



GRAND PEAK CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 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-month periods ended December 31, 2015 and the annual audited consolidated financial statements at September 30, 2015 and accompanying MD&A dated January 27, 2016. 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.

The Company's head office and principal business address is Suite 200, 8338 – 120th 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 February 24, 2016.

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

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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.

Management of Grand Peak is actively looking for 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-month periods ended December 31, 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

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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.

Annual Results

The following table summarizes selected consolidated data for the Company prepared in accordance with International Financial Reporting Standards (IFRS). The information in the following table was extracted from the more detailed consolidated Financial Statements and related notes and should be read in conjunction with such Financial Statements.

The following table represents selected annual financial information on the Company's revenue and net income (loss) for the past three years:

	September 30, 2015	September 30, 2014	September 30, 2013
Revenue	\$ 6,203	\$ 10,108	\$ 5,212
Net income (loss)	\$ (2,695,109)	\$ (196,474)	\$ (3,278,440)
Total assets	\$ 1,219,843	\$ 1,862,962	\$ 1,621,182
Debt	\$ 9,749	\$ 54,763	\$ 117,673
Shareholders' equity	\$ 210,094	\$ 1,808,199	\$ 1,503,509
Capital stock	\$ 9,108,854	\$ 8,807,804	\$ 8,707,804
Loss per share (basic and diluted)	\$ (0.28)	\$ (0.04)	\$ 0.13
Weighted average number of shares	9,685,760	4,929,340	4,929,340

Net losses for 2013 and 2015 were higher than 2014 due to impairment of marketable securities. Debt in 2015 was lower than 2013 and 2014 because the Company raised some funds in 2015 to pay off its liabilities.

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:

	2016 Q1	2015 Q4	2015 Q3	2015 Q2
Revenues	480	915	1,027	4,343
Net income (loss)	(15,457)	(2,607,404)	(52,049)	(31,755)
Total assets	914,431	1,219,843	1,952,605	1,682,770
Debt	53,168	9,749	12,341	75,944
Shareholders' deficit	(9,456,422)	(9,440,965)	(6,833,561)	(6,781,513)
Capital stock	9,108,854	9,108,854	9,108,854	8,807,804
Basic earnings (loss) per share	(0.00)	(0.27)	(0.01)	(0.01)
Weighted average number of shares	12,208,381	9,685,760	7,903,595	4,929,340

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	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Revenues	1,972	2,915	3,930	1,091
Net income (loss)	(3,901)	(142,363)	26,981	(12,616)
Total assets	1,711,807	1,862,962	1,666,739	(1,681,342)
Debt	54,821	54,763	4,938	4,096
Shareholders' deficit	(6,749,758)	(6,745,856)	(6,603,493)	(6,304,461)
Capital stock	8,807,804	8,807,804	8,807,804	8,807,804
Basic earnings (loss) per share	(0.00)	(0.03)	0.01	(0.00)
Weighted average number of shares	4,929,340	4,929,340	4,929,340	4,929,340

Results for the Three-Month Period ended December 31, 2015

For the three-month period ended December 31, 2015, net loss was \$15,457, compared to net loss of \$3,901 for the same period ended December 31, 2014. The difference was mainly due to rent expense and professional fees incurred in the quarter ended December 31, 2015.

Loss per share for the quarter ended December 31, 2015 was \$0.00, compared to loss per share of \$0.00 for the same period ended December 31, 2014.

Significant expenses were: professional fees \$4,084 (2014 - \$nil), rent \$9,450 (2014 - \$nil) and transfer agent and regulatory fees \$2,124 (2014 - \$4,892).

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 December 31, 2015, the Company's readily available cash and equivalents totalled \$15,912 (September 30, 2015 - \$28,060). Additional sources of liquidity included \$892,863 in marketable securities (September 30, 2015 - \$1,186,237) and \$5,656 of other receivables (September 30, 2015 - \$5,546).

Working capital decreased from \$23,857 positive working capital at September 30, 2015 to \$31,600 deficit at December 31, 2015. The deterioration of the Company's working capital was due to an increase in current liabilities.

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	December 31, 2015	September 30, 2015
Current Assets	21,568	33,606
Current Liabilities	(53,168)	(9,749)
Working Capital	(31,600)	23,857

Financial Position

Total assets of the Company at December 31, 2015 were \$914,431, compared to \$1,219,843 at September 30, 2015. The difference was mainly due to decrease in the value of marketable securities.

The Company's liabilities increased from \$9,749 at September 30, 2015 to \$53,168 at December 31, 2015.

Shareholders' Equity

Shareholders' capital stock as of December 31, 2015 and September 30, 2015 was \$9,108,854.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions at this time.

FINANCIAL RISK MANAGEMENT

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 followings:

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 credit risk is primarily attributable to cash and cash equivalents, accounts and GST receivables and investment. The

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majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's another exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes and from a related company. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Management believes that the credit risk concentration with respect to financial instruments above is remote.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. 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 and cash equivalents.

Historically, the Company's sole source of funding has been the sale of marketable securities or 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.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency for the parent company and its subsidiaries is the Canadian dollar and major expenditures are transacted in Canadian dollars.

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 exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. The sensitivity of the Company to a variation of 1% in the interest rate would not have a significant impact. The

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Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

Capital Management

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, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARES

As at February 24, 2016, there were 14,953,680 common shares and 10,035,000 share-purchase warrants outstanding.

RELATED PARTY TRANSACTIONS

During the three months ended December 31, 2015, the Company incurred \$nil (December 31, 2014 - \$nil) in accounting fees to a company owned by the former Chief Financial Officer of the Company.

During the three months ended December 31, 2015, the Company incurred \$9,450 (December 31, 2014 - \$nil) in rent expense to a company with common management.

As at December 31, 2015, \$nil (December 31, 2014 - \$nil) owing from a company controlled by a relative from the former CEO was included in other receivables.

As at December 31, 2015, \$nil (December 31, 2014 - \$36,545) owing to a company with a common director was included in trade payables.

As at December 31, 2015, \$nil in loans (December 31, 2014 - \$4,750) were owing to a company with common management. These amounts were non-interest bearing, due on demand and are unsecured.

As at December 31, 2015, \$40,000 (December 31, 2014 - \$nil) were owed to the former Chief Executive Officer and director of the Company. These amounts were non-interest bearing, due on demand and are unsecured.

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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.

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 3 of the September 30, 2013 audited financial statements.

NEW ACCOUNTING STANDARDS INCLUDING ADOPTION

See Note 3 of the Company's financial statements for the year ended September 30, 2015 for a detailed summary of accounting standards issued but not yet effective.

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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 – 120th Street

Surrey, British Columbia V3W 3N4

Tel: 604-592-6881