

PELTON MINERALS CORPORATION
Management Discussion and Analysis
Period Ended June 30, 2024
Dated August 29, 2024
(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, 2024 and comparing results to the three and six months ended June 30, 2023. The MD&A was prepared as of August 29, 2024 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, 2024 and 2023 as well as the audited consolidated financial statements for the year ended December 31, 2023. 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.sedarplus.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, silver and copper prospects in the states of Nevada and Montana, USA.

Peloton's exploration portfolio includes the North Elko Lithium Project (NELP) located immediately adjacent to the recent major lithium discovery by Surge Battery Metals Inc. in northeastern Nevada. The NELP now comprises the Company’s Golden Trail Project, a carlin style gold prospect; the Company’s Texas Canyon Project, a uranium, molybdenum and gold prospect; and newly staked claims between them. Peloton also holds the Independence Valley gold prospect in Elko County Nevada, a past producing gold project in Montana under option to a JV partner, and a non-controlling interest in the Boulder Copper Porphyry Project near Butte, 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 OTC QB Market in the United States under the trading symbol PMCCF.

COMPANY ACTIVITIES

On June 5, 2024, the Company announced closing a financing totaling \$1,022,518 with the proceeds to fund the summer lithium exploration program and for working capital.

The Company immediately commenced a multi-faceted program for the exploration of lithium at the Company’s 100% owned North Elko Lithium Project (NELP) in northeastern Nevada.

NELP is located immediately adjacent to the significant lithium in clay discovery made by Surge Battery Metals.

Highlights of the summer lithium exploration program at NELP include:

- Collection of 923 soil geochemistry samples at two hundred metre spacings across the entire property involving the traverse of more than two hundred kilometers. Samples were then shipped for preparation and assay.
- Additional staking was completed bringing the total ground position at NELP as of July 15, 2024, to 444 total claims or about thirty-seven square kilometers.

- A detailed geologic mapping program took place as well as extensive X-Ray Diffraction Analysis and Spectrometer prospecting.
- An airborne geophysical survey covering 535 line-kilometers was chartered including Magnetic, Radiometric and Matrix Digital VLF-EM.
- Two permits for drilling were updated or renewed and a third will be dependent on geochemistry, mapping, and geophysical results.

Upon receipt of assay results and compilation of the initial data, the next steps for 2024-2025 would be to complete any additional staking of claims deemed necessary, shallow packsack drilling and deeper core drilling.

CORPORATE

On April 2, 2024, the Company granted a total of 2,100,000 incentive stock options to consultants of the Company. These options are exercisable over three years at an exercise price of \$0.09 CDN.

On June 13, 2024, the Company granted a total of 2,000,000 incentive stock options to consultants of the Company. These options are exercisable over three years at an exercise price of \$0.10 CDN.

On June 13, 2024, the Company granted a total of 2,900,000 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 CDN.

On April 10, 2024, the Company modified the expiry time of 2,668,000 outstanding warrants of the Company held by previous private placement investors. The warrants were exercisable at a price of \$0.125 CDN until 5:00 pm on May 4, 2024 and are now exercisable until 5:00 pm on May 4, 2026.

On April 18, 2024, the Company modified the expiry time of 213,440 outstanding warrants of the Company. The warrants were exercisable at a price of \$0.125 CDN until 5:00 pm on May 4, 2024 and are now exercisable until 5:00 pm on May 4, 2026.

On May 1, 2024, the Company modified the expiry time of 1,633,334 outstanding warrants of the Company held by previous private placement investors. The warrants were exercisable at a price of \$0.125 CDN until 5:00 pm on July 12, 2024 and are now exercisable until 5:00 pm on July 12, 2026.

On April 16, 2024, the Company issued 213,440 units, from the exercise of broker options, at \$0.09 CDN per unit for proceeds of \$16,008 CDN (US\$11,582). Each unit consists of one common share and one share purchase warrant exercisable for three years. Each warrant originally entitled the holder to purchase one share at a price of \$0.125 CDN up to May 4, 2024.

On May 31, 2024, the Company issued 8,861,307 units at \$0.09 CDN per unit for proceeds of \$797,518 CDN (US\$584,401). Each unit consists of one common share and one share purchase warrant exercisable for three years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to May 31, 2027. The Company paid to arms-length parties finder's fees consisting of \$63,801 CDN (\$46,785 US) in cash and 886,131 brokers warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at \$0.12 CDN.

On June 4, 2024, the Company issued 2,500,000 units at \$0.09 CDN per unit for proceeds of \$225,000 CDN (US\$165,015). Each unit consists of one common share and one share purchase warrant exercisable for three years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to June 4, 2027. The Company paid to arms-length parties finder's fees consisting of \$18,000 CDN (\$13,199 US) in cash and 250,000 brokers warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at \$0.12 CDN.

OVERALL PERFORMANCE

In summary, the Company's financial condition has changed during the six months ended June 30, 2024. Working capital deficiency changed from \$929,929 at December 31, 2023 to a deficiency of \$2,774,910 at June 30, 2024. Working capital deficiency at June 30, 2023 was \$839,745. The Company's financial condition has changed over the three months ended June 30, 2024, with the working capital deficiency increasing by \$101,376 from (\$2,673,534) at March 31, 2024 to (\$2,774,910) at June 30, 2024. The change over the six-month period is mainly due to \$1,998,883 in derivative liability for foreign currency warrants being changed from long-term liability as a result of amendments to IAS 1, Presentation of Financial Statements to clarify the classification of liabilities as current or non-current. The amendments were adopted by the Company on January 1, 2024. The adoption of the amendments resulted in Derivative liability – foreign currency warrants being reclassified as current liability on the interim statement of financial position.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2024 (COMPARED WITH THREE MONTHS ENDED JUNE 30, 2023)

For the three months ended June 30, 2024 and June 30, 2023, the Company had no revenue. Exploration and claim maintenance expenses for the three months ended June 30, 2024 were \$110,139 compared to \$124,015 during the three months ended June 30, 2023.

Expenses incurred during the three months ended June 30, 2024 (compared to expenses incurred during the three months ended June 30, 2023) consisted of:

- i. Office and administrative costs of \$188,705 (2023 - \$117,779);
- ii. Professional Fees of \$22,615 (2023 - \$15,609);
- iii. Foreign exchange gain of \$3,436 (2023 Gain - \$3,453);
- iv. Depreciation of \$4,308 (2023 – \$2,270);
- v. Stock-based compensation of \$360,194 (2023 – \$59,743)
- vi. Gain on revaluation of foreign currency warrants of \$75,983 (2023 Gain - \$203,088);
- vii. Gain on revaluation of derivative liability of \$8,189 (2023 Gain - \$27,426);
- viii. Fair value of warrants extended of \$192,788 (2023 - \$141,478); and
- ix. Loss on fair value adjustment of investment of \$12,182 (2023 – Nil)

There were considerable changes in some line items between the three months ended June 30, 2024 and June 30, 2023. The changes from revaluation of foreign currency warrants and derivative liability and the fair value of warrants extended 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. Expenses for stock-based compensation relate to the grant of stock options and have no effect on the company's cash position.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (COMPARED WITH SIX MONTHS ENDED JUNE 30, 2023)

For the six months ended June 30, 2024 and June 30, 2023, the Company had no revenue. Exploration and claim maintenance expenses for the six months ended June 30, 2024 were \$178,478 compared to \$220,787 during the six months ended June 30, 2023.

Expenses incurred during the six months ended June 30, 2024 (compared to expenses incurred during the six months ended June 30, 2023) consisted of:

- i. Office and administrative costs of \$294,369 (2023 - \$227,923);
- ii. Professional Fees of \$38,971 (2023 - \$25,947);
- iii. Foreign exchange Gain of \$22,224 (2023 Loss – \$18,396);
- iv. Depreciation of \$6,578 (2023 – \$4,540);
- v. Stock-based compensation of \$360,194 (2023 – \$59,743);
- vi. Gain on revaluation of foreign currency warrants of \$1,030,067 (2023 - Gain of \$391,783);
- vii. Gain on revaluation of derivative liability of \$48,216 (2023 – Gain of \$17,833);
- viii. Fair value of warrants extended of \$192,788 (2023 - \$141,478); and

viii. Loss on fair value adjustment of investment \$50,929 (2023 – Nil).

There were considerable changes in some line items between the six months ended June 30, 2024 and June 30, 2023. The changes from revaluation of foreign currency warrants and derivative liability and the fair value of warrants extended 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. Expenses for stock-based compensation relate to the grant of stock options and have no effect on the company's cash position.

Total assets as at June 30, 2024 were \$1,784,663 (Dec. 31, 2023 - \$1,644,607) and consisted of cash \$193,254 (Dec. 31, 2023 - \$38,818), HST receivable of \$13,059 (Dec. 31, 2023 - \$1,562) prepaid expenses of \$6,889 (Dec. 31, 2023 - \$19,910), equipment \$56,877 (Dec. 31, 2023 - \$22,700) and reclamation bonds of \$48,549 (Dec. 31, 2023 - \$44,701), Investment \$1,459,182 (Dec. 31, 2023 \$1,510,111), and other receivables of \$6,853 (Dec. 31, 2023 – Nil).

Total current liabilities as at June 30, 2024 were \$2,994,965 (Dec. 31, 2023 - \$997,024). Included in this amount is \$734,338 (December 31, 2023 - \$698,678) owing to directors of the Company for management and directors fees. The largest current liability is \$1,998,883 for derivative liability relating to foreign currency warrants that was changed from long-term liability as a result of amendments to IAS 1, Presentation of Financial Statements to clarify the classification of liabilities as current or non-current. The amendments were adopted by the Company on January 1, 2024. The adoption of the amendments resulted in Derivative liability – foreign currency warrants being reclassified as current liability on the interim statement of financial position.

The Company's long-term financial liabilities are:

i. Derivative liability for convertible debenture of \$118,862 (June 30, 2023 - \$120,319; Dec. 31, 2023 - \$167,078);

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 30/24	Mar 31/24	Dec. 31/23	Sept 30/23	June 30/23	Mar 31/23	Dec 31/22	Sept 30/22
	\$	\$	\$	\$	\$	\$	\$	\$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income/Loss	(803,323)	781,523	343,438	(692,023)	(226,927)	(62,271)	(1,723,426)	(194,221)
Net Income/Loss Per share – Basic & Diluted	(0.006)	0.006	0.003	(0.006)	(0.002)	(0.001)	(0.014)	(0.002)

SUBSEQUENT EVENTS

Refer to the Corporate Activities section above for subsequent events relating to the Company's exploration activities.

On July 9, 2024, the Company granted a total of 200,000 incentive stock options to a consultant of the Company. These options are exercisable over three years at an exercise price of \$0.10 CDN.

LIQUIDITY

As at June 30, 2024, the Company had cash in the amount of \$193,254 (June 30, 2023-\$143,667) and current liabilities of \$2,994,965 (June 30, 2023 - \$997,88). As at June 30, 2024, the Company had working capital deficiency of \$2,774,910 (June 30, 2023 - \$839,745). Included in this amount is approximately \$734,338 (June 30, 2023 –

\$717,874) 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. Directors fees that remain unpaid after two years have been written-off at the end of each fiscal year of the Corporation, starting with the fiscal year ending December 31, 2013. All base fees that remain unpaid to management after two years will be written-off at the end of each fiscal year of the Company, starting with the fiscal year ending December 31, 2020.

CAPITAL RESOURCES

For its long-term business objectives, the Company will require funds for ongoing exploration work on its current mineral projects, 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 August 29, 2024, 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).

Management and director fees in the amount of \$162,683 were incurred in the six months ended June 30, 2024. 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. The fair value of stock options granted to management and directors is \$149,930.

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 financial statements for the year ended December 31, 2023.

Critical Accounting Estimates

The Critical Accounting Estimates of the Company are discussed in Note 2 to the Company's financial statements for the year ended December 31, 2023.

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments were adopted by the Company on January 1, 2024. The adoption of the amendments resulted in Derivative liability – foreign currency warrants being reclassified as current liability on the interim statement of financial position.

Financial Instruments

The Financial Instruments of the Company are discussed in Note 2 to the Company's financial statements for the year ended December 31, 2023.

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 for the three and three months ended June 30, 2024 and its Audited Consolidated Financial Statements for the year ended December 31, 2023, which can be accessed on SEDAR under the Company's profile page at www.sedarplus.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, 2024 – 136,598,705;

Issued and outstanding: August 29, 2024 (date of this report) – 137,265,371

Warrants outstanding: June 30, 2024 – 57,306,178

Warrants outstanding: August 29, 2024 – 56,572,649

The warrants expire between September 2024 and August 2027 and have a weighted average exercise price of CDN \$0.1203 per share.

Broker Warrants outstanding: June 30, 2024 – 1,328,581

Broker Warrants outstanding: August 29, 2024 – 1,395,247

The broker warrants expire between December 2028 and June 2029 and have a weighted average exercise price of CDN \$0.09 per share.

Options outstanding: June 30, 2024 – 12,900,000

Options outstanding: August 29, 2024 – 13,100,000

The options expire between October 2025 and July 2029 and have a weighted average exercise price of CDN \$0.1055 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.