has written down the carrying value of the Property to \$1.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital deficit of \$1,590 as at September 30, 2023 including cash of \$15,248. Current liabilities as at September 30, 2023 consisted of accounts payable of \$4,761.

During the period from inception on May 12, 2021 to September 30, 2021, the Company issued 1 common share for proceeds of \$1 to the incorporator.

On May 28, 2021 the Company issued a total of 2,000,000 common shares at \$0.005 per share to directors for gross proceeds of \$10,000. Directors and senior officers subscribed for a total of 600,000 shares.

On April 9, 2021 the Company issued a total of 5,000,000 flow-through common shares at \$0.02 per share for gross proceeds of \$100,000. A director and senior officer subscribed for 250,000 flow-through shares.

On July 8, 2021 the Company issued a total of 100,000 common shares valued at \$2,000 for a property acquisition.

On August 6, 2021 the Company issued a total of 3,000,000 common shares at \$0.05 per share for gross proceeds of \$150,000.

On September 28, 2022 the Company completed its initial public offering of 4,025,000 shares at a price of \$0.10 per share for gross proceeds of \$402,500. In connection to the initial public offering and concurrent private placement the Company paid commission costs of \$40,250, corporate finance fees of \$34,000, of which \$23,500 was paid in cash and \$10,500 in common shares, legal fees of \$71,429 and 402,500 brokers' warrants (valued at \$19,173) at a price of \$0.10 per share, exercisable on or before September 28, 2024. The Company recorded share issue costs of \$89,466 and expensed initial public offering costs of \$75,386.

On September 28, 2022 the Company issued a total of 100,000 common shares valued at \$10,000 for a property acquisition.

The Company has limited working capital to continue administrative operations and development of its exploration asset and may continue to have capital requirements in excess of its currently available resources. The Company intends to raise additional financing either privately or through a public financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the year ended September 30, 2023, the Company:

- Incurred a management fee expense of \$25,000 to a company controlled by a director and senior officer; and a further \$1,500 of management fee expense to a director and senior officer.
- Incurred rent expense of \$900 to a company controlled by a director and senior officer.
- Incurred and accrued bookkeeping and accounting expense of \$7,800 to a director and senior officer.

At September 30, 2023, amounts due to a director and senior officer of the Company is \$1,575 recorded in accounts payable.

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the period ended September 30, 2023.

	Year ended September 30, 2023	Year ended September 30, 2022
	Fees	Fees
Company controlled by the CEO	\$ 25,000	\$ 30,000
CFO	9,300	14,000
Share-based payment	6,938	-
	\$ 41,236	\$ 44,000

On August 1, 2023, the Company granted 70,000 stock options exercisable at \$0.10 until July 31, 2026 to a Senior Officer and Director of the Company and a further 70,000 stock options exercisable at \$0.10 until July 31, 2026 to a Director of the Company.

CRITICAL ACCOUNTING ESTIMATES

Not applicable for Venture Issuers.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER REQUIREMENTS

Summary of Outstanding Securities as at January 29, 2024

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 14,330,001 Common Shares.

Options:

Number	Exercise Price	Expiry date
700,000	\$0.10	September 29, 2024
500,000	\$0.105	October 11, 2025
140,000	\$0.10	July 31, 2026
1,340,000		

Warrants:

Number	Exercise Price	Expiry date
402,500	\$0.10	September 28, 2024
402,500		

Other Corporate Disclosures

On May 17, 2023, Nancy Kawazoe resigned as a director and Chief Financial Officer of the Company. Jonathan Yan was appointed as a director and Chief Financial Officer of the Company in Ms. Kawazoe's place effective May 18, 2023. In addition, Fred Tejada was appointed as a director of the Company.

On July 31, 2023, Gary Musil resigned as President, Director, and CEO of the Company. Jonathan Yan was appointed as interim CEO, effective August 1, 2023.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. The Company has no producing properties, no significant source of operating cash flow and consequently no sales or revenue from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in whom the Company has an option to earn an interest are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.