

PELTON MINERALS CORPORATION
Management's Discussion and Analysis
Period Ended September 30, 2016
Dated November 25, 2016
(Form 51-102F1)

This Management Discussion and Analysis ("MD&A") of Peloton Minerals Corporation (the "Company") is provided for the purpose of reviewing the third quarter ended September 30, 2016 and comparing results to the previous period. The MD&A was prepared as of November 25, 2016 and should be read in conjunction with the Company's condensed interim consolidated financial statements and corresponding notes for the periods ending September 30, 2016 and 2015. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards appropriate in the circumstances. All monetary amounts are expressed in United States dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com and at the Company's website located at www.pelotonminerals.com.

DESCRIPTION OF THE BUSINESS

The Company is a mineral exploration company focused on the acquisition and exploration of mineral resource properties, primarily gold and silver prospects in the province of Ontario, Canada and in the states of Montana and Nevada, USA.

The Company is a reporting issuer in the Province of Ontario and its common shares trade on the Canadian Securities Exchange ("CSE") under the symbol PMC, and on the OTC QB Market in the United States under the trading symbol PMCCF.

CORPORATE ACTIVITIES

In July the Company name was changed to Peloton Minerals Corporation and it began trading under the new name on Monday, July 18, 2016. The new trading symbol is PMC and the Company will continue trading on the Canadian Securities Exchange. There was no change in the share capital structure, just the change of name which was overwhelmingly approved by the shareholders.

The purpose of the name change was to adopt a name that is not tied to a specific geographic area, and one that better lends itself to branding as the company enters this improving junior exploration market and a next phase of growth.

Also in July, 2016 the Company entered into an agreement to retain Paradox Public Relations Inc. ("Paradox") of Montreal, Quebec to provide investor awareness and relations services to the Company over a 24 month term (the "Agreement"). The Agreement may be renewed at the end of the 24 month term or terminated after the first 4 months by either party by providing 30 days written notice. The Company will pay CDN\$7,500 per month during the Agreement and will issue Paradox 500,000 options to acquire common shares of the Company at CDN\$0.10 per share with ¼ to vest immediately and ¼ to vest on each of the next three quarterly anniversary dates.

Also in July, 2016 the Company completed an airborne Hyperspectral Imaging Survey over the entire Golden Trail Project located in Elko County, Nevada. Data collection was conducted by fixed wing aircraft.

In August, 2016 the Company closed a non-brokered private placement financing totaling CDN\$329,275.16 and consisting of 5,986,821 units priced at \$0.055 per unit. Each unit consists of one common share and one common share purchase warrant exercisable for three years at \$0.10. Proceeds from the private placement will be used for general working capital and administrative expenses.

Also in August, 2016, the Company acquired a 38 mineral claim package comprising 785 acres and located in Elko County, Nevada, about 77 miles south of the Company's Golden Trail Project and about 29 miles south of Newmont's Long Canyon Project. The mineral claim package was acquired by staking and has been named the Independence Valley Project.

The Company was added to the Canadian Securities Exchange ("CSE") Composite Index during the recent quarterly rebalancing of the CSE Composite Index in September 2016.

In October, 2016, the Company commenced core drilling at the Golden Trail Project, Nevada using the Company's Termite Core Drilling Rig. The object of this core drilling program is to demonstrate near surface continuity of gold in the 3rd dimension. The Company has received permits for 11 drill stations along the main Golden Trail Vein. Subsequent drill programs would seek to expand on this initial program along strike, at depth, and in other areas of the property.

Also in October, 2016, the Company shares were approved for listing on the OTC QB Market in the United States and will also continue to list on the Canadian Securities Exchange (the "CSE"). The Company's shares have commenced trading on the U.S. OTC QB Market under the trading symbol PMCCF.

The OTC QB Market is referred to as "America's Venture Market" in the OTC Markets literature with 960 U.S. and international companies listed having U.S. \$74.2 billion in total market cap and a median market cap of U.S. \$12.8 million. The objective in seeking this dual U.S. listing is to increase exposure, liquidity and market cap.

OVERALL PERFORMANCE

Although the Company's financial condition has improved slightly over the nine months ended September 30, 2016 with the working capital deficiency decreasing by \$93,425 from (\$148,353) at December 31, 2015 to (\$54,928) at September 30, 2016, the Company's financial condition has improved over the three months ended September 30, 2016, with the working capital deficiency decreasing by \$98,121 from (\$153,049) at June 30, 2016 to (\$54,928) at September 30, 2016.

The value of the financings completed during the period was mostly offset by losses on foreign exchange and revaluation of foreign currency warrants as discussed below in Results of Operations. These losses did not affect the Company's cash position.

SUBSEQUENT EVENTS

Refer to the Corporate Activities section above.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016 (COMPARED WITH THREE MONTHS ENDED SEPTEMBER 30, 2015)

For the three months ended September 30, 2016 and September 30, 2015, the Company had no revenue. Exploration and claim maintenance expenses for the three months ended September 30, 2016 were \$76,195 compared to \$6,599 during the three months ended September 30, 2015.

Expenses incurred during the three months ended September 30, 2016 consisted of:

- i. Office and administrative costs of \$130,968 (2015-\$72,540);
- ii. Professional Fees of \$21,882 (2015-\$9,587);
- iii. Loss on foreign exchange of \$1,104 (2015-\$);
- iv. Stock-based compensation of \$9,217 (2015-nil);
- v. Loss on revaluation of foreign currency warrants of \$293,410 (2015-gain \$58,236)
- vi. Reversal of management fees of \$0 (2015-gain \$382,114).
- vii. Loss on Revaluation of derivative conversion liability \$274,404 (2015-\$40,354);
- viii. Accretion expense \$77,805 (2015-\$827).

There were considerable changes in some line items between the three months ended September 30, 2016 and September 30, 2015. The loss from revaluation of foreign currency warrants is a book entry resulting from fluctuations in currency and stock price, and can swing considerably from quarter to quarter. There is no effect on the company's cash position from the fluctuations in value of the foreign currency warrants. During the 2015 third quarter, management agreed to the reversal of \$383,114 of accrued management fees, however, no management fees were reversed in Q2 2016. The Company has become more active in the exploration of its mineral projects and has also incurred expenses for the acquisition of more claims in Nevada. The increased exploration and related financing activities have also added to the office and professional fees.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(COMPARED WITH NINE MONTHS ENDED SEPTEMBER 30, 2015)

For the nine months ended September 30, 2016 and September 30, 2015, the Company had no revenue. Exploration and claim maintenance expenses for the nine months ended September 30, 2016 were \$88,700 compared to \$9,018 during the nine months ended September 30, 2015.

Expenses incurred during the nine months ended September 30, 2016 consisted of:

- i. Office and administrative costs of \$291,917 (2015-\$234,498);
- ii. Professional Fees of \$41,379 (2015-\$28,855);
- iii. Loss on foreign exchange of \$9,289 (2015-gain \$56,465);
- iv. Stock-based compensation of \$9,217 (2015-nil);
- v. Loss on revaluation of foreign currency warrants of \$461,089 (2015-Gain of \$199,481);
- vi. Reversal of management fees of \$0 (2015-\$501,612);
- vii. Loss on Revaluation of derivative conversion liability \$382,567 (2015-\$40,354);
- viii. Accretion expense \$81,503 (2015-\$827).

There were considerable changes in some line items between the nine months ended September 30, 2016 and September 30, 2015. The gain from revaluation of foreign currency warrants is a book entry resulting from fluctuations in currency and stock price, and can swing considerably from quarter to quarter. There is no effect on the company's cash position from the fluctuations in value of the foreign currency warrants. During the nine months ended September 30, 2015, management agreed to the reversal of \$501,612 of accrued management fees, however, no management fees were reversed during the nine months ended September 30, 2016. The Company has become more active in the exploration of its mineral projects and has also incurred expenses for the acquisition of more claims in Nevada. The increased exploration and related financing activities have also added to the office and professional fees.

Total assets as at the end of September 30, 2016 were \$272,479 (Dec, 31, 2015 - \$123,777) and consisted of cash \$161,599 (Dec, 31, 2015 - \$363), HST receivable of \$4,187 (Dec, 31, 2015 - \$8,775) prepaid expenses of \$2,851 (Dec, 31, 2015 - \$1,258), equipment \$90,799 (December 31, 2015 - \$87,225) and reclamation bonds of \$13,043 (Dec, 31, 2015 - \$26,156).

Total current liabilities as at September 30, 2016 were \$223,565 (Dec, 31, 2015 - \$158,749) consisting of trade payables of \$20,917 (December 31, 2015 - \$66,097), amounts due to directors and officers of \$199,063 (Dec, 31, 2015 - \$63,363), audit and accountant fees owed of \$3,585 (Dec, 31, 2015 - \$16,479).

The Company's long term financial liabilities at September 30, 2016 were \$1,406,815 (Dec.31, 2015 - \$151,331) consisting of a convertible debenture of \$146,229 (Dec.31, 2015 - \$27,197), a derivative conversion liability of \$537,603 (Dec.31, 2015 - \$86,608) and warrants denominated in a foreign currency of \$722,983 (Dec, 31, 2015 - \$37,526). Other than the convertible debenture, these do not impact the Company's cash.

The Company has no sales and has never earned revenues with the exception of non-material interest revenue. Raising capital through sales of its common shares funds the Company's exploration operations.

Summary of Quarterly Results to September 30, 2016

Description	Sep 30/16	June 30/16	Mar 31/16	Dec 31/15	Sep 30/15	June 30/15	Mar 31/15	Dec 31/14
	\$	\$	\$	\$	\$	\$	\$	\$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income/(Loss)	(884,986)	(204,034)	(276,641)	(34,561)	346,373	74,363	32,288	90,881
Net Income/(Loss) Per share – Basic & Diluted	(.016)	(004)	(.006)	(.001)	.007	.002	(.006)	.002

LIQUIDITY

As at September 30, 2016, the Company had cash in the amount of \$161,599 (September 30, 2015-\$3,172) and current liabilities of \$223,565 (September 30, 2015-\$68,561). As at September 30, 2016, the Company has a working capital deficiency of \$54,928 (September 30, 2015 - \$50,121). . Included in this amount is \$199,063 (September 30, 2015 - nil) of amounts owing to directors of the Company for management and directors fees. As a result, the Company has liquidity risk and is dependent on raising capital.

CAPITAL RESOURCES

For its long term business objectives, the Company will require funds for ongoing exploration work on its mineral projects on Ontario and Nevada, to work on any other mineral projects that it acquires, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over either the near or long term, and none are presently contemplated other than as disclosed above and/or over normal operating requirements.

The Company is not in default of its obligations on any of its mineral properties at this time.

OFF BALANCE SHEET ARRANGEMENTS

At November 25, 2016, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Remuneration of Directors and key management of the Company during the period was as follows:

Management and director fees in the amount of \$87,700 were incurred in the quarter ended September 30, 2016. This amount was included in office and administrative costs in the consolidated statements of loss and comprehensive loss, however the amounts were accrued since the directors did not wish to divert the limited available funds from the advancement of the mineral projects.

PROPOSED TRANSACTIONS

There are no transactions proposed at this time other than as disclosed herein.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Accounting Policies

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Committee.

During the year ended December 31, 2015, the Company retrospectively changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and exploration and evaluation expenditures of mineral properties to the specific mineral properties, net of recoveries received.

Under the new policy, acquisition costs and deferred exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision to proceed with mine development are charged to operations as incurred. As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the Company included the restated consolidated statement of financial position as at January 1, 2014 and December 31, 2014 in the December 31, 2015 consolidated financial statements. Management considers this accounting policy to provide more reliable and relevant information and more clearly represents the Company's activities.

The significant accounting policies of the Company are summarized in Note 2 to the Company's financial statements

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The accompanying consolidated financial statements include all adjustments that are, in the opinion of management, necessary for a fair presentation.

Information regarding significant areas of estimation, uncertainty and critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements relate to measurement of the recoverable amounts of mining claims and deferred

exploration expenditures, the amount accrued for restoration liabilities, the valuation of stock options and warrants issued, the valuation of warrants extended and provisions for legal claims.

Financial Instruments

As at September 30, 2016, the Company's financial instruments consist of reclamation bonds, accounts payable and accrued liabilities. The carrying values of the Company's financial instruments approximate their fair values due to the relatively short periods to maturity of these financial instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's: (a) capitalized or expensed exploration and development costs; (b) expensed research and development costs; (c) deferred development costs; (d) general and administrative expenses; and (e) any material costs, deferred or expenses, not already referred to in this MD&A is provided in the Company's Condensed Interim Consolidated Financial Statements and its Audited Consolidated Financial Statements for the year ended December 31, 2015, which can be accessed on SEDAR under the Company's profile page at www.sedar.com.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's authorized share capital consists of unlimited common shares without par value.

Issued and outstanding: September 30, 2016 – 56,951,586;

Issued and outstanding: November 25, 2016 (date of this report) – 56,951,586

Warrants outstanding: September 30, 2016 – 33,135,966

Warrants outstanding: August 26, 2016 – 33,135,966

The warrants expire between December 2016 and August 2019 and have a weighted average exercise price of CDN \$0.1265 per share.

Options outstanding: September 30, 2016 – 4,750,000

Options outstanding: November 25, 2016 – 4,750,000

The options expire between May 2017 and July 2019 and have a weighted average exercise price of \$0.08 per share.

Dividend Policy

No dividends have been paid on any shares of the Company since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Controls and Procedures

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures, for the nature and size of the entity, are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that these controls and procedures are effective, for the

nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

Litigation

The Company is not a party to any litigation.

Risks Associated with Exploration and Mining Operations

The exploration of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Company's mineral properties. Even if such commercial quantities are subsequently discovered by the Company's exploration efforts, there can be no assurance such properties can be brought in to commercial production. Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Company. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Company does not have control may be encountered and may adversely affect the Company's operations and financial results.

Environmental Risks

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that current requirements and future changes to environmental legislation may not adversely affect the Company's operations.

Mineral Market

The market for minerals is subject to factors beyond the Company's control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

Funding Requirements

In order to move forward with its exploration activities, the Company will require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Reliance on Management

The Company anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Company could materially adversely affect the Company.

Auditors, Transfer Agent and Registrar

The auditors of the Company are Collins Barrow LLP, Licensed Public Accountants of Toronto, Ontario. The Transfer Agent and Registrar for the Common Shares of the Company is TSX Trust Company in Toronto, Ontario.

Forward Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions used by any of the Company’s management, are intended to identify forward-looking statements. Such statements reflect the Company’s internal projections, expectations, future growth, performance and business prospects and opportunities and are based on information currently available to the Company. Since they relate to the Company’s current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by law or by CSE policies.