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 year ended December 31, 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, 2022 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at May 1, 2023 unless otherwise indicated.

Description of Business

The Company is incorporated and organized under the laws of Alberta, Canada and is a Canadian based gold exploration and development company that is 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 continues to assess the Kenogami Property to determine the most effective and efficient path towards completing the remaining $150,000 work commitment.

On April 10, 2023, the Company announced it had executed a non-binding letter of intent (the "**LOI**") dated March 8, 2023 with Solarljos LLC and Gullsil LLC of Nevada (the "**Erickson Entities**") for the acquisition of the Prospect Mountain Mine complex in the Eureka, Nevada district (the "**Acquisition**"). The Acquisition involves the issuance of 8 million common shares of the Company ("**Common Shares**") in two phases - an initial tranche of 5 million Common Shares to acquire 80% of the property, and an additional 3 million Common Shares to acquire the remaining 20% interest plus a few other economic considerations described below. The Acquisition is an arm's length transaction.

The Prospect Mountain Mine complex is over 1,700 acres of high elevation lands with an underground infrastructure consisting of 4 shaft complexes and some 11 miles of tunnels where mining operations date back to 1872. The property's historic production areas sit on the western side of the Jackson fault and are approximately 3 km's south of the Ruby Hill Mine complex.

The LOI outlines how the Company and the Erickson Entities will work exclusively towards the execution of a binding, definitive agreement in respect of the Acquisition and sets out a strategy by which the Acquisition has been de-risked to the greatest extent possible for both parties, as it is proposed that both the Company and the Erickson Entities will have certain return and reversion rights (see below for further information). The LOI gives the parties until June 6, 2023 to complete due diligence, determine the final structure of the Acquisition (based on advice from legal, tax and professional advisors and in accordance with applicable corporate, tax and securities laws) and to enter into a binding, definitive agreement.

The Acquisition would be subject to TSX Venture Exchange approval.

The Company can give no assurances at this time that the Kenogami Property or the Prospect Mountain Mine complex will fulfil the Company's business development goals described above.

The Company previously had an option agreement to acquire the Black Horse property in Nevada, but agreed effective August 31, 2022, to amend the original option agreement such that control of the Black Horse property reverted back to its owner, Minex LLC.

Highlights

During the year ended December 31, 2022, the Company strengthened its board and received assay results from the drilling program on the Black Horse property, following which effective August 31, 2022, the option agreement for that property was amended such that the property reverted back to its owner, Minex LLC (described in detail below).

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 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. In addition, Chelsea Hayes, was appointed an officer of the Company, taking on the role of Director of Business Development. In April 2023, Ms. Keough stepped down from the board to pursue other interests.

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, resulting in an impairment charge of $2,148,890 being recognized on the statements of loss and comprehensive loss for the year ended December 31, 2022, respectively (2021 - $nil).

Effective August 31, 2022, the Company entered into an agreement with Minex 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 ($656,950) and 1,250,000 Common Shares (received and ascribed a fair value of $1,000,000) from the initial option payment were returned to the Company. Accordingly, the Company has forgone all option rights over this property. A gain in relation to this disposition of exploration and evaluation assets of $219,450 has been recognized on the Company's consolidated statement of loss and comprehensive loss in connection with this transaction for the year ended December 31, 2022. (2021 - $nil).

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.

Expressed in Canadian Dollars

As at December 31, 2022, the Company reported a cash position of $8,087,936 and remains well capitalized, reporting working capital of $8,120,372 (December 31, 2021 - $5,182,580).

Outlook

The wind up of operations at the Black Horse property was completed in 2022.

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) Work exclusively with the Erickson Entities towards the execution of binding, definitive agreements in respect of the Acquisition.

c) Evaluate mining properties, which fulfil its key criteria of targeting historic mining assets with strategic exploration potential at an appropriate acquisition price.

Events Occurring After the Reporting Period

On January 29, 2023, 40,000 $15.50 stock options expired without exercise.

On April 10, 2023, the Company announced it had executed the LOI with the Erickson Entities for the proposed Acquisition.

Selected Annual Information

	Year Ended Dec. 31, 2022 ($)	Year Ended Dec. 31, 2021 ($)	Year Ended Dec. 31, 2020 ($)
Total assets	8,464,106	8,982,068	7,065,059
Total liabilities	192,411	147,695	127,828
Working capital	8,120,372	5,182,580	6,882,731
Expenses	4,472,448	1,567,475	1,596,161
Net loss	(4,472,448)	(1,567,475)	(1,596,161)
Net loss per share, basic and diluted	(0.19)	(0.08)	(0.10)

Expressed in Canadian Dollars

The Company reported a net loss of $4,472,448 for the year ended December 31, 2022, compared with a loss for the year ended December 31, 2021 of $1,567,475.

The reported loss consists primarily of the following:

- Contractor fees of $25,017 for the year ended December 31, 2022, declining from $117,007 during in the comparative year ended December 31, 2021. In fiscal 2021, contractor fees consisted primarily of fees charged by an operational consultant brought on to advise the Company whereas fiscal 2022 costs consist of operational support staff.

- 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 was returned to the Company. Accordingly, the Company has forgone all option rights over this property. As at December 31, 2022, the Company had received cash US$500,000 ($656,950). The 1,250,000 Common Shares (ascribed a value of $2,250,000) were received and returned to the Company's treasury. A loss in relation to this disposition of exploration and evaluation assets of $679,440 has been recognized on the Company's consolidated statement of loss and comprehensive loss in connection with this transaction for the year ended December 31, 2022. (year year ended December 31, 2021 - $nil).

- During year ended December 31, 2022, the Company incurred aggregate exploration expenses of $2,097,914 (2021 - $218,759), consisting of $2,079,384 (2021 - $21,777) on the Black Horse property, and $18,530 (2021 - $122,520) on the Kenogami Property, as detailed below. As noted above, the Company has foregone all option rights over the Black Horse property, effective August 31, 2022. Accordingly, exploration on that property have since ceased.

	2022	**2021**
Black Horse Property	**($)**	**($)**
Drilling	1,028,666	17,674
Project management	484,728	1,420
Camp support	302,045	-
Geological	68,703	-
Survey	28,599	-
Field supplies	34,514	-
Mapping	26,638	-
Environmental	20,055	2,683
Assays	85,436	-
	2,079,384	21,777

	2022	**2021**
The Kenogami Property	**($)**	**($)**
Drilling	-	115,610
Assays	-	3,407
Geological	18,530	1,890
Environmental	-	1,613
	18,530	122,520

- Travel expenses increased to $202,991 during the year ended December 31, 2022, from $56,926 during the year ended December 31, 2021. Travel expenses consisted of marketing and executive travel, which declined during the COVID19 global pandemic, recovering as travel restrictions eased late in fiscal 2021. With the Company's drilling and sampling programs commencing at the Black Horse Property late in fiscal 2021, management oversight drove increased travel to operational and administrative sites. Upon termination of the Company's option to acquire the Black Horse property in the third quarter of fiscal 2022, executive travel supported the wind down of operations coupled with the investigation of prospective projects.

- Professional fees increased to $180,794 during the year ended December 31, 2022 from $156,188 for the comparative year ended December 31, 2021, attributable to increased legal fees pertaining to general corporate matters, coupled with a market driven increases in audit fees.

- Stock-based compensation increased to $658,942 for the year ended December 31, 2022 from $542,620 in the comparative period. 10,000 options expired during the year ended December 31, 2022 (2021 – 18,750). The increase is primarily driven by the residual vesting of a series of option grants made in late fiscal 2021, coupled with an residual vesting of an early fiscal 2022 grant of 105,000 options to various consultants.

- Office and general expenses increased marginally to $767,209 for the year ended December 31, 2022, from $658,221 for the year ended December 31, 2021. Please see "Additional Disclosure for Venture Issuers Without Significant Revenue" on page 10 for additional detail.

- Interest income $141,842 was earned on the Company's cash balances during the year ended December 31, 2022 compared with $33,261 in the comparative period. Strengthening interest rates and variances in cash balances drive the variance.

- 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 consolidated statement of loss and comprehensive loss for the year ended December 31, 2021.

Expressed in Canadian Dollars

Summary of Quarterly Results

For the Period Ended	Revenue ($)	Net (Loss) Income		Total assets ($)
		Total ($)	Basic and diluted earnings per share ($)	
2022 – December 31	Nil	1,151,672	0.05	8,464,106
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

Three Months Ended December 31, 2022 vs Three Months Ended December 31, 2021

The Company reported a net income of $1,151,672 for the three months ended December 31, 2022, compared with a loss for the three months ended December 31, 2021 of $765,727.

The reported loss consists primarily of the following:

- Contractor fees of $5,609 for the three months ended December 31, 2022, declining from $101,844 during in the comparative three months ended December 31, 2021. In fiscal 2021, contractor fees consisted primarily of fees charged by an operational consultant brought on to advise the Company whereas fiscal 2022 costs consist of operational support staff.

- Travel expenses increased to $69,363 during the three months ended December 31, 2022, from $37,711 during the three months ended December 31, 2021. Travel expenses consisted of marketing and executive travel.

- Professional fees declined to $12,670 during the three months ended December 31, 2022 from $53,730 for the comparative three months ended December 31, 2021, attributable to a periodic decline in legal fees pertaining to general corporate matters.

- During three months ended December 31, 2022, the Company incurred aggregate exploration expenses of $179,397 (2021 - $28,320), consisting of $162,504 (three months ended December 31, 2021 - $21,777) on the Black Horse property, and $nil (three months ended December 31, 2021 - $6,543) on the Kenogami Property, as detailed below. As noted previously, the Company terminated its option to acquire the Black Horse property from Minex LLC, effective August 31, 2022. Accordingly, exploration on that project has since ceased.

Expressed in Canadian Dollars

	2022	2021
Black Horse Property	**($)**	**($)**
Drilling	2,285	17,674
Project management	67,672	1,420
Camp support	91,023	-
Geological	9,524	-
Environmental	1,694	2,683
Assays	7,199	-
	179,397	21,777

	2022	2021
The Kenogami Property	**($)**	**($)**
Drilling	-	6,543
	-	6,543

- On December 13, 2022, the Company cancelled and returned to treasury the 1,250,000 Common Shares returned to it by Minex LLC in connection with the August 31, 2022 termination of the Company's option to acquire the Black Horse property at a value of $2,250,000.

- Stock-based compensation increased to $125,783 for the three months ended December 31, 2022 from $414,640 in the comparative period. The increase in primarily driven by the residual vesting of a series of option grants made in late fiscal 2021, coupled with a residual vesting of an early fiscal 2022 grant of 105,000 options to various consultants.

- Interest income $69,296 was earned on the Company's cash balances during the three months ended December 31, 2022 compared with $8,390 in the comparative period. Strengthening interest rates and variances in cash balances drive the variance.

Liquidity and Capital Resources and Commitments

The Company reported working capital as at December 31, 2022 of $8,120,372 (December 31, 2021 - $5,182,580), and cash of $8,087,936 (December 31, 2021 - $5,115,374).

The cash on hand as at December 31, 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 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 substantially completed the nominal reclamation activity in the fourth quarter of fiscal 2022 and is taking steps to recover the amounts funding the bond.

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:

<u>Share-based Payments</u>

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 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 December 31, 2022, the Company had a cash balance of $8,087,936, to settle current liabilities of $187,725. 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 an inflationary environment have presented themselves in the post COVID-19 economy. 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.

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 December 31, 2022, totaled $8,271,695 (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 year ended December 31, 2022.

Related Party Transactions

As at December 31, 2022, amounts due to related parties totaled $27,716 (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 year ended December 31, 2022, director fees were paid as follows: Ms. Chelsea Hayes: $nil (2021 - $158,959), and Mr. Gordon Chmilar: $nil (2021- $12,000). As at December 31, 2022, $nil (December 31, 2021 - $nil) was included in accounts payable and accrued liabilities in relation to these fees.

During the year ended December 31, 2022, Mr. Brian Hinchcliffe was paid $156,201 (2021 - $150,959) in his capacity as executive chairman and CEO. As at December 31, 2022, $5,312 (December 31, 2021 - $nil) was included in accounts payable and accrued liabilities in relation to these fees.

During the year ended December 31, 2022, Ms. Chelsea Hayes was paid $190,925 in her capacity as an officer of the Company, being a Director of Business Development (2021 - $nil). Included in accounts payable and accrued liabilities at December 31, 2022 is $nil (December 31, 2021 - $nil) with respect to these services.

During the year ended December 31, 2022, the Company expensed $62,261 (2021 - $51,430) 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.

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

As of December 31, 2022, the Marrelli Group was owed $3,160 (December 31, 2021 - $8,661). These amounts are included in accounts payable and accrued liabilities.

For the year ended December 31, 2022, legal fees of $93,793, (2021 - $95,158) was paid to a law firm for which a director is a founder. The legal fees incurred pertained to general corporate matters. As at December 31, 2022, $11,734 (December 31, 2021 - $15,221) was included in accounts payable and accrued liabilities in relation to these fees.

During the year ended December 31, 2022, $328,883 (2021 - $nil) was paid to a company controlled by the Chief Operating Officer of the Company until his resignation in October 2022. As at December 31, 2022, $1,492 (December 31, 2021 - $nil) 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 year ended December 31, 2022 and 2021 are comprised of the following:

	2022	**2021**
	($)	**($)**
Consulting and fees paid to Directors	386,225	365,889
Accounting fees	34,615	30,322
Chief Financial Officer fees	25,000	18,000
Transfer Agent expense	2,858	10,480
Insurance	65,727	62,639
Annual general meeting costs	15,698	23,963
Software subscriptions	4,943	9,835
Rent and utilities	38,546	32,034
Office supplies	26,426	4,499
Phones, internet and computer support	15,318	17,113
Investor relations	42,000	42,000
Stock exchange fees	16,552	8,909
Staff recruitment fees	10,000	-
Meals and entertainment	7,297	7,471
Foreign exchange (gain)/loss	19,856	19,011
Other	56,148	6,054
	767,209	658,219

- Office and general expenses increased to $767,209 for the year ended December 31, 2022, from $658,221 for the year ended December 31, 2021. Significant variances are as follows:
  - Fees paid to directors increased to $386,225, for the year ended December 31, 2022 from $365,889, 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' and officers' liability insurance increased marginally to $65,727 from $62,639 in the comparative period. The increase is market driven.
  - Chief Financial Officer fees increased to $25,000 for the year ended December 31, 2022 from $18,000 in the comparative period, driven by a compensation adjustment.
  - During the year ended December 31, 2022, the Company incurred a foreign exchange loss of $19,856 over a $19,011 loss for the comparative year ended December 31, 2021, driven by a volatility in realized foreign exchange as the Company engaged 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 $26,426 during the current period from $4,499 in the comparative period, as the Company supported 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.
  - During the year ended December 31, 2022, the Company received a credit from its transfer agent arising from a billing error. Accordingly, the Company reported transfer agent fees for the year ended December 31, 2022 of $2,858 compared with $10,480 in the comparative period.

- Phones, internet and computer support declined marginally to $15,318 during the year ended December 31, 2022 from $17,113, driven by reduced operations in Nevada.
- Stock Exchange fees increased to $16,552 during the year ended December 31, 2022 from $8,909 during the comparative year ended December 31, 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 year ended December 31, 2022 from $nil during the comparative year. The fees related to consultants sourced for the Company's former option to acquire the Black Horse property. There were no such costs incurred in the comparative year.
- "Other" expenses, consisting primarily general consumable costs increased to $56,148, up from $6,054 for the comparative year ended December 31, 2021, reflective of increased administrative activity supporting the Company's expanded operational activity in fiscal 2022.

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 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.

<u>Current Global Financial Conditions and Trends</u>

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 government measures related to the outbreak of the novel strain of coronavirus, ("COVID-19"), have eased. The impact on the Company by the Covid-19 pandemic has been nominal. The economy is currently experiencing an inflationary environment, the length or depth of which is unknown at this time. This has been accompanied by favourable movements in gold and precious metal prices.

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:

<u>Stock-Based Compensation</u>

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:

<u>Impairment of Resource Property Costs</u>

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 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 December 31, 2022 and 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 22,584,451 Common Shares, 2,082,500 options with exercise prices between $0.40 and $11.66, and 1,249,998 warrants exercisable at $3.50 per share.

Events Occurring after the Reporting Date

On April 25, 2023, the Company announced it intended to complete a non-brokered private placement of up to 2,272,727 common shares of the company at a price of 88 cents per share for gross proceeds of up to $2-million. The Company intends to use the proceeds from the private placement to continue to secure mining assets, for the continued development of its business, and for general and administrative expenses. The private placement is subject to the approval of the TSX Venture Exchange.

On April 10, 2023, the Company announced it had executed a non-binding letter of intent (the "LOI") dated March 8, 2023 with Solarljos LLC and Gullsil LLC of Nevada (the "Erickson Entities") for the acquisition of the Prospect Mountain Mine property in the Eureka, Nevada district (the "Acquisition"). The Acquisition involves the issuance of 8 million common shares in two phases - an initial tranche of 5 million shares to acquire 80% of the property, and an additional 3 million shares to acquire the remaining 20% interest plus a few other economic considerations described below. The Acquisition is an arm's length transaction.

The Prospect Mountain Mine complex is over 1,700 acres of high elevation lands with an underground infrastructure consisting of 4 shaft complexes and some 11 miles of tunnels where mining operations date back to 1872. The property's historic production areas sit on the western side of the Jackson fault and are approximately 3 km's south of the Ruby Hill Mine complex.

The LOI outlines how the Company and the Erickson Entities will work exclusively towards the execution of a binding, definitive agreement in respect of the Acquisition and sets out a strategy by which the Acquisition has been de-risked to the greatest extent possible for both parties, as it is proposed that both the Company and the Erickson Entities will have certain return and reversion rights (see below for further information). The LOI gives the parties until June 6, 2023 to complete due diligence, determine the final structure of the Acquisition (based on advice from legal, tax and professional advisors and in accordance with applicable corporate, tax and securities laws) and to enter into a binding, definitive agreement.

The Acquisition would be subject to TSX Venture Exchange approval.

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 or the Company's website at www.northpeakresources.com