



GRAND PEAK CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2017 AND 2016

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 period ended December 31, 2017 and the annual audited consolidated financial statements at September 30, 2017 and accompanying MD&A dated January 29, 2018. 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 4770 – 72nd Street, Surrey, British Columbia V4K 3N3. The Company is listed on the Canadian Securities Exchange (the "CSE") and trades under the symbol "GPK".

This MD&A is dated February 23, 2018.

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.

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:

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	September 30, 2017	September 30, 2016	September 30, 2015
Revenue	\$ 535,251	\$ 64,600	\$ -
Net income (loss)	\$ 900,550	\$ 535,481	\$ (2,695,109)
Total assets	\$ 5,174,955	\$ 4,000,291	\$ 1,219,843
Debt	\$ 268,389	\$ 1,117,096	\$ 9,749
Shareholders' equity	\$ 4,906,566	\$ 2,883,195	\$ 1,210,094
Capital stock	\$ 9,610,604	\$ 9,610,604	\$ 9,108,854
Earnings (loss) per share (basic and diluted)	\$ 0.04	\$ 0.03	\$ (0.28)
Weighted-average number of shares	24,988,680	17,747,612	9,685,760

Revenue was higher in 2017 than 2016 and 2015 because in August 2016, the Company 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.

Total assets increased in 2017 compared to 2016 and 2015 due to the Company sold off some of its marketable securities to purchase other marketable securities, resulting in more cash for the Company.

Debt in 2017 was less than 2016 due to the Company repaid some loans in 2017.

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.

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:

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	2018 Q1	2017 Q4	2017 Q3	2017 Q2
Revenues	421,689	129,377	89,299	42,775
Net income (loss)	568,501	688,460	28,129	(37,048)
Total assets	5,801,358	5,174,955	3,821,672	5,062,949
Debt	148,293	268,389	324,044	296,284
Shareholders' equity	5,653,065	4,906,506	3,497,628	4,766,665
Capital stock	9,610,604	9,610,604	9,610,604	9,610,604
Basic earnings (loss) per share	0.02	0.03	0.00	(0.00)
Weighted-average number of shares	24,988,680	24,988,680	24,988,680	24,988,680

	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Revenues	273,800	64,600	-	-
Net income (loss)	221,009	2,519,582	(977,033)	(991,611)
Total assets	4,206,095	4,000,291	1,439,788	1,072,195
Debt	1,141,266	1,117,096	72,766	79,034
Shareholders' equity	3,064,829	2,883,195	1,367,022	2,883,195
Capital stock	9,610,604	9,610,604	9,321,354	9,152,854
Basic earnings (loss) per share	0.01	0.14	(0.05)	(0.00)
Weighted-average number of shares	20,276,981	17,747,612	17,764,559	14,762,055

Results for the Three-Month Period ended December 31, 2017

For the three-month period ended December 31, 2017, net income was \$568,501, compared to net income of \$221,009 for the same period ended December 31, 2016. The difference was mainly due to the Company provided administration services to unrelated companies, earning administration fees income; the Company also incurred gains from sales of its marketable securities.

Earnings per share for the quarter ended December 31, 2017 was \$0.02, while earnings per share was \$0.01 for the quarter ended December 31, 2016.

Significant expenses were: wages and benefits \$17,895 (2016 – \$33,628), rent \$9,000 (2016 - \$nil), transfer agent and regulatory fees \$6,621 (2016 - \$2,361), bank charges and interests \$4,852 (2016 - \$7,745) and professional fees \$4,205 (2016 - \$1,760).

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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, 2017, the Company's readily available cash and equivalents totalled \$27,537 (September 30, 2017 - \$750,087). Additional sources of liquidity included \$776,783 (September 30, 2017 - \$1,080,110) in investments held-for-trading, \$3,399,206 (September 30, 2017 - \$2,868,585) in marketable securities, \$322,855 in accounts receivable (September 30, 2017 - \$298,392) and \$4,511 in sales tax receivables (September 30, 2017 - \$17,527).

Working capital increased from \$2,037,981 at September 30, 2017 to \$2,253,859 at December 31, 2017. The improvement of the Company's working capital was due to increase in accounts receivable, prepaids, loans receivable and revenue earned.

	December 31, 2017	September 30, 2017
Current assets	2,402,152	2,306,370
Current liabilities	(148,293)	(268,389)
Working capital	2,253,859	2,037,981

Financial Position

Total assets of the Company at December 31, 2017 were \$5,801,358, compared to \$5,174,955 at September 30, 2017. The difference was mainly due increase in accounts receivables, loans receivable and marketable securities.

The Company's liabilities decreased from \$268,389 at September 30, 2017 to \$148,293 at December 31, 2017.

Shareholders' Equity

Shareholders' capital stock as of December 31, 2017 and September 30, 2017 was \$9,610,604.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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PROPOSED TRANSACTIONS

The Company has no proposed transactions at this time.

SUBSEQUENT EVENTS

See Note 10 of the condensed interim consolidated financial statements for the three months ended December 31, 2017.

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:

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 unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company marks its investments to market in accordance with 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.

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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.

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 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 its cash held in bank accounts. Cash is deposited in bank accounts held with a major bank in Canada. As all 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 financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable. The risk is minimal.

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.

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.

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OUTSTANDING SHARES

As at February 23, 2018, there were 24,988,680 common shares outstanding and nil share-purchase warrant outstanding.

RELATED PARTY TRANSACTIONS

Transactions with Key Management and Directors

During the three-month periods ended December 31, 2017 and December 31, 2016, the Company did not have any transaction with key management and directors.

Revenue

During the three-month period ended December 31, 2017, the Company collected \$9,000 (December 31, 2016 - \$nil) of management and rental income from a company with a common director pursuant to a revenue collection agreement the Company entered into with an unrelated company in August 2016. In return, the Company was paid \$4,500 (December 31, 2016 - \$nil) for service fee. As at December 31, 2017, the outstanding balance of \$72,367 (September 30, 2017 - \$71,925) from related party was included in accounts receivable.

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

Loan Receivable

In November 2017, the Company acquired \$780,000 convertible note receivable of a company with a common director. Interest rate is 10% per annum, compounded annually and accrued until maturity date, which is one year from issuance date. The issuer has the right to repay the interests in cash or in common shares of the issuer. The Company has the option to convert the note to common shares of the issuer at a conversion price of \$0.50 per share.

The fair value of the conversion feature of the note was determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

Expected life of warrants	1 year
Annualized volatility	131.00%
Risk-free interest rate	1.39%
Dividend rate	0%

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The fair value of the conversion feature was \$61,778, while the fair value of the note receivable was \$718,222 for a total of \$780,000. As at December 31, 2017, interests accrued on this note was \$12,822 (September 30, 2017 - \$nil).

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 2 of the September 30, 2017 audited financial statements.

NEW ACCOUNTING STANDARDS INCLUDING ADOPTION

See Note 2 of the Company's financial statements for the year ended September 30, 2017 for a detailed summary of accounting standards issued but not yet effective. The Company has not adopted new accounting standards since then.

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Officers and Directors

Tajinder Johal – Chief Executive Officer, Chief Financial Officer and Director
Jatinder Bains – Director
Peter Wilson – Director

Contact Person

Tajinder Johal – Chief Executive Officer
Grand Peak Capital Corp.
4770 – 72nd Street
Surrey, British Columbia V4K 3N3
Tel: 604-330-3117