PELOTON MINERALS CORPORATION
Management's Discussion and Analysis
Period Ended June 30, 2019
Dated August 29, 2019
(Form 51-102F1)

This Management Discussion and Analysis ("MD&A") of Peloton Minerals Corporation *(the "Company") is provided for the purpose of reviewing the three and six months ended June 30, 2019 and comparing results to the three and six months ended June 30, 2018. The MD&A was prepared as of August 29, 2019 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and corresponding notes for the three and six months ended June 30, 2019 and 2018 as well as the audited consolidated financial statements for the year ended December 31, 2018. 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 US States of Nevada and Montana.

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

CORPORATE ACTIVITIES

In March, 2019 the Company, through its wholly-owned subsidiary SBSL Subsidiary Corporation, and Frederick Private Equity Corporation ("Frederick PEC") signed an Exploration Agreement with a joint Venture Option (the "Agreement") on the Company's Silver Bell – St. Lawrence Gold Project (the "Project" or "SBSL") including an area of interest established around the Project which is located in the Virginia City Mining District, Montana. Under the Agreement, Frederick PEC may earn up to a 75% interest in the Project by spending a total of US$2,000,000 in exploration within six years and make annual option payments.

Frederick PEC may first earn a 51% interest in the Project by making annual US$10,000 option payments and spending US$1,000,000 in exploration within four years with a minimum of $200,000 in expenditure during the first two years. Frederick PEC may earn a further 24% interest in the Project by then making annual US$25,000 option payments and spending an additional US$1,000,000 in exploration over a two-year period following the establishment of the first 51% interest, for a total of US$2,000,000 to earn a 75% interest. After Frederick PEC has earned either a 51% or a 75% interest, as the case may be, a mining venture or mining company may be formed with respect to the Project, and Frederick PEC and Peloton will contribute their respective share of further exploration and development expenditures. In the event that either party's interest is diluted to ten percent (10.0%) or less, it shall relinquish its interest to the other party, in return for a royalty agreement that conveys to the diluting party a royalty of one percent (1.0%) of net smelter returns on all minerals thereafter produced and removed from the Project. The non-diluting party may, at any time, buy-down that royalty by one-half percent (0.05%), so that the total royalty is one-half percent (0.05%) of net smelter returns, by paying US$250,000 to the royalty holder. The Project is subject to an earlier outstanding 2% NSR, the majority of which can be bought down to one percent (1%), and a buy down option on the remaining claims is being sought.

SBSL hosts two past-producing gold-silver mines, the Silver Bell Mine and the St. Lawrence Mine. Both mines operated in the early 1900s and the St. Lawrence was temporarily reactivated in the early 1980s.

SBSL comprises one (1) patented mining claim and twenty- four (24) unpatented mining claims covering approximately 390 acres. SBSL is located about four miles southwest of the town of Virginia City, Montana, in Madison County, and about 50 miles southeast of Butte, Montana. Year-round access is available by a public road running off of paved Montana Highway 287. Electrical power extends to within approximately 2 miles of the property.

On April 26, 2019, African Metals Corporation ("AFR") announced that it had entered into an agreement with Frederick PEC whereby it may acquire initially a 51% interest in the Project from Frederick PEC. As part of that transaction, AFR has agreed to expend a minimum of US$200,000 in exploration expenditures in the first year. Those expenditures are expected to finance the initial drill program recommended by Dr. Childs.

John O'Donnell is an officer and/or director of the Company, Frederick PEC, and AFR and, as such, recused himself from the approval process of the transactions.

CORPORATE

The Company modified the expiry time of certain outstanding warrants of the Company held by previous private placement investors as follows:

a. 1,450,000 warrants exercisable at a price of CDN$0.10 until 5:00 pm on April 22, 2019 are now exercisable until 5:00 pm on April 22, 2021.

b. 1,200,000 warrants exercisable at a price of CDN$0.10 until 5:00 pm on June 10, 2019 are now exercisable until 5:00 pm on June 10, 2021.

On June 7, 2019 the Company granted a total of 2,600,000 incentive stock options to directors and a consultant of the Company. These options are exercisable over five years at an exercise price of $0.10. 1,050,000 of these stock options replace 1,050,000 stock options exercisable at $0.065 that expired May 29, 2019.

OVERALL PERFORMANCE

The Company's financial condition has changed over the six months ended June 30, 2019 with the working capital deficiency increasing by $135,923 from ($350,341) at December 31, 2018 to ($486,264) at June 30, 2019. The Company's financial condition has weakened over the three months ended June 30, 2019, with the working capital deficiency increasing by $92,722 from ($393,542 at March 31, 2019 to ($486,264) at June 30, 2019. The difference is mainly attributable to:

a. ongoing office and administrative costs;
b. accrual of management and director fees;
c. a challenging environment for junior exploration company financing.

SUBSEQUENT EVENTS

On July 11, 2019 the Company announced closing the first tranche of a non-brokered private placement with the first tranche being CDN$73,352.90 (the "Private Placement") and consisting of 733,529 units priced at CDN$0.10 per unit. Each unit consists of one common share and one common share purchase warrant exercisable for three years at $0.15. Proceeds from the private placement will be used for exploring and maintaining the Company's mineral resource properties, general working capital and administrative expenses. The securities issued in connection with the private placement are subject to a hold period expiring four months and one day from the issuance of the securities.

The Company modified the expiry time of certain outstanding warrants of the Company held by previous private placement investors as follows:

a. 5,926,821 warrants exercisable at a price of CDN$0.10 until 5:00 pm on August 5, 2019 are now exercisable until 5:00 pm on August 5, 2021.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2019 (COMPARED WITH THREE MONTHS ENDED JUNE 30, 2018)

For the three months ended June 30, 2019 and June 30, 2018, the Company had no revenue. Exploration and claim maintenance expenses for the three months ended June 30, 2019 were $12,872 compared to $36,043 during the three months ended June 30, 2018.

Expenses incurred during the three months ended June 30, 2019 (compared to expenses incurred during the three months ended June 30, 2018) consisted of:
i.Office and administrative costs of $90,371 (2018 - $99,352);
ii.Professional Fees of $16,711 (2018 - $12,303);
iii.Foreign exchange of $9,014 (2018 Gain - $3,762);
iv.Stock-based compensation of $143,281 (2018 – 65,578);
v.Depreciation of $2,270 (2018 – $2,270);
vi.Gain on revaluation of foreign currency warrants of $388,566 (2018 Gain - $254,870);
vii.Gain on revaluation of derivative liability of $40,197 (2018 - gain $16,936); and
viii.Accretion expense of $3,178 (2018 - $2,463).

There were considerable changes in some line items between the three months ended June 30, 2019 and June 30, 2018. The changes from revaluation of foreign currency warrants and derivative liability are book entries 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. The expense of stock-based compensation results from the grant of incentive stock options and does not affect the Company's cash position.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2019 (COMPARED WITH SIX MONTHS ENDED JUNE 30, 2018)

For the six months ended June 30, 2019 and June 30, 2018, the Company had no revenue. Exploration and claim maintenance expenses for the six months ended June 30, 2019 were $26,327compared to $51,625 during the six months ended June 30, 2018.

Expenses incurred during the six months ended June 30, 2019 (compared to expenses incurred during the six months ended June 30, 2018) consisted of:
i.Office and administrative costs of $175,671 (2018 - $188,154);
ii.Professional Fees of $33,137 (2018 - $20,399);
iii.Foreign exchange of $17,763 (2018 Gain - $8,576);
iv.Stock-based compensation of $149,052 (2018 – $65,578);
v.Depreciation of $4,450 (2018 – $4,450);
vi.Gain on revaluation of foreign currency warrants of $554,435 (2018 - Loss of $8,640));
vii.Gain on revaluation of derivative liability of $51,878 (2018 – loss of $30,200); and
viii.Accretion expense of $7,948 (2018 - $6,161).

There were considerable changes in some line items between the six months ended June 30, 2019 and June 30, 2018. The changes from revaluation of foreign currency warrants and derivative liability are book entries 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. The expense of stock-based compensation results from the grant of incentive stock options the period and does not affect the Company's cash position.

Total assets as at June 30, 2019 were $103,896 (Dec. 31, 2018 - $205,492) and consisted of cash $18,270 (Dec. 31, 2018 - $110,170), HST receivable of $4,602 (Dec. 31, 2018 - $5,761) prepaid expenses of $2,405 (Dec. 31, 2018 - $6,402), equipment $63,559 (Dec. 31, 2018 - $68,099) and reclamation bonds of $15,060 (Dec. 31, 2018 - $15,060).

Total current liabilities as at June 30, 2019 were $551,541 (Dec. 31, 2018 - $472,674) consisting primarily of trade payables and amounts due to directors and officers. Included in this amount is $475,374 (December 31, 2018 - $398,060) owing to directors of the Company for management and directors fees.

The Company's long-term financial liabilities at June 30, 2019 were $713,943 (Dec. 31, 2018 - $1,160,129) consisting of a convertible debenture of $66,397 (Dec. 31, 2018 - $58,449), a derivative liability of $128,558 (Dec. 31, 2018 - $180,436) and warrants denominated in a foreign currency of $482,742 (Dec. 31, 2018 - $921,244). The liabilities for foreign currency warrants and derivative liability are book entries and can change considerably from quarter to quarter. There is no effect on the Company's cash position.

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

Description	June 30/19	Mar 31/19	Dec 31/18	Sept 30/18	June 30/18	Mar 31/18	Dec 31/17	Sep 30/17
	$	$	$	$	$	$	$	$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income/Loss	61,269	41,742	(447,862)	420,524	56,844	(423,565)	217,189	(791,424)
Net Income/Loss Per share – Basic & Diluted	0.001	0.001	(0.006)	0.006	0.001	(0.006)	0.004	(0.012)

LIQUIDITY

As at June 30, 2019, the Company had cash in the amount of $18,270 (June 30, 2018 - $143,932) and current liabilities of $511,541 (June 30, 2018 - $448,845). As at June 30, 2019, the Company had a working capital deficiency of $486,264 (June 30, 2018 – deficiency $290,187). Included in this amount is $475,374 owing to directors of the Company for management and director 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 Silver Bell – St. Lawrence Property in Montana and its Golden Trail Property, Independence Valley Property and Texas Canyon Property in 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.

The Company has entered into an Exploration Agreement with a joint Venture Option on the Company's Independence Valley Project (the "Project") with Kinross Gold USA Inc. ("Kinross") including an area of interest established around the Project which is located in Elko County, Nevada. Under the agreement, Kinross may earn up to a 75% interest in the Project by spending a total of US$4,000,000 in exploration expenditures within six years.

In March, 2019 the Company, through its wholly-owned subsidiary SBSL Subsidiary Corporation, and Frederick Private Equity Corporation ("Frederick PEC") signed an Exploration Agreement with a joint Venture Option (the "Agreement") on the Company's Silver Bell – St. Lawrence Gold Project (the "Project" or "SBSL") including an area of interest established around the Project which is located in the Virginia City Mining District, Montana. Under the Agreement, Frederick PEC may earn up to a 75% interest in the Project by spending a total of US$2,000,000 in exploration within six years and make annual option payments. Further information see “Corporate Activities” above.

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 August 29, 2019, 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 Officers, 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).

Management and director fees in the amount of $130,483 were incurred in the period ended June 30, 2019 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. Management and directors also received $132,260 in stock-based compensation relating to the grant of stock options.

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.

The significant accounting policies of the Company are summarized in Note 2 to the Company’s audited financial statements for the year ended December 31, 2018.

Critical Accounting Estimates

The Critical Accounting Estimates of the Company are discussed in Note 2 to the Company’s audited financial statements for the year ended December 31, 2018.

Financial Instruments

The Financial Instruments of the Company are discussed in Note 2 to the Company’s audited financial statements for the year ended December 31, 2018.

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, whether expensed or recognized as assets, 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, 2018, 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: June 30, 2019 – 78,604,800;
Issued and outstanding: August 29, 2019 (date of this report) – 79,388,329

Warrants outstanding: June 30, 2019 – 30,091,655
Warrants outstanding: August 29, 2019 – 30,775,184
The warrants expire between December 2019 and July 2022 and have a weighted average exercise price of CDN $0.1076 per share.

Options outstanding: June 30, 2019 – 7,750,000
Options outstanding: August 29, 2019 – 7,250,000
The options expire between February 2022 and June 2024 and have a weighted average exercise price of CDN $0.1028 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 RSM Canada LLP, 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.