GRAND PEAK CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2020 AND 2019

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 six months ended March 31, 2020 and the audited consolidated financial statements and related notes for the year ended September 30, 2019 and accompanying MD&A dated January 28, 2020. 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, Delta, 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 May 21, 2020.

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 was 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 a diversified industry investment company. Grand Peak invests in high quality cash flow assets across multiple industries, including real estate ventures in Canada and the USA, securities, early stage venture capital companies and leasing and growing hemp on land in Canada and the USA.

Disposal of Mexican Subsidiary

The Company does not have any mineral interest in Mexico and accordingly, the Company has determined that Grand Peak Mexico S.A. de C.V., is no longer required and will therefore be wound up.

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, 2019		September 30, 2018		September 30, 2017
Revenue	$	308,663	$	541,293	$	535,251
Net income (loss)	$	(6,693,884)	$	(782,586)	$	900,550
Total assets	$	6,012,245	$	13,103,339	$	5,174,955
Debt	$	3,153,427	$	4,549,830	$	268,389
Shareholders' equity	$	2,858,818	$	8,553,509	$	4,906,566
Share capital	$	10,450,604	$	9,610,604	$	9,610,604
Earnings (loss) per share – basic	$	(0.06)	$	(0.01)	$	0.01
Earnings (loss) per share – diluted	$	(0.06)	$	(0.01)	$	0.01
Weighted average number of shares – basic*		108,557,940		74,957,940		74,957,940
Weighted average number of shares – diluted*		108,557,940		74,957,940		74,957,940

*The weighted average number of shares reflects the 3:1 stock split on May 17, 2019.

Revenue was higher in 2018 and 2017 than 2019 because the Company performed more management and consulting services during these years.

Net income decreased in 2019 primarily due to an unrealized loss on marketable securities from the reclassification from available for sale to fair value through profit or loss and in 2018 primarily due to the impairment of loans receivable of $4,540,000.

Total assets decreased in 2019 due to the Company selling some of its marketable securities to repay debt.

Total assets increased in 2018 compared to 2017 due to the Company sold off some of its marketable securities to purchase other marketable securities, resulting in more cash for the Company. In 2018, the Company also advanced loans to unrelated parties.

Debt in 2017 was less than 2018 and 2019 due to the Company repaying some loans in 2017; however, debt increased in both 2018 and 2019 because the Company issued convertible debentures.

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. The Company realized a loss of $338,998 in 2019 compared to a gain of $2,609,966 in 2018.

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:

		2020 Q2	2020 Q1	2019 Q4	2019 Q3
Revenues		71,880	91,791	46,777	100,977
Net income (loss)	$	(776,977)	(495,145)	(10,276,090)	(999,045)
Total assets	$	4,894,627	5,512,315	6,012,245	8,747,622
Debt		3,308,050	3,148,642	3,153,427	2,693,923
Shareholders' equity		1,586,577	2,363,673	2,858,818	5,762,521
Share capital		10,450,604	10,450,604	10,450,604	10,450,604
Basic earnings (loss) per share	$	(0.00)	(0.00)	(0.06)	(0.01)
Weighted average number of shares - basic*		108,557,940	108,557,940	108,557,940	108,557,940

	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Revenues	70,859	90,050	36,066	31,371
Net income (loss)	45,106	4,536,145	(2,542,798)	135,171
Total assets	12,211,098	16,955,341	13,103,339	12,709,002
Debt	3,191,872	3,871,986	4,258,652	2,566,681
Shareholders' equity	8,728,048	13,236,447	8,553,509	10,142,321
Share capital	10,450,604	9,610,604	9,610,604	9,610,604
Basic earnings (loss) per share	0.00	0.01	(0.10)	0.01
Weighted average number of shares - basic*	75,489,939	74,957,940	74,957,940	74,957,940

*The weighted average number of shares reflects the 3:1 stock split on May 17, 2019.

Results for the Three-Month Period ended March 31, 2020

For the three-month period ended March 31, 2020, net loss was $776,977 compared to $4,963,874 for the same period ended March 31, 2020. The difference was mainly due to unrealized loss on the Company's marketable securities and investments in warrants for the three months ended March 31, 2019 when the Company adopted IFRS 9 in fiscal 2019 and reclassified marketable securities from available for sale to fair value through profit or loss.

Basic loss per share for the quarter ended March 31, 2020 was $(0.01), while basic loss per share was $(0.07) for the quarter ended March 31, 2019.

Significant expenses were: professional fees $21,375 (2019 - $16,482), office and miscellaneous expenses $8,405 (2019 - $9,042), transfer agent and regulatory fees $6,383 (2019 - $12,366), and wages and benefits $14,488 (2019 - $14,386).

Results for the Six-Month Period ended March 31, 2020

For the six-month period ended March 31, 2020, net loss was $1,272,122 compared to $417,107 for the same period ended March 31, 2020. The difference was mainly due to the Company recognized a loss on modification of convertible debentures of $102,332 and unrealized loss in investments in warrants of $671,573 in 2020.

Basic loss per share for the six months ended March 31, 2020 was $(0.01), while basic loss per share was $(0.01) for the six months ended March 31, 2019.

Significant expenses were: professional fees $36,853 (2019 - $23,871), wages and benefits $24,421 (2019 - $29,358), office and miscellaneous expenses $18,913 (2019 - $12,507) and rent $18,000 (2019 - $9,000).

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal assets consist of cash, marketable securities and loans receivable. 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 March 31, 2020, the Company's readily available cash and equivalents totalled $838,083 (September 30, 2019 - $395,536). Additional sources of liquidity included $44,595 (September 30, 2019 - $459,966) in investments in warrants, $2,698,853 (September 30, 2019 - $3,520,298) in marketable securities, $813,136 loans and interest receivable (September 30, 2019 - $1,109,923), and $54,732 in accounts receivable (September 30, 2019 - $100,641).

Working capital at September 30, 2019 was $926,539 and at March 31, 2020, working capital became a deficiency of $1,600,256 due to loans payable and convertible debentures due within the coming 12 months.

		March 31, 2020		September 30, 2019
Current assets	$	1,707,794	$	1,608,285
Current liabilities		(3,308,050)		(681,746)
Working capital	$	(1,600,256)	$	926,539

Financial Position

Total assets of the Company at March 31, 2020 were $4,894,627, compared to $6,012,245 at September 30, 2019. The difference was mainly due decrease in investments in warrants and marketable securities during the six months ended March 31, 2020 as fair values of securities and warrants decreased during the period because of COVID-19 pandemic.

The Company's liabilities increased from $3,153,427 at September 30, 2019 to $3,308,050 at March 31, 2020.

Shareholders' Equity

Shareholders' share capital as of March 31, 2020 and September 30, 2019 was $10,450,604.

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

See Note 14 of the condensed interim consolidated financial statements for the six months ended March 31, 2020.

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

Marketable Securities
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.

Investment Property
The Company is exposed to market risk for its investment property in relation to the changes in market price for fair value of the investment property.

Price Risk

The Company is exposed to price risk in relation to listed marketable securities held as FVTPL investment.

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 as the Company does not have variable interest bearing asset or debt.

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 exposed to currency risk on cash and loans receivables denominated in United States dollars. At March 31, 2020, a hypothetical change of 10% in foreign exchange rates would have an effect of $81,724 on net loss and comprehensive loss.

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 loans receivable and accounts receivables. The Company’s secondary risk is its cash. The Company evaluates the creditworthiness of the counterparty and the value of any collateral. 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.

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 considers items in its shareholders’ equity as capital. The Company’s policy is to maintain a strong capital base so as to maintain investor and creditor confidence and safeguard the Company’s ability to sustain future development of the business.

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 May 21, 2020, there were 108,557,940 common shares.

RELATED PARTY TRANSACTIONS

During the six months ended March 31, 2020, the Company did not have any transactions with related parties nor any amounts receivable or payable to any related parties as at March 31, 2020.

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, 2019 audited financial statements.

NEW ACCOUNTING STANDARDS INCLUDING ADOPTION

See Note 2 of the Company's financial statements for the year ended September 30, 2019 for a detailed summary of accounting standards issued but not yet effective. The Company has adopted the following new accounting standards on October 1, 2018:

Financial Instruments

Adoption of New IFRS Pronouncements – financial instruments
On October 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial assets and a single, forward-looking 'expected loss' impairment model. IFRS 9 also

includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after October 1, 2018. The Company adopted the standard retrospectively and prior periods were not restated. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities except for marketable securities (Note 5).

As a result of adopting this standard, the Company has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. An assessment has been made and the impact to the Company's financial statements was to reclassify its available-for-sale marketable securities to fair value through profit or loss. As the Company adopted IFRS 9 retrospectively without restatement of comparative amounts, this resulted in a reclassification of $5,983,690 from accumulated other comprehensive income to deficit on October 1, 2018. Future changes in the fair value of these marketable securities will be recorded directly in profit or loss. No other differences of any significance have been noted in relation to the adoption of IFRS 9.

The Company completed an assessment of its financial instruments as at October 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	Original classification under IAS 39	New classification under IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable and other receivables	Loans and receivables – amortized cost	Amortized cost
Marketable securities	Available-for-sale	FVTPL
Investment in warrants	FVTPL	FVTPL
Loans and interests receivable	Loans and receivables – amortized cost	Amortized cost
Trade payables and accrued liabilities and other payables	Other financial liabilities – amortized cost	Amortized cost
Loans and interests payable	Other financial liabilities – amortized cost	Amortized cost
Convertible debenture payable	Other financial liabilities – amortized cost	Amortized cost

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement
Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of operations and comprehensive income (loss) in the period in which they arise.

Impairment of financial assets at amortized cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of operations and comprehensive income (loss).

Revenue from Contracts with Customers

The Company adopted all of the requirements of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") as of October 1, 2018. IFRS 15 utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The change did not impact accumulated deficit or any assets and liabilities on the transition date.

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Officers and Directors

Tajinder Johal – Chief Executive Officer, Chief Financial Officer and Director
Jatinder Bains – Director
Santokh Sahota – Director

Contact Person

Tajinder Johal – Chief Executive Officer
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