



GRAND PEAK CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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 audited consolidated financial statements and related notes for the year ended September 30, 2016 as well as the audited year ended September 30, 2015 accompanying this report. 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 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 January 30, 2017.

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 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.

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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.

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.

Annual Results

The following table summarizes selected consolidated data for the Company prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). 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, 2016	September 30, 2015	September 30, 2014
Revenue	\$ 168,376	\$ 6,203	\$ 10,108
Net income (loss)	\$ 535,481	\$ (2,695,109)	\$ (196,474)
Total assets	\$ 4,000,291	\$ 1,219,843	\$ 1,862,962
Debt	\$ 1,117,096	\$ 9,749	\$ 54,763
Equity	\$ 2,883,195	\$ 1,210,094	\$ 1,808,199
Capital stock	\$ 9,610,604	\$ 9,108,854	\$ 8,807,804
Loss per share (basic and diluted)	\$ 0.03	\$ (0.28)	\$ (0.04)
Weighted average number of shares	17,747,612	9,685,760	4,929,340

Revenue was higher in 2016 than 2015 and 2014 because the Company optioned out its Vianey mining concessions for \$100,000, and the Company has signed an agreement with its landlord to act as management for the landlord to collect rent from the tenants of the property the Company currently also occupies. In turn, the landlord agreed to pay the Company management fees equivalent to 50% of the rent collected.

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Total assets increased significantly in 2016 compared to 2015 and 2014 due to the Company sold off some of its marketable securities to purchase other marketable securities. During the year, warrant holders also exercised their warrants of the Company, generating more cash for the Company.

Debt in 2016 was higher than 2015 and 2014 due to the Company incurred some loans in 2016.

Mineral Properties

On June 7, 2011, the Company signed an agreement with Musgrove Mineral Corp. and acquired a 100% interest in the Vianey mining concessions located in Guerrero State, Mexico.

On May 24, 2013, and as amended on January 16, 2014, the Company entered into an option agreement with Lucky Minerals Inc. ("Lucky"), a company with a common director then, to grant Lucky a 100% interest in the Company's Vianey's mining concessions.

Under the agreement, Lucky was required to make payments according to a schedule and incur the minimum required expenditures. The payments received has reduced the carrying value to \$Nil. During the year ended September 30, 2015, Lucky 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 mining concessions.

During the year ended September 30, 2016, the Company entered into an option agreement to option Vianey mining concessions to a company (the "Optionee") for a total of \$300,000 with the following payment schedule:

- \$100,000 cash on or before July 31, 2016 or after approval by the securities exchange, if required;
- \$100,000 cash within 12 months from the date of execution of the option agreement;
- \$100,000 within 24 months from the date of the execution of the option agreement.

The Optionee shall commit to a work program of not less than \$250,000 over the next two years and the Company shall retain a 2% net smelter royalty ("NSR"). The Optionee may acquire 1% of the NSR for a price of \$1,000,000. The Company received the first \$100,000 cash payment in July 2016 which it recognized as income.

Investment Gains (Losses)

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.

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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 Q4	2016 Q3	2016 Q2	2016 Q1
Revenues	166,625	590	681	480
Net income (loss)	2,519,582	(977,033)	(991,611)	(15,457)
Total assets	4,000,291	1,439,788	1,072,195	914,431
Debt	1,117,096	72,766	79,034	53,168
Deficit	(7,400,036)	(10,465,828)	(10,448,032)	(9,456,422)
Capital stock	9,610,604	9,321,354	9,152,854	9,108,854
Basic earnings (loss) per share	0.14	(0.05)	(0.07)	(0.00)
Weighted average number of shares	17,747,612	17,764,559	14,929,021	12,208,381

	2015 Q4	2015 Q3	2015 Q2	2015 Q1
Revenues	915	1,027	4,343	1,972
Net income (loss)	(2,607,404)	(52,049)	(31,755)	(3,901)
Total assets	1,219,843	1,952,605	1,682,770	1,711,807
Debt	9,749	12,341	75,944	54,821
Shareholders' deficit	(9,440,965)	(6,833,561)	(6,781,513)	(6,749,758)
Capital stock	9,108,854	9,108,854	8,807,804	8,807,804
Basic earnings (loss) per share	(0.27)	(0.01)	(0.01)	(0.00)
Weighted average number of shares	9,685,760	7,903,595	4,929,340	4,929,340

Results for the Three-Month Period ended September 30, 2016

For the three-month period ended September 30, 2016, net income was \$2,519,582, compared to net loss of \$2,067,404 for the same period ended September 30, 2015. The difference was mainly due to impairment of marketable securities in 2015.

Income per share for the quarter ended September 30, 2016 was \$0.10 compared to loss per share of \$0.27 for the same period ended September 30, 2015.

Significant expenses were: realized gain on sale of marketable securities \$126,674 (2015 – loss of \$33,500), wages and benefits \$18,219 (2015 - \$nil), professional fees \$8,642 (2015 - \$10,148), and consulting fees \$6,500 (2015 - \$nil).

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Results for the Year ended September 30, 2016

For the year ended September 30, 2016, net income was \$535,481, compared to net loss of \$2,695,109 for the year ended September 30, 2015. The difference was mainly due to impairment of marketable securities in 2015.

Income per share for the year ended September 30, 2016 was \$0.03, compared to loss per share of \$0.28 for the year ended September 30, 2015.

Significant expenses were: realized gain on sale of marketable securities \$126,674 (2015 – loss of \$33,500), professional fees \$30,616 (2015 - \$24,126), rent \$31,232 (2015 - \$37,800), wages and benefits \$18,219 (2015 - \$nil) and transfer agent and regulatory fees \$16,948 (2015 - \$34,308).

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 September 30, 2016, the Company's readily available cash and equivalents totalled \$50,323 (2015 - \$28,060). Additional sources of liquidity included \$360,800 (2015 - \$4,000) in investments held for trading, \$2,286,006 (2015 - \$1,182,237) in marketable securities, \$1,238,538 (2015 - \$nil) of loans and interests receivable, \$61,520 in accounts receivable (2015 - \$nil) and \$5,468 of other receivables (2015 - \$5,546).

Working capital increased from \$23,857 at September 30, 2015 to \$436,916 at September 30, 2016. The improvement of the Company's working capital was due to an injection of cash from warrants exercised and loans borrowed.

	September 30, 2016	September 30, 2015
Current Assets	1,714,285	33,606
Current Liabilities	(1,117,096)	(9,749)
Working Capital	597,189	23,857

Financial Position

Total assets of the Company at September 30, 2016 were \$4,000,291, compared to \$1,219,843 at September 30, 2015. The difference was mainly due to increase in accounts receivables, loans and interests receivable, investments held for trading and marketable securities.

The Company's liabilities increased from \$9,749 at September 30, 2015 to \$1,117,096 at September 30, 2016.

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Shareholders' Equity

Shareholders' capital stock as of September 30, 2016 and September 30, 2015 were \$9,610,604 and \$9,108,854 respectively.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions at this time.

SUBSEQUENT EVENTS

The Company has incurred no subsequent events, subsequent to the year ended September 30, 2016.

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 follows:

Market risk

Market risk is the risk that the fair value of, or future cash flows from the Company's investment in marketable securities will significantly fluctuate because of changes in market prices. The Company is exposed to market risk or equity risk or equity price risk in trading its investment and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company marks its investments to market in accordance with the accounting policies at each reporting period. This process could result in significant write-downs of the Company's investment over one or more reporting periods, particularly during periods of declining resource markets.

Market risk includes price risk, interest rate risk and currency risk as well as factors specific to an individual investment or its issuer or risk specific to a certain market. Market risk is managed principally through diversification of investments. Management monitors the overall market risk position on a quarterly basis.

Price risk

The Company is exposed to price risk in relation to listed marketable securities held as available-for-sale and FVTPL investment, assessed as high.

Interest rate risk

Interest risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal.

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Currency risk

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 is not exposed to currency risk as the Company does not hold financial instrument denominated in foreign currency.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to risk is on its note receivable due from a company with common directors. The borrower does not currently have sources of revenue from operations; however, management considers that it holds sufficient liquid assets to repay the balance on demand. The Company's secondary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks 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.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, taking into account its anticipated cash flows from operations and its holding of cash.

Classification of Financial Instruments

Financial assets and liabilities included in the statement of financial position are as follows:

	September 30, 2016	September 30, 2015
	\$	\$
Loans and receivables		
Cash	50,323	28,060
Receivables	61,520	-
Note receivable	1,238,538	-
FVTPL		
Investments held for trading	360,800	4,000
Available for sale		
Investments	2,286,006	1,182,237
	3,997,187	1,214,297

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2016	September 30, 2015
	\$	\$
Non-derivative financial liabilities:		
Trade payables	96,334	9,749
Due to related parties	42,000	-
Note payable	978,762	-
	1,117,096	9,749

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Fair value

The fair values of the Company's financial assets and liabilities approximates the carrying amounts either due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Investments consist of common shares and share purchase warrants of Canadian public companies (Note 3). The fair value measurement of the common shares is classified as level 1. The fair value measure of the share purchase warrants is classified as level 3 as the fair value estimate incorporates expected future volatility which is not based on observable market data. A 10% increase in the volatility rate for the share purchase warrants would decrease the fair value estimate of the warrants by approximately \$5,000.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to sustain future development of the business. The capital structure of the Company consists of cash, marketable securities, and common shares as capital.

There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the year.

OUTSTANDING SHARES

As at January 30, 2017, there were 24,988,680 common shares and nil share-purchase warrants outstanding.

RELATED PARTY TRANSACTIONS

Transactions with key management and directors

During the years ended September 30, 2016 and 2015, the Company had the following transactions with related parties:

	Nature of fees	2016	2015
		\$	\$
Directors of the company	Consulting	3,300	-

Revenue

In August 2016, the Company entered into a revenue collection agreement with a company with a common director, who collected management and rental income on behalf of the Company. During the year end, the company with a common director collected \$34,650 (2015 - \$nil) of management and rental income on behalf

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of the Company. In return, the Company paid \$3,000 (2015 - \$Nil) for service fee. As at September 30, 2016, the outstanding balance of \$34,650 (2015 - \$nil) from a company with common director is included in accounts receivable.

Amounts due to and from related parties are non-interest bearing, unsecured, with no terms of repayment.

During the year ended September 30, 2016, the Company earned gross management income of \$24,000 (2015 - \$Nil) and consulting income of \$19,600 (2015 - \$Nil) from companies with common directors or management.

As at September 30, 2016, an outstanding balance of \$9,450 (2015 - \$nil) of the management and consulting income from companies with common directors or management is included in accounts receivable.

Note receivable

On September 15, 2016, the Company advanced \$1,225,000 to a company with a common director. The loan bears interest at 3% per annum, is unsecured and due on demand (Note 6).

On September 23, 2016, the Company advanced \$12,000 to a company with common management. This loan bears interest at 3% per annum, is unsecured and due on demand (Note 6).

Notes payable

On August 10, 2016, the Company entered into a loans agreement with a company with common directors for principal of \$850,000. The note bears interest at 3% per annum, is unsecured and due on demand. As of September 30, 2016, the accrued interest payable is \$3,563 (Note 8).

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

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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, 2016 audited financial statements.

NEW ACCOUNTING STANDARDS INCLUDING ADOPTION

See Note 2 of the Company's financial statements for the year ended September 30, 2016 for a detailed summary of accounting standards issued but not yet effective. The Company has not adopted new accounting standards since then.

Officers and Directors

Charn Deol – Chief Executive Officer, Director
Jared Scharf – Chief Financial Officer
Larry Tsang – Director
Darnell May – Director

Contact Person

Charn Deol – Chief Executive Officer
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