



**GRAND PEAK CAPITAL CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2015 AND 2014**

The following discussion and analysis of the financial condition and results of operations of Grand Peak Capital Corp. (the "Company" or "Grand Peak") should be read in conjunction with the condensed consolidated interim financial statements and related notes for the three- and nine-month periods ended June 30, 2015 and the annual audited consolidated financial statements at September 30, 2014 and accompanying MD&A dated February 24, 2015. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Company and other regulatory filings can be found on SEDAR website at [www.sedar.com](http://www.sedar.com).

The Company's head office and principal business address is Suite 200, 8338 – 120<sup>th</sup> Street, Surrey, British Columbia V3W 3N4. The Company is listed on the Canadian Securities Exchange (the "CSE") and trades under the symbol "GPK".

This MD&A is dated August 21, 2015.

**FORWARD-LOOKING STATEMENTS**

Forward looking statements are statements that are not historical facts and are generally, but not always identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or that events or conditions "will", "may", "could" or "should" occur. The information contained herein may contain forward looking statements including expectations of future production, cash flows or earnings. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. Factors that could cause the actual results to differ materially from those in forward-looking statements, but are not limited to: the risk associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. The foregoing list of assumptions is not exhaustive. Additional information on these and other factors that could affect the Company's operations or

# GRAND PEAK CAPITAL CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

financial results are included in the Company's reports on file with Canadian securities regulatory authorities. Events or circumstances could cause results to differ materially.

### **DESCRIPTION OF BUSINESS AND REVIEW**

Grand Peak is a Canadian junior capital company that has completed its continuation from the jurisdiction of Yukon to British Columbia. Effective as of April 27, 2010, the Company is registered in British Columbia under the Business Corporations Act.

Grand Peak is engaged primarily in investing in small capital resource sector public companies. The focus is on increasing the Company's value to the benefit of its stakeholders. Accordingly, its financial success may be dependent upon the extent to which it can develop its investments and the economic viability of developing any additional investment portfolios.

In November 2011, the Company executed a mineral claim rights assignment agreement for the Vianey concessions in Mexico with Musgrove Corp. and Minerales Jazz S.A. de C.V. The aggregate sum is \$325,000. The Company paid \$125,000 plus VAT upon legal transfer of the concessions. In November 2012, Musgrove agreed to grant 60-day extension to the Company towards its second payment of \$100,000 originally due on October 31, 2012. The extension was subject to a 15% penalty if payment was made with common shares of the Company; however, in the event the Company paid in cash, the 15% penalty would be waived by Musgrove. The second payment of \$100,000 was made to Musgrove in December 2012.

The Company entered into an agreement dated November 28, 2012 and amended in December 2013 to option the Vianey mining concessions to Lucky Minerals Inc. ("Lucky Minerals"), a company related by common management. In order to exercise the aforementioned option, Lucky Minerals must make the following cash payments to the Company: \$100,000 upon the issuance of Exchange bulletin (approved on May 14, 2013), which was paid in May 2013; \$200,000 on or before December 31, 2013 (subsequently extended to June 1, 2014); \$100,000 on or before June 1, 2014 (\$300,000 payment was paid on June 25, 2014 with 2.4 million of common shares), \$100,000 on or before December 1, 2014; \$100,000 on or before June 1, 2015 and \$100,000 on or before December 1, 2015.

Lucky Minerals must also incur exploration expenditures on the property as follows: \$125,000 on or before December 31, 2013 (subsequently extended to December 31, 2014); an additional \$250,000 by December 31, 2014 and an additional \$450,000 by December 31, 2015.

The Company will retain a 2% net smelter royalty ("NSR"). Lucky Minerals may purchase 1% of the NSR for \$1,000,000 at any time until December 31, 2015.

# GRAND PEAK CAPITAL CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

During the quarter ended December 31, 2014, Lucky Minerals decided to let the option agreement lapse as they were unable to meet the exploration expenditure requirement due by December 1, 2014. The Company has since regained control of the asset.

Management of Grand Peak is actively looking for additional opportunities for investment. The team has experience evaluating and financing investment projects and anticipates expanding the Company's activities in the near future.

### **GOING CONCERN**

The financial statements for the three- and nine-month periods ended June 30, 2015 have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and/or generate continued financial support in the form of equity or other financings.

Management feels that sufficient working capital will be obtained from public share offerings and the sale of marketable securities to meet the Company's liabilities and commitments as they come due. The financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

### **OVERALL PERFORMANCE**

Realized investment gains or losses are a recurring element in the Company's revenues and net earnings. Realized investment gains or losses may fluctuate significantly from period to period, with a meaningful effect upon the Company's consolidated net earnings. However, the amount of realized investment gain or loss for any given period has no predictive value, and variations in amount from period to period have no practical analytical value.

### **Selected Quarterly Financial Data**

The following selected financial data for the past eight business quarters have been summarized from the Company's unaudited quarterly financial statements and are qualified in their entirety by reference to, and should be read in conjunction with, such financial statements:

# GRAND PEAK CAPITAL CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

	2015 Q3	2015 Q2	2015 Q1	2014 Q4
Revenues	(1,027)	4,343	1,972	2,915
Net income (loss)	(52,049)	(31,755)	(3,901)	(142,376)
Total assets	1,952,605	1,682,770	1,711,807	1,862,962
Debt	12,341	75,944	54,821	54,763
Shareholders' deficit	(6,833,561)	(6,781,513)	(6,749,758)	(6,745,856)
Capital stock	9,108,854	8,807,804	8,807,804	8,807,804
Basic earnings (loss) per share	(0.01)	(0.01)	(0.00)	(0.03)
Weighted average number of shares	7,903,595	4,929,340	4,929,340	4,929,340

  

	2014 Q3	2014 Q2	2014 Q1	2013 Q4
Revenues	3,930	1,091	2,172	3,460
Net income (loss)	26,981	(12,616)	(68,463)	(2,742,718)
Total assets	1,666,739	(1,681,342)	1,569,979	1,621,182
Debt	4,938	4,096	17,933	117,673
Shareholders' deficit	(6,603,493)	(6,630,461)	(6,617,845)	(6,549,382)
Capital stock	8,807,804	8,807,804	8,807,804	8,707,804
Basic earnings (loss) per share	0.01	(0.00)	(0.01)	(0.56)
Weighted average number of shares	4,929,340	4,929,340	4,929,340	4,889,340

### Results for the Three and Nine Months Periods ended June 30, 2015

For the three and nine months periods ended June 30, 2015, net loss was \$(52,049) and \$(87,705) (2014 – \$26,981 and \$(54,112)) respectively. The difference is mainly due to loss on sale of marketable securities in 2014.

Expenses for the three and nine month periods ended June 30, 2015 totalled \$63,265 and \$105,398 (2014 - \$5,711 and \$27,996) respectively. The difference is attributed to higher professional fees, rent and regulatory fees in 2015.

### LIQUIDITY AND CAPITAL RESOURCES

The Company's principal assets consist of cash, marketable securities and a mining claim. The Company's principal sources of funds are its available cash resources, and public financing. The Company has no recurring cash requirements other than corporate overheads.

As at June 30, 2015, the Company's readily available cash and equivalents totalled \$292,250 (September 20, 2014 - \$14,133). Additional sources of liquidity included \$1,644,833 in marketable securities (September 30, 2014 - \$1,826,114) and \$15,522 of other receivables (September 30, 2014 - \$22,715).

# GRAND PEAK CAPITAL CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Working capital increased from \$17,915 deficit at September 30, 2014 to \$295,431 positive working capital at June 30, 2015. The improvement in the Company's working capital was results of cash proceeds received from the sale of marketable securities and funds received from a private placement completed in April 2015.

	June 30, 2015	September 30, 2014
Current Assets	307,772	36,848
Current Liabilities	(12,341)	(54,763)
Working Capital	295,431	(17,915)

### Financial Position

Total assets of the Company at June 30, 2015 were \$1,952,605, compared to \$1,862,962 at September 30, 2014. The difference was mainly due to decrease in the value of marketable securities, which offset against the funds received from a private placement completed in April 2015.

The Company's liabilities decreased to \$12,341 as of June 30, 2015, compared to \$54,763 at September 30, 2014.

### Shareholders' Equity

Shareholders' capital stock as of June 30, 2015 was \$9,108,854, an increased from \$8,807,804 at September 30, 2014. The increase was due to a private placement completed in April 2015.

### OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

### PROPOSED TRANSACTIONS

The Company has no proposed transactions at this time.

### OUTSTANDING SHARES

As at August 21, 2015, there were 14,953,680 common shares and 10,035,000 share-purchase warrants outstanding.

# GRAND PEAK CAPITAL CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### RELATED PARTY TRANSACTIONS

During the three and nine months periods ended June 30, 2015, the Company incurred \$1,906 and \$1,906 (June 30, 2014 – \$1,350 and \$4,485) in accounting fees to a company owned by the former Chief Financial Officer of the Company.

During the three and nine months periods ended June 30, 2015, the Company incurred \$9,000 and \$27,000 (June 30, 2014 - \$1,000 and \$1,000) in rent expense to a company with common management.

As at June 30, 2015, \$nil (September 30, 2014 - \$20,000) owing from a company controlled by a relative from the former CEO was included in other receivables.

As at June 30, 2015, \$470 (September 30, 2014 - \$38,022) owing to a company with a common director was included in trade payables.

As at June 30, 2015, \$2,274 in loans (September 30, 2014 - \$4,750) were owing to a company with common management. These amounts are non-interest bearing, due on demand and are unsecured.

### INTERNAL FINANCIAL CONTROLS

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

# GRAND PEAK CAPITAL CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

### **CRITICAL ACCOUNTING POLICIES**

The Company's significant accounting policies are described in Note 2 of the September 30, 2014 audited financial statements.

### **NEW ACCOUNTING STANDARDS INCLUDING ADOPTION**

See Note 2 of the Company's financial statements for the year ended September 30, 2014 for a detailed summary of accounting standards issued but not yet effective.

\*\*\*\*\*

### **Officers and Directors**

Eugene Beukman – Chief Executive Officer, Director

Jared Scharf – Chief Financial Officer

Charn Deol – Director

Ayub Khan – Director

### **Contact Person**

Eugene Beukman – Chief Executive Officer

Grand Peak Capital Corp.

Suite 200, 8338 – 120<sup>th</sup> Street

Surrey, British Columbia V3W 3N4

Tel: 604-592-6881