

PEAK MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD ENDED MARCH 31, 2023

May 15, 2023

This Management Discussion and Analysis ("MD&A") of Peak Minerals Ltd. ("Peak" or the "Company") has been prepared by management as of May 15, 2023 and should be read together with the financial statements and related notes for the period ended March 31, 2023 and year ended September 30, 2022 which are prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

OVERALL PERFORMANCE

The Company is engaged in the business of mineral exploration.

The Company's head office is located at #615 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, and its registered and records office is located at #2600 – 1066 West Hastings Street, Vancouver, B.C. V6E 3X1. The Company was incorporated under the *Business Corporations Act* (British Columbia) on May 12, 2021.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the year ended September 30, 2022 and the period from incorporation on May 12, 2021 to September 30, 2021. This information has been summarized from the Company's audited financial statements for the same period and should be read in conjunction with the Company's audited financial statements, including the notes thereto.

	Year ended September 30, 2022 (\$)	Period from incorporation on May 12, 2021 to September 30, 2021 (\$)
Mineral properties	141,390	126,390
Total assets	476,634	295,167
Total revenues	-	-
Long-term debt	-	-
General and administrative expenses	176,363	64,068
Net loss	(159,355)	(81,076)
Basic and diluted loss per share ⁽¹⁾	\$0.02	\$0.01

⁽¹⁾Based on weighted average number of common shares issued and outstanding for the period. See "Selected Financial Information and Management's Discussion and Analysis".

RESULTS OF OPERATIONS

As at March 31, 2023, the Company had total assets of \$336,362. As at March 31, 2023, the Company had current liabilities of \$21,554.

For the period ended March 31, 2023, the Company reported a net loss of \$118,199 (2022 - \$23,374). The losses for the period ended March 31, 2023 comprised of bank and interest charges of \$106 (2022 - \$115), filing and transfer agent fees of \$10,187 (2022 - \$nil), management fees of \$15,000 (2022 - \$15,000), audit and accounting and legal fees of \$15,999 (2022 - \$14,104), rent of \$600 (2021 - \$300), and travel and entertainment expense of \$1,049 (2022 - \$2,500). The Company granted incentive share options to consultants and incurred share-based payment of \$36,678 (2022 - \$nil). The Company has recovered \$nil in deferred income tax expense in the period (2022 - \$4,885). The Company also received a mining tax credit of \$420 (2022 - \$nil).

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on May 12, 2021 and, for that reason, only the previous seven quarters have been presented in the table below.

	2023 Q2	2023 Q1	2022 Q4	2022 Q3
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Net Loss for the Period	\$(43,166)	\$(75,032)	\$(121,325)	\$(14,656)
Loss per Share	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)

	2022 Q2	2022 Q1	2021 Q4	2021 Q3
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Net Loss for the Period	\$(10,166)	\$(13,208)	\$(77,093)	\$ (3,983)
Loss per Share	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)

The decrease in the period ended March 31, 2023 compared to December 31, 2022 is due to reduced corporate activities. The Company completed its initial public offering completed in late September 2022 resulting in increased cost incurred in that period as well as in the period ended December 31, 2022. The decrease in the periods ended June 30, 2022, March 31, 2022 and December 31, 2021 compared to 2021 Q4 is due to a decrease in corporate activity as a result of the completion of the exploration program in September 2021. The increase in the three-month

period ended September 30, 2021 is due to increase in corporate activity and commencement of mineral exploration activity compared to initial start-up activities in the 1.5 month period ended June 30, 2021.

EXPLORATION AND PROJECTS

The principal asset of the Company is its option to acquire up to a 75% interest in the Aida Property, a gold prospect.

Aida Property

On June 8, 2021 the Company entered into an agreement to acquire up to a 75% interest in six mining claims in the Kamloops Mining Division, British Columbia. To acquire a 51% interest, the Company issued 100,000 common shares (issued for \$2,000) and made a cash payment of \$5,000 to the vendor.

To earn a further 24% (for a total of 75%), the Company must pay the vendor \$5,000 on or before June 8, 2022 (paid), issue 100,000 common shares on or before the first anniversary of the initial listing of the Company's shares on an exchange (issued), and incur aggregate exploration expenditures of \$200,000 of which \$75,000 must be incurred before June 8, 2022 (incurred) and \$125,000 on or before the first anniversary of the initial listing of the Company's shares on an exchange (incurred \$44,390 as at March 31, 2023). Should the Company not earn the additional 24% interest, the property will revert back to the vendor.

The property is subject to a net smelter return royalty of 2% payable to the vendors.

The Property is located in the Kamloops Mining approximately two kilometres north of Salmon Arm in the southern interior of British Columbia. The Property consists of five mineral claims covering an area of 2,335 hectares.

The Property is in a relatively undeveloped area. Since 1920, exploration has been limited to prospecting, sampling, trenching and geophysical surveys. The programs have identified potential zinc, lead, and silver deposits.

An independent geological report (the "Technical Report") prepared by Derrick Strickland, P. Geo. who is a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), was completed in relation to the Property on October 2, 2021. The Technical Report recommends that the Company conduct further data compilation and geophysical analysis and a surface exploration and trenching program.

Exploration Expenditures

Peak Minerals has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred from incorporation to March 31, 2023.

Assays and testing	\$ 21,271
Geological consulting	56,490
Reports and administration	18,000
Travel, accommodation, and supplies	23,629
	<u>\$ 119,390</u>

Future Plans

In relation to the Property, the Company currently plans to follow recommendations made in the Technical Report. The Technical Report recommends that the Company retain a geophysicist to further interpret the airborne survey results, compile all available data, and undertake an exploration program which includes mapping, soil sampling and trenching of areas of interest. The estimated budget is \$114,850. The Company began an exploration program earlier this year and is expecting results by early summer.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital of \$173,418 at March 31, 2023 including cash of \$131,035. Current liabilities as at March 31, 2023 consisted of accounts payable of \$1,554 accrued liabilities of \$12,500, and amount due to related party of \$7,500.

During the period from inception on May 12, 2021 to September 30, 2021, the Company issued 1 common share for proceeds of \$1 to the incorporator.

On May 28, 2021 the Company issued a total of 2,000,000 common shares at \$0.005 per share to directors for gross proceeds of \$10,000. Directors and senior officers subscribed for a total of 600,000 shares.

On April 9, 2021 the Company issued a total of 5,000,000 flow-through common shares at \$0.02 per share for gross proceeds of \$100,000. A director and senior officer subscribed for 250,000 flow-through shares.

On July 8, 2021 the Company issued a total of 100,000 common shares valued at \$2,000 for a property acquisition.

On August 6, 2021 the Company issued a total of 3,000,000 common shares at \$0.05 per share for gross proceeds of \$150,000.

On September 28, 2022 the Company completed its initial public offering of 4,025,000 shares at a price of \$0.10 per share for gross proceeds of \$402,500. In connection to the initial public offering and concurrent private placement the Company paid commission costs of \$40,250, corporate finance fees of \$34,000, of which \$23,500 was paid in cash and \$10,500 in common shares, legal fees of \$71,429 and 402,500 brokers' warrants (valued at \$19,173) at a price of \$0.10 per share, exercisable on or before September 28, 2024. The Company recorded share issue costs of \$89,466 and expensed initial public offering costs of \$75,386.

On September 28, 2022 the Company issued a total of 100,000 common shares valued at \$10,000 for a property acquisition.

The Company has limited working capital to continue administrative operations and development of its exploration asset and may continue to have capital requirements in excess of its currently available resources. The Company intends to raise additional financing either privately or through a public financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the period ended March 31, 2023, the Company:

- Incurred a management fee expense of 15,000 to a company controlled by a director and senior officer.
- Incurred rent expense of \$600 to a company controlled by a director and senior officer.
- Incurred and accrued bookkeeping and accounting expense of \$7,500 to a director and senior officer.

At March 31, 2023 amount due to a director and officer of the Company is \$7,500.

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the period ended March 31, 2023.

	March 31, 2023	March 31, 2022
	Fees	Fees
Company controlled by the CEO	\$ 15,000	\$ 15,000
CFO	7,500	6,500
	\$ 22,500	\$ 21,500

CRITICAL ACCOUNTING ESTIMATES

Not applicable for Venture Issuers.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER REQUIREMENTS

Summary of Outstanding Securities as at May 15, 2023

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 14,330,001 Common Shares.

Options:

Number	Exercise Price	Expiry date
700,000	\$0.10	September 29, 2024
500,000	\$0.105	October 25, 2025
1,200,000		

Warrants:

Number	Exercise Price	Expiry date
402,500	\$0.10	September 28, 2024
402,500		

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. The Company has no producing properties, no significant source of operating cash flow and consequently no sales or revenue from operations. The Company has either not yet determined whether its mineral properties contain mineral

reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in whom the Company has an option to earn an interest are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.