

**North Peak Resources Ltd. Management's Discussion and Analysis**  
**For the Three and Nine Months Ended September 30, 2022**  
**Expressed in Canadian Dollars**  
**Dated: November 29, 2022**

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The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of North Peak Resources Ltd. ("**North Peak**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine month periods ended September 30, 2022. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2021, as well as the unaudited condensed interim consolidated financial statements for the three and nine month periods ended September 30, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at November 29, 2022 unless otherwise indicated.

### **Description of Business**

The Company is incorporated and organized under the laws of Alberta, Canada and is a Canadian based gold and silver exploration and development company that is listed on the TSX Venture Exchange (the "**Exchange**") under the symbol "NPR".

The Company seeks to acquire historic mine assets in North America with above average grade and potential to develop at a lower-than-average industry cost.

The Company currently holds an option to acquire 100% interest in the Kenogami Lake Project, which is located 15 kilometres southwest of Kirkland Lake, Ontario consisting of twenty-seven (27) mineral claims totaling approximately 500.3 hectares (the "**Kenogami Property**"). The Company can give no assurances at this time that the Kenogami Property will fulfil the Company's business development goals described above.

The Company continues to assess the Kenogami Property to determine the most effective and efficient path towards completing the remaining \$150,000 work commitment.

The Company previously had an option agreement to acquire the Black Horse property in Nevada, but agreed in September 2022, to amend the original agreement such that control of the Black Horse property reverted back to Minex LLC.

### **Highlights**

During the nine months ended September 30, 2022, the Company strengthened its board and received the first assay results from the drilling program on the Black Horse property, following which the option agreement was amended.

In Q1 2022, the Company completed a non-brokered private placement (the "**Private Placement**") for gross proceeds of \$5.75 million, pursuant to which it issued 2,499,996 equity units of the Company ("**Units**") at a price of \$2.30 per Unit. Each Unit was comprised of one (1) common share of the Company ("**Common Share**") and one half of one (1/2) Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share for a period of 12 months from the date of issue at a price of \$3.50 per Common Share. The net proceeds from this Private Placement are to be used towards exploration drilling programs, continued development of the Company's business and for general and administrative expenses.

In May 2022, Leni Keough was appointed to the Board of the Directors of the Company. Ms. Keough brings over 35 years' experience in the mining industry, focused on mineral exploration, and combined with expertise in project management, public company management, finance and capital markets,

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communications, and business development. In addition, Chelsea Hayes, was appointed an officer of the Company, taking on the role of Director of Business Development.

Early in 2022, the Company began operations in Nevada and commenced its initial drilling and sampling programs on the Black Horse property. Following drilling permits being secured in January 2022, core and RC drilling programs commenced in Q1 2022. A total of 5,170 feet was drilled prior to the end of June 2022, of which eight (8) were core holes totaling 2,230 feet and 10 RC holes totaling 2,940 feet. The Company worked with three different drilling companies during the six months and all of them experienced various operational challenges including staffing and accessibility issues, recovery rates and mechanical issues, resulting in costs above those projected.

In July 2022, the Company received the first assay results from its initial drilling program, indicating gold mineralization, but that did not confirm historic Black Horse property drilling results either in grade or mineralized intercept. As a result, the Company began a gold grade determination review. Accordingly, the Company assessed the carrying value of this project in the context of the outcomes it received from its completed drilling programs to date, resulting in an impairment charge of \$nil and \$2,148,890 being recognized on the statements of loss and comprehensive loss for the three and nine months ended September 30, 2022, respectively (three and nine months ended September 30, 2021 - \$nil).

Effective August 31, 2022, the Company entered into an agreement with Minex LLC to amend the option agreement for the Company to acquire the Black Horse property, such that control of the property reverted back to Minex and US\$500,000 and 1,250,000 Common Shares from the initial option payment is to be returned to the Company. Accordingly, the Company has forgone all option rights over this property. As at September 30, 2022, the Company had received cash US\$500,000 (\$656,950). Receipt of the 1,250,000 Common Shares (ascribed a fair value of \$587,500) is included in accounts receivable as at September 30, 2022. A loss in relation to this disposition of exploration and evaluation assets of \$193,050 has been recognized on the Company's unaudited condensed interim consolidated statement of loss and comprehensive loss in connection with this transaction for the three and nine months ended September 30, 2022 (three and nine months ended September 30, 2021 - \$nil).

As at September 30, 2022, the Company reported a cash position of \$8,431,315 and remains well capitalized, reporting working capital of \$9,130,167 (December 31, 2021 - \$5,182,580).

## **Outlook**

The winding up of operations at the Black Horse property will be completed, subject to weather conditions, this year and at minimal additional cost to the Company.

The Company continues to:

- a) Assess the Kenogami Property to determine the most effective and efficient path towards completing the remaining \$150,000 work commitment.
- b) Evaluate mining properties that have a higher than average grade profile and may have the potential to fulfil its key criteria of targeting historic mining assets, with strategic exploration potential, at an appropriate acquisition price.

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Events Occurring After the Reporting Period

Jerod Eastman has stepped down as COO of the Company, moving to a part time consultancy basis effective October 31, 2022, where he will continue to work with the Company to seek and analyze prospective properties.

**Summary of Quarterly Results**

For the Period Ended	Revenue (\$)	Net (Loss) Income		Total assets (\$)
		Total (\$)	Basic and diluted earnings per share (\$)	
2022 – September 30	Nil	(857,100)	(0.04)	9,418,872
2022 – June 30	Nil	(3,133,761)	(0.13)	10,174,696
2022 – March 31	Nil	(1,633,259)	(0.07)	13,265,448
2021 – December 31	Nil	(765,727)	(0.04)	8,982,068
2021 – September 30	Nil	(348,612)	(0.02)	6,983,024
2021 – June 30	Nil	(265,532)	(0.01)	7,294,293
2021 – March 31	Nil	(187,604)	(0.01)	7,521,168
2020 – December 31	Nil	(468,082)	(0.03)	7,065,059

Three Months Ended September 30, 2022 vs Three Months Ended September 30, 2021

The Company reported a net loss of \$857,100 for the three months ended September 30, 2022, compared with a loss for the three months ended September 30, 2021 of \$348,612.

The reported loss consists primarily of the following:

- During the three months ended September 30, 2022, the Company incurred \$324,153 in exploration expenses compared with \$78,621 during the three months ended September 30, 2021. The comparative period primarily consisted of drilling costs on the Kenogami Property, while the current period saw the conclusion of the drilling program on the Black Horse property. See note 11 in the Company's condensed interim consolidated financial statements for the period ended September 30, 2022 for a detailed breakdown of the Company's period over period exploration expenses.
- Contractor fees of \$7,330 for the three months ended September 30, 2022, compared to \$5,272 during the comparative three months ended September 30, 2021. During the current and comparative periods, the Company's contractor fees consisted primarily of outsourced geological and support staff.
- Travel expenses decreased to \$11,321 during the three months ended September 30, 2022, down

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from \$15,107 during the three months ended September 30, 2021. Travel expenses consisted of marketing and executive travel, which decreased as activity on the Black Horse operations declined.

- Professional fees were \$82,535 during the three months ended September 30, 2022, increasing from \$27,983 for the comparative three months ended September 30, 2021, with legal fees pertaining to general corporate matters driving the variance.
- Stock-based compensation increased to \$86,551 for the three months ended September 30, 2022, from \$40,417 in the comparative period in 2021, with the variance driven by residual vesting of stock options issued in current and prior periods.
- Office and general expenses increased to \$198,076 for the three months ended September 30, 2022, from \$189,634 for the three months ended September 30, 2021. Significant variances are as follows:
  - Fees paid to directors increased to \$85,007, for the three months ended September 30, 2022 from \$77,785, primarily due to the effect of foreign exchange as director and consulting fees paid to directors are remitted in US dollars and UK pounds.
  - Directors health insurance for the three months ended September 30, 2022 increased to \$13,522 from \$10,998 for the comparative three months ended September 30, 2021 primarily due to minor foreign exchange variances and timing of ancillary charges.
  - Directors' and officers' liability insurance increased marginally to \$16,170 from \$15,984 in the comparative period. The increase is market driven.
  - Office supplies increased to \$5,283 during the current period from \$nil in the comparative period, as the Company continued supporting operations in Nevada for the Black Horse property, resulting in additional administrative costs being borne for consumable supplies. These costs are expected to decline in the near to mid-term as operations on the Black-Horse property are terminated.
  - Phones, internet and computer support were substantially static during the three months ended September 30, 2022.
- Interest income \$45,915 was earned on the Company's cash balances during the three months ended September 30, 2022 compared with \$8,698 in the comparative period. Strengthening interest rates and variances in cash balances drive the variance.
- Effective August 31, 2022, the Company entered into an agreement with Minex LLC to amend the option agreement for the Company to acquire the Black Horse property, such that control of the property reverted back to Minex and US\$500,000 and 1,250,000 Common Shares from the initial option payment is to be returned to the Company. Accordingly, the Company has forgone all option rights over this property. As at September 30, 2022, the Company had received cash US\$500,000 (\$656,950). Receipt of the 1,250,000 Common Shares (ascribed a fair value of \$587,500) is included in accounts receivable as at September 30, 2022. A loss in relation to this disposition of exploration and evaluation assets of \$193,050 has been recognized on the Company's unaudited condensed interim consolidated statement of loss and comprehensive loss in connection with this transaction for the three and nine months ended September 30, 2022 (three and nine months ended September 30, 2021 - \$nil).

**Nine Months Ended September 30, 2022 vs Nine Months Ended September 30, 2021**

The Company reported a net loss of \$5,624,120 for the nine months ended September 30, 2022, compared with a loss for the nine months ended September 30, 2021 of \$801,748. The variance of \$4,822,372 is driven primarily by a \$2,148,890 impairment charge on the Company's former interest in the Black Horse property, and exploration expenses of \$1,948,517 representing costs associated with the drilling programs

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at the Black Horse property.

The reported loss consists primarily of the following:

- During the nine months ended September 30, 2022, the Company incurred drilling and exploration expenses of \$1,918,517 at the Black Horse property contrasted with \$190,439 for the nine months ended September 30, 2021. The comparative period primarily consisted of drilling costs on the Kenogami Property and \$74,464 in costs to investigate prospective projects, while the current period saw the completion of the drilling program on the Black Horse property. See note 11 in the Company's September 30, 2022 condensed interim consolidated financial statements for a detailed breakdown of the Company's period over period exploration expenses.
- Contractor fees of \$19,408 for the nine months ended September 30, 2022, compared to \$15,163 during the comparative nine months ended September 30, 2021. During the current and comparative periods, the Company's contractor fees consisted of outsourced geological and support staff.
- Travel expenses increased to \$133,628 during the nine months ended September 30, 2022, from \$19,215 during the nine months ended September 30, 2021. Travel expenses consisted of marketing and executive travel, which declined during the COVID19 global pandemic, recovering as travel restrictions eased. With the Company's drilling and sampling programs commencing at the Black Horse Property, management oversight drove increased travel to operational and administrative sites.
- Professional fees were \$193,464 during the nine months ended September 30, 2022, increasing from \$102,458 for the comparative nine months ended September 30, 2021, with higher costs associated with the incorporation of the Company's new Nevada subsidiary in February 2022, as well as general corporate matters.
- Stock-based compensation increased to \$533,159 for the nine months ended September 30, 2022, from \$127,980 in the comparative period in 2021, with the variance driven by residual vesting of stock options issued in current and prior periods.
- Office and general expenses increased to \$556,550 for the nine months ended September 30, 2022, from \$520,022 for the nine months ended September 30, 2021. Significant variances are as follows:
  - Fees paid to directors increased to \$258,333, for the nine months ended September 30, 2022 from \$244,644, primarily due to the effect of foreign exchange as director and consulting fees paid to directors are remitted in US dollars and UK pounds.
  - Directors health insurance for the nine months ended September 30, 2022 increased marginally to \$34,411 from \$32,159 for the comparative nine months ended September 30, 2021 primarily due to foreign exchange variances.
  - Directors' and officers' liability insurance increased marginally to \$49,185 from \$47,952 in the comparative period. The increase is market driven.
  - During the nine months ended September 30, 2022, the Company incurred a foreign exchange loss of \$5,518 over a \$4,532 loss for the comparative nine months ended September 30, 2021, driven by a volatility in realized foreign exchange as the Company engages US vendors for its Black Horse Property as well as settling the fees of two directors with one in UK pounds and the other in US dollars.
  - Office supplies increased to \$26,285 during the current period from \$934 in the comparative period, as the Company continued supporting operations in Nevada for the Black Horse property, resulting in additional administrative costs being borne for consumable supplies. These costs are expected to decline in the near to mid-term as operations on the Black Horse property are terminated.

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- During the nine months ended September 30, 2022, the Company received a credit from its transfer agent arising from a billing error. Accordingly, the Company reported transfer agent fees for nine months ended September 30, 2022 of \$1,727 compared with \$6,714 in the comparative period.
- Phones, internet and computer support increased to \$31,572 during the nine months ended September 30, 2022 from \$10,325 in the comparative period, driven by the costs of communicating with and supporting the Nevada operations that began as the Company commenced drilling and sampling at the Black Horse property.
- Stock Exchange fees increased to \$12,702 during the nine months ended September 30, 2022 from \$5,800 during the comparative nine months ended September 30, 2021. With the fee fundamentally based upon the market capitalization of the Company, the rise in share price of the Company's common shares increased the Company's market capitalization.
- Staff recruitment fees increased to \$10,000 for the nine months ended September 30, 2022 from \$nil during the comparative period. The fees related to consultants sourced for the Company's Black Horse property. There were no such costs incurred in the comparative period.
- On February 24, 2021, the Company sold four United States issued patents, ongoing related patent applications in China and related development work to Helix Applications Inc. ("**Helix**"). The Company prepared and applied for these patents prior to its current status as mining company, as part of a broader application for the technology it was developing at the time within the blockchain sector. As part of the transaction, the Company received \$150,000 and a 5% royalty on any profits generated by Helix and its affiliates from any commercial applications derived from the patents that Helix may develop as it seeks to evaluate the growing interest in the networks of digital token economics. Accordingly, the Company has recognized a gain on disposition of patents of \$150,000 on its condensed interim consolidated statement of loss and comprehensive loss for the nine months ended September 30, 2021.
- Effective August 31, 2022, the Company entered into an agreement with Minex LLC to amend the option agreement for the Company to acquire the Black Horse property, such that control of the property reverted back to Minex and US\$500,000 and 1,250,000 Common Shares from the initial option payment is to be returned to the Company. Accordingly, the Company has forgone all option rights over this property. As at September 30, 2022, the Company had received cash US\$500,000 (\$656,950). Receipt of the 1,250,000 Common Shares (ascribed a fair value of \$587,500) is included in accounts receivable as at September 30, 2022. A loss in relation to this disposition of exploration and evaluation assets of \$193,050 has been recognized on the Company's unaudited condensed interim consolidated statement of loss and comprehensive loss in connection with this transaction for the three and nine months ended September 30, 2022. (three and nine months ended September 30, 2021 - \$nil).
- In the second quarter of fiscal 2022, the Company assessed the carrying value of the Black Horse property in the context of the outcomes it received from its completed drilling programs to date, resulting in an impairment charge of \$nil and \$2,148,890 being recognized on the statements of loss and comprehensive loss for the nine months ended September 30, 2022, respectively (three and nine months ended September 30, 2021 - \$nil).
- Interest income \$72,546 was earned on the Company's cash balances during the nine months ended September 30, 2022 compared with \$24,871 in the comparative period. Strengthening interest rates and variances in cash balances drive the variance in interest earned.

### **Liquidity and Capital Resources and Commitments**

The Company reported working capital as at September 30, 2022 of \$9,130,167 (December 31, 2021 - \$5,182,580), and cash of \$8,431,315 (December 31, 2021 - \$5,115,374).

The cash on hand as at September 30, 2022 is expected to be sufficient to meet the Company's liquidity requirements for the next twelve months.

The Company completed the Private Placement on March 11, 2022 for gross proceeds of \$5.75 million, pursuant to which it issued 2,499,996 Units at a price of \$2.30 per Unit. Each Unit was comprised of one Common Share and one half of one Common Share purchase warrants. Each whole warrant entitles the holder to acquire one Common Share for a period of 12 months from the date of issue at a price of \$3.50 per Common Share.

Following the amendment of the Black Horse property option agreement such that control of the property reverted to Minex and the Company has forgone all option rights over this property, the Company expects spending levels in the remainder of 2022 to decline.

The Company has posted a bond with the Bureau of Land Management totalling US\$21,949 in respect of reclamation activities required on the Black Horse property resulting from the Company's initial drilling programs completed in the second quarter of 2022. The Company expects to substantially complete the nominal reclamation activity in the fourth quarter of fiscal 2022.

### **Critical Accounting Estimates**

Application of the Company's accounting policies in compliance with International Financial Reporting Standards ("IFRS") requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### Share-based Payments

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information of the Company on the market price of its

Common Shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.

- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any sufficient operating income. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

### **Critical Judgments Used in Applying Accounting Policies**

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

#### Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

#### Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

### **Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit

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Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether because of a downturn in market conditions generally or as a result of conditions specific to the Company. As at September 30, 2022, the Company had a cash balance of \$8,431,315, to settle current liabilities of \$122,139. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit the Company's access to capital markets and its ability to generate funds to meet capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while the Company currently has sources of liquidity, such as cash balances, there can be no assurance that these sources will provide it with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave the Company unable to react in a manner consistent with historical practices.

Market Risk

*Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances no debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

*COVID-19*

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks initially announced emergency interest rate cuts, while governments implemented unprecedented fiscal stimulus packages to support economic stability. Subsequently, central banks have identified inflation as the primary risk to the world economy, raising interest rates worldwide in an attempt to restore balance to supply chains and to temper economic growth. The depth of impact upon the global economy, commodity and metals prices, and the Company's ability to raise capital is unknown at this time.

The pandemic could result in a global recessionary environment with continued market volatility, which may

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continue to impact the Company's financial condition.

### **Capital Management**

The Company manages its capital with the following objectives:

- (a) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- (b) to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus and deficit, which at September 30, 2022, totaled \$9,240,503 (December 31, 2021 - \$8,834,373). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2022.

### **Related Party Transactions**

As at September 30, 2022, amounts due to related parties totaled \$20,986 (December 31, 2021 - \$23,882) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company included in accounts payable.

During the three and nine months ended September 30, 2022, directors were paid fees as follows: Mr. Brian Hinchcliffe: \$39,229 and \$115,453, respectively (three and nine months ended September 30, 2021 - \$38,052 and \$112,983, respectively); Ms. Chelsea Hayes: \$nil (three and nine months ended September 30, 2021 - \$39,732 and \$119,661, respectively), and Mr. Gordon Chmilar: \$nil (three and nine months ended September 30, 2021 - \$12,000). As at September 30, 2022, \$nil (December 31, 2021 - \$nil) was included in accounts payable and accrued liabilities in relation to these fees.

During the three and nine months ended September 30, 2022, Ms. Chelsea Hayes was paid \$45,779 and \$142,880, respectively in her capacity as director of business development. Included in accounts payable and accrued liabilities at September 30, 2022 is \$nil (December 31, 2021 - \$nil) with respect to these services.

During the three and nine months ended September 30, 2022, the Company expensed \$15,549 and \$42,373 (three and nine months ended September 30, 2021 - \$7,354 and \$28,336) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

- (a) Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer of the Company;
- (b) bookkeeping and office support services; and
- (c) regulatory filing services.

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The Marrelli Group is also reimbursed for out of pocket expenses.

As of September 30, 2022, the Marrelli Group was owed \$2,914 (December 31, 2021 - \$8,661). These amounts are included in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2022, legal fees of \$38,790 and \$124,187, respectively, (three and nine months ended September 30 2021 - \$23,064 and \$47,231) was paid to a law firm for which a director was a partner. The legal fees incurred pertained to general corporate matters. As at September 30, 2022, \$7,043 (December 31, 2021 - \$15,221) was included in accounts payable and accrued liabilities in relation to these fees.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

**Additional Disclosure for Venture Issuers Without Significant Revenue**

Office and General expenses\*\* for the nine months ended September 30, 2022 and 2021 are comprised of the following:

<b>Nine Months Ended September 30</b>	<b>2022</b>	<b>2021</b>
	<b>(\$)</b>	<b>(\$)</b>
Consulting and fees paid to Directors	258,333	244,644
Accounting fees	22,452	17,836
Chief Financial Officer fees	17,500	13,500
Transfer Agent expense	1,727	6,714
Insurance	83,596	80,111
Software subscriptions	4,094	9,549
Rent and utilities	22,553	24,486
Phones, internet and computer support	31,572	10,325
Office supplies	26,285	934
Stock exchange fees	12,702	5,800
Staff recruitment fees	10,000	-
Meals and entertainment	4,798	4,051
Foreign exchange (gain)/loss	5,518	4,532
Other	55,420	98,106
	<b>556,550</b>	<b>520,588</b>

\*\* see pages 5 and 6 for variance narrative

**Risks and Uncertainties**

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to acquire, develop or exploit its mining properties and assets. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development. The Company will require new capital to continue to operate and there is no assurance

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**Expressed in Canadian Dollars**  
**Dated: November 29, 2022**

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that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of Common Shares upon the exercise of the options will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional Common Shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of mining companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include metals prices, macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of companies in the mining sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat its spread. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- global metals prices;
- the severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines;
- availability of essential supplies;

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- purchasing power of the Canadian dollar, and
- ability to obtain funding.

At the date of the approval of the MD&A, the Canadian government has not introduced measures which directly impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. To date, the impact on the Company by the Covid-19 pandemic has been nominal.

### **Critical Accounting Estimates**

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### Stock-Based Compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of loss based on estimates of forfeiture and expected lives of the underlying stock options.

### **Critical Accounting Estimates and Judgments**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### Impairment of Resource Property Costs

Management reviews the carrying values of exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable. The recoverable amount of cash-generating units for an exploration stage company requires various subjective assumptions. These assumptions may change significantly over time when new information becomes available and may cause original estimates to change.

#### Income Taxes and Recovery of Deferred Tax Assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant

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authorities, which occurs subsequent to the issuance of the financial statements. Judgment exists in relation to the eligibility of qualifying exploration and evaluation expenditures on properties in relation to flow-through share financing. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets. As at September 30, 2022 and September 30, 2021, no deferred tax assets were recognized, as the Company is still in the exploration stage, and management is uncertain when sufficient taxable income will be available to realize the deferred tax assets.

### **Management's Responsibility for Financial Information**

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

### **Disclosure of Outstanding Share Data**

As of the date of this MD&A, the Company had 23,834,451 Common Shares, 2,122,500 options with exercise prices between \$0.40 and \$15.50, and 1,249,994 warrants exercisable at \$3.50 per share.

### **Forward Looking Statements**

Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to requirements for additional capital, government regulation of its operations, environmental risks, or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: (i) limited operating history; (ii) the impact of the COVID-19 pandemic may significantly impact the Company; (iii) exploration, development and operating risks; (iv) substantial capital requirements and liquidity; (v) fluctuating mineral prices and marketability of minerals, the uncertainty in commodity prices and market volatility; (vi) regulatory, permit and license requirements; (vii) financing risks and dilution to shareholders; (viii) title to properties; (ix) competition; (x) reliance on management and key personnel; (xi) environmental risks; (xii) local resident concerns; (xiii) conflicts of interest; (xiv) uninsurable risks; (xv) litigation; and (xvi) other factors beyond the control of the Company. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

**Additional Information**

Additional information relating to the Company is available on the SEDAR website [www.sedar.com](http://www.sedar.com) or the Company's website at [www.northpeakresources.com](http://www.northpeakresources.com)