NORTH PEAK RESOURCES

# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2024, and 2023

This management's discussion and analysis ("**MD&A**") of North Peak Resources Ltd. ("**North Peak**", or the "**Company**") covers the three and nine months ended September 30, 2024, with comparative information for the three and nine months ended September 30, 2023. This MD&A is dated November 15, 2024, and takes into account information available up to and including that date. This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 ("**Q3 2024**" and "**YTD 2024**", respectively) and September 30, 2023 ("**Q3 2023**" and "**YTD 2023**", respectively) and the related notes thereto ("Interim Financial Statements") and other corporate filings of the Company, including the Company's audited consolidated financial statements for the year ended December 31, 2023 ("**Annual Financial Statements**") which is available under the Company's profile on SEDAR+ at www.sedarplus.ca. Unless otherwise specified, all financial information has been derived from the Company's Interim Financial Statements which have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board ("**IASB**") applicable to the preparation of interim financial statements including International Accounting Standard 34 - Interim Financial Reporting ("**IAS 34**"). All dollar figures stated herein are expressed in Canadian dollars, unless otherwise noted. This MD&A contains forward-looking information. Please see the section, "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

## Description of Business and Background to Properties and Interests

North Peak was incorporated on March 28, 2011, and organized under the laws of Alberta, Canada and is a Canadian based gold exploration and development company listed on the TSX Venture Exchange (the **"Exchange**") under the symbol "NPR". The head office of the Company is located at 30th Floor, 421 7th Avenue SW, Calgary, Alberta T2P 4K9 and the registered office is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9.

In May 2023 the Company signed an agreement (the "**PM Agreement**") to acquire 100% of the Prospect Mountain Property (the "**Prospect Mountain Property**") in Eureka, Nevada, a historic gold and silver mining camp within the district known as the Southern Eureka Gold Belt. The gold and silver mining operations on the Prospect Mountain Property date back to 1872 and includes the Diamond Mine/Silver-Connor underground mining complexes consisting of four major shafts, and some 11 miles of haulage ways and tunnels. The most recent gold mining at the Prospect Mountain Property occurred in the 1980's and in 1998/1999 a 91-hole, 27,615-foot drilling campaign targeting gold on the Wabash Mine area in the northern portion of the Prospect Mountain Property ("**Prospect Mountain North**") was carried out by European American Resources ("**EPAR**").

Under the terms of the PM Agreement, the Prospect Mountain Property has been transferred into a Nevada LLC, named Nevada Gold LLC. North Peak acquired an initial 80% interest in Nevada Gold LLC in exchange for issuing 5 million common shares of the Company to the property vendors, and an initial cash payment of US$385,000. The vendors hold the remaining 20% interest in Nevada Gold LLC, and the Company (through its subsidiary, North Peak (Nevada) Ltd. acts as operator. The PM Agreement provides for a three-year framework commencing August 17, 2023, that includes a minimum annual exploration expenditure requirement of US$1,000,000, and an annual cash payment of US$385,000 to be made in August 2025 provided North Peak elects to maintain its initial 80% interest. The Company made the 2024 annual cash payment of US$385,000 during Q3 2024. The Company has until mid-November 2026 to decide to acquire the remaining 20% interest held by the vendors, which it can do by issuing an additional 3 million common shares of the Company to the vendors. In the event North Peak elects at any time prior to, or at that deadline, not to acquire the remaining 20% interest held by the vendors, the Company must transfer its 80% interest to the vendors and the vendors must return the 5 million common shares of the Company previously issued to them.

The Company also holds an option to acquire 100% interest in the Kenogami Lake Project, which is a gold exploration property located 15 kilometers southwest of Kirkland Lake, Ontario consisting of twenty-seven (27) mineral claims totaling approximately 500 hectares (the "**Kenogami Property**"). The Company continues to assess this property to determine the most effective and efficient path towards completing the remaining $150,000 work commitment prior to January 5, 2026.

**The Company can give no assurances at this time that the Prospect Mountain Property or the Kenogami Property will fulfill the Company's business development goals.**

## Q3 2024 Operational Highlights

Drilling at Prospect Mountain North began at the end of June 2024. The roughly 10,000 foot Phase 1 RC drill campaign included approximately 27 holes, ranging in depth from 300 to 700 feet, targeting former near surface high grade gold mines at Prospect Mountain North. Most of the holes drilled were from the Wabash/Williams mine area on the West side of the Mountain, where historical drilling had occurred. Additionally, a few holes were drilled on the East side targeting historic mine infrastructure of the Industry Tunnel, Duke, and Delaware Madrid sites. The drill campaign was the first comprehensive drill program performed on the Prospect Mountain Property since 1999, when 96 holes were drilled vertically by EPAR over 26,000 feet in the Wabash area. The initial campaign set out to test historic intersections of high-grade material and validate a revised interpretation of the targeted gold mineralization.

This campaign identified two zones of mineralization based around the historic Williams and Wabash mines with a more steeply dipping structure than previously thought. The historic vertical holes completed by EPAR are not ideal for steeply dipping structures and North Peak's angled holes help to demonstrate better continuity within the mineralization envelope.

It also showed potential at depth and down strike to increase the overall mineralization. The holes also confirmed that the historic high-grade gold of a similar style to historic mining areas on the Prospect Mountain Property still exist. Mineralization is more Carlin like in this area, with high silver arsenic antimony and lower lead and zinc compared to classic CRD mineralization elsewhere on the Prospect Mountain Property.

Given the success of this initial drilling phase, a second phase was initiated in September 2024 to follow up on some of the intersections and identify extension potential as well as drilling a few holes on the Eastern side of the Prospect Mountain Property.

On August 14, 2024, the Company announced results from the first ten holes of this drill program. Included in these results was Hole PM24-004 which was almost completely mineralized, intersecting 415ft (126.49m) @ 1.06 g/t Au, 12.3 g/t Ag from 0ft, which included 40ft (12.19m) @ 4.20 g/t Au, 71 g/t Ag from 0ft, linking the Wabash and Williams former mine areas.

Other holes contained zones with gold grades that were intersected as follows

- 15ft (4.57m) @ 3.88 g/t Au, 56.2 g/t Ag from 5ft (1.52m) in PM24-005, near the Silver Connor shaft;
- 70ft (21.34m) @ 2.03 g/t Au, 38.3 g/t Ag from 5ft (1.52m) in PM24-006, near the Silver Connor shaft;
- 20ft (6.1m) @ 3.54 g/t Au, 23.7 g/t Ag from 200ft (60.96m) in PM24-007, extending from the Silver Connor shaft through the Wabash area; and
- 15ft (4.57m) @ 1.77 g/t Au, 19.4 g/t Ag in PM24-010, near the historic Williams mine entrance.

See the Company's August 14, 2024, press release for full details of these drill results.

On August 27, 2024, the Company announced further assay results from holes 11-17 of the 27-hole Phase 1 surface drilling program completed in September. Highlights included:

- Hole PM24-016 intersected **60ft (18.3m) @ 3.92 g/t Au** (which includes **35ft (10.7m) @ 5.01 g/t Au**), from 235ft, which is 50ft below the historical Wabash mine; within **135ft (42.1m) @ 1.89 g/t Au,** from 230ft;
- Hole PM24-015 intersected **60ft (18.3m) @ 1.3 g/t Au**, 22.6 g/t Ag from 200ft, which included **15ft (4.6m) @ 3.0 g/t Au**, 20.4g/t Ag from 210ft;
- Holes PM24-015, PM24-016 and PM24-017, together with historical EPAR holes PM-W-78 and PM-W-79 is further evidence that the new interpretation of steeply-dipping mineralization along structures that were conduits for the gold fluids, is accurate, and means that historical vertical drill holes likely missed mineralization;

Holes PM24-015 and PM24-016 could extend the areas mined in the historical Wabash and Chicago mines along a steep zone connecting these two mines and provide the outline for a larger mineralized area with high grade pockets.

See the Company's August 27, 2024, press release for full details of these drill results.

On September 4, 2024, the Company announced further assay results from holes 18-22 of the 27-hole Phase 1 surface drilling program completed in September. These holes targeted the historic Wabash, Williams and Chicago mine areas, and strategically followed up on historical drilling results from a 94-hole program carried out by European American Resources ("EPAR"). Highlights included:

- PM24-022 intersected **27.4m (90ft) @ 7.0 g/t Au** (with a 1.5m void @ 0 g/t Au) **from surface**, including **6.1m (20ft) @ 23.1 g/t Au** which includes **1.5m (5ft) @ 56.4 g/t Au & 161.0 g/t Ag**.

- PM24-021 intersected **53.35m (175ft) @ 1.49 g/t Au** (with a 3.0m void @ 0 g/t Au) **from surface** including **3.0m (10ft) @ 12.8 g/t Au**.

- PM24-020 intersected **7.62m (25ft) @ 2.08 g/t Au from surface**, and **22.86m (75ft) @ 0.49 g/t Au from 19.8m (65ft)**. This hole targeted higher grades at the SW end of the Williams mine trend and suggests there is potential thickness of mineralization in the direction of the hole.

The 2-ounce gold interval in hole PM24-022 is located alongside a haulage way of the historic Chicago Mine, sitting inside a 90-foot-wide interval of quarter ounce gold from surface which supports the Company's strategy of seeking gold in areas where it was previously mined.

**East Side of Property Ridge** - Two holes are reported from the east side of the Prospect Mountain Property ridge and targeted the historic Madrid mine included:

- PM24-018 intersected **6.1m (20ft) @ 1.46 g/t Au** from 192-198m (630-650ft) beneath a prominent line of surface workings. This is an important result as the hole extends the ore zone downward approximately 121.9m (400ft) and opens up the potential for further parallel trends to the Wabash/Williams zones to the east.

See the Company's September 4, 2024, press release for full details of these drill results.

On September 17, 2024, the Company announced further assay results from the final holes 23-27 of the 27-hole Phase 1 surface drilling program completed in September. Three of these holes targeted the historic Wabash mine area while two holes were on the east side of the Prospect Mountain Property ridge. The consistent results from the Phase 1 drilling in terms of grade and virtually continuous mineralization prompted an additional Phase 2 drill program to be planned and initiated during the late September/early October. Highlights included:

- PM24-025 extends Silver Connor shaft surface mineralization westwards and intersected **18.3m (60ft)** @ **2.9 g/t Au** from surface, including 1.5m (5ft) @ 7.0 g/t Au;

- PM24-024 intersects new zone parallel to the main zone at Wabash and intersected **13.7m (45ft)** @ **2.0 g/t Au** including 3.1m (10ft) @ 4.1 g/t Au, plus 13.7m (45ft) @ 0.7 g/t Au including 1.5m (5ft) @ 2.0 g/t Au;

- PM24-023 confirms continuity of the Silver Connor shaft surface mineralization northwards and intersected **50.3m (165ft) @ 1.1 g/t Au** (with a 1.5m void @ 0 g/t Au) **from surface,** including 3.1m (10ft) @ 4.0 g/t Au and 1.5m (5ft) @ 4.1 g/t Au and 1.5m (5ft) @ 2.7 g/t Au.

Some initial observations from the recently completed phase 1 drilling at the Wabash/Williams area are:

- Two zones of mineralization, Williams and Wabash, have both been confirmed and extended by the first phase of drilling and remain open along strike and to depth.

- High grade gold is present (up to 56.4 g/t Au and 161 g/t Ag over 1.5m (5ft) in Hole PM24-022), of a similar style to historic mining areas on the Prospect Mountain Property.

- Mineralization is more Carlin like in this area, with high silver arsenic antimony and lower lead and zinc compared to classic CRD mineralization elsewhere on the Prospect Mountain Property.

- North Peak's re-interpretation of the Wabash and Williams mineralization as steeply dipping, more continuous zones along structures, has been confirmed by the recent drilling.

- Historic vertical holes by EPAR are not ideal for steeply dipping structures and North Peak's angled holes are helping to demonstrate better continuity within the mineralization envelope.

See the Company's September 17, 2024, press release for full details of these drill results.

### Corporate

On July 2nd, the Company announced that Rob Suttie had stepped down as Chief Financial Officer ("**CFO**"), Corporate Secretary and Director, and Andrew Dunlop was appointed CFO and Corporate Secretary in his place.

On July 5, 2024, the Company granted stock options to acquire a total of 200,000 common shares of the Company at an exercise price of $1.00 per share to the CFO of the Company and two consultants. The options expire five years from the date of grant.

During July 2024, North Peak also announced that it had engaged GRA Enterprises LLC (the "**Consultant**") (doing business as “National Inflation Association”), to provide investor relations services.

On August 17, 2024, the Company made the second cash payment of US$385,000 to Solarljos LLC as required by the PM Agreement relating to the 80% interest in the Prospect Mountain Property.

## Developments Subsequent to Quarter End

On October 8, 2024, the Company announced that the Bureau of Land Management (United States Department of the Interior) has approved the Company’s application to modify the Plan of Operations (“PoO”) at its Prospect Mountain Property, resulting in a 642% increase (to 189.9 acres) of the area on which the Company can conduct surface exploration. This newly expanded surface exploration area now covers the main mountain ridge on the Prospect Mountain Property, including the more accessible east side.

This extension of the permitted surface exploration area allows drilling for gold mineralization across a wider area of the Prospect Mountain Property than the original Plan of Operations exploration area covered. Drilling at Prospect Mountain East targeting the historic Homestake hole and its mineralization intervals was completed during October 2024, in addition to four holes drilled in the Wabash zone.

See the Company’s October 8, 2024, press release for more details.

On November 12, 2024, the Company announced assay results from holes PM24-036 to PM24-039 of the recently completed Phase 2, 15-hole surface drilling program from Prospect Mountain North. Highlights included:

- PM24-039 intersected **22.9m (75ft) @ 12.0 g/t Au** (with 6.1m voids @ 0 g/t Au), including **3.0m (10ft) @ 85.7 g/t Au**; this hole targeted historical mining approximately 35m (115ft) northwest of previous drilling. PM24-039 ended in mineralization on a new western trend.

The high-grade intersections from this hole, along with the previously released hole PM24-022 demonstrate that the historical high grades previously mined from the region still exist, and demonstrate potential for continued expansion of the new western trend area of the project. The second phase of drilling at Prospect Mountain North was designed to follow up on earlier successful drilling, that had returned such intersections as hole PM24-022.

Four of these phase 2 holes targeted the workings in the historic Wabash mine area northwest of any previous drilling, with spectacular results in PM24-039 near mineralized veins in the Wabash tunnel. Another hole PM24-036 intersected 7.6m (25ft) @ 0.8 g/t Au, which sits 26m (85ft) west of the PM24-039 intersection indicating the trend continues to the southwest. This is reinforced by a set of rock chips at surface, to the southwest, averaging over 3 g/t Au. The mining that took place in the area that these 4 holes targeted appears to have a similar northeast-southwest trend as the Wabash and Williams trends. There are several other mines and historical workings along this new trend including the lower Metamoras mine and the Kit Carson shaft, along the Silver Connor fault to the southwest.

See the Company’s November 12, 2024 press release for more details.

### Corporate

On November 5, 2024, the Company closed its previously announced non-brokered private placement for aggregate gross proceeds of $1,061,250 (the “**Private Placement**”). In connection with the Private Placement, 1,414,998 common shares of the Company were issued at a price of $0.75 per share.

## Outlook

As of the date of this MD&A, all assay results from the second phase of the Prospect Mountain North and East drill program have not yet been received. However, select assay results from the first 35 holes drilled in the first and second phases of the drilling campaigns have intersected gold mineralization close to or in the former mines in the area, and in some cases returned surprising widths to that mineralization. The Company continues to evaluate the potential of the Prospect Mountain Property and identify the extent of the historical high-grade mining material that existed on the property.

An additional 10-holes that focused on Prospect Mountain East targeting the historic Homestake hole and its mineralization intervals were recently completed. Additional holes were also drilled at the Wabash area targeting extensions of the mineralization down plunge towards the Silver Connor/Prospect Mountain tunnel. Other than results for PM24-036 to PM24-039 described above, assays are pending for these holes and the results will be reviewed and are expected to be released during Q4 2024. The Company is pleased with the progress and successful completion of these 45-holes drilled from July – October and the reduction of drilling and assay costs per foot from the first phase of drilling to the second phase.

Critical to the success of any long-term exploration plan is the timing of it along with the trends in the gold and financial markets. These trends support the funding needs that exploration programs usually demand. Alongside the favorable trends in the gold market, interest in supporting exploration and development programs continues in the Eureka gold camp, as Timberline Resources, located to the immediate south of the Prospect Mountain Property, recently merged with McEwen Mining.

The cash on hand as at September 30, 2024, is expected to be sufficient to complete the 2024 drill program at Prospect Mountain North, as well as fund the Company's additional liquidity needs for the remainder of the year and beyond. After the closing of the previously announced private placement on November 5, 2024, the Company currently has cash on hand of approximately $1.5M as of the date of this MD&A.

### Key Economic Trends

The price of gold has an impact on the potential economic viability of the Company's mineral exploration projects. The price and demand for gold has continued to rise during Q3 2024, reaching a series of all-time highs, as expectations of steadily-falling interest rates, conflict in the Middle East, and uncertainty around the US Presidential election, has continued the trend of more investors turning to safe-haven assets.

The global economy is experiencing things like stagflation, high-deficits, and geopolitics as bigger causes of uncertainty than interest rates, and gold continues to be seen as reliable regardless of the scenario. Demand for physical gold, gold futures and gold ETF's have also remained strong during 2024, as global gold demand reached all-time peaks for any third quarter during the last three-month period according to the World Gold Council.

Alignment with a prolonged bullish market cycle for precious metals could provide easier access to capital for exploration companies and enhance the potential economics of the largely unexplored land package on the Prospect Mountain Property. However, precious metals prices are subject to volatile price movements over short periods of time, affected by numerous factors, many of which are beyond the Company's control.

During the three months ended September 30, 2024, the average price of gold was US$2,474 per oz, with gold trading between US$2,322 and US$2,684 per oz based on the London Fix PM gold price. This compares to an average of US$1,987 per oz for the three months ended September 30, 2023, with a low of US$1,824 and a high of US$2,147 per oz.

## Summary and Review of Quarterly Results

(Expressed in Canadian Dollars, unless otherwise noted)

| Three Months Ended | Revenue ($) | Net (Loss) Income | | Total assets ($) |
|---|---|---|---|---|
| | | Total ($) | Basic and diluted earnings per share ($) | |
| 2004 – September 30 | Nil | (2,104,037) | (0.07) | 10,577,286 |
| 2004 – June 30 | Nil | (664,339) | (0.02) | 12,392,353 |
| 2024 – March 31 | Nil | (758,192) | (0.03) | 13,025,296 |
| 2023 – December 31 | Nil | (2,317,977) | (0.09) | 14,159,401 |
| 2023 – September 30 | Nil | (1,436,752) | (0.05) | 15,324,903 |
| 2023 – June 30 | Nil | (1,195,062) | (0.05) | 15,395,054 |
| 2023 – March 31 | Nil | (439,091) | (0.02) | 8,001,467 |
| 2022 – December 31 | Nil | 1,151,672 | 0.05 | 8,464,106 |

### Q3 2024 compared to Q3 2023

The Company reported a net loss of $2,104 ,037 for the three months ended September 30, 2024, compared with a net loss of $1,436,752 for same period in 2023.

The increase in net loss incurred during Q3 2024 compared to Q3 2023 was primarily due to the following:

- General and administrative costs of $167,062 in Q3 2024 decreased from $276,133 in Q3 2023 due to lower management fees and wages incurred as two key executives took temporary reductions in their remuneration in order to preserve the cash required to fund the 2024 drill campaign. Additionally, there was a reduction in insurance costs mainly relating to the timing of invoice payments; and cost reductions were realized during Q3 2024 in other areas such as investor relations, IT support, and other general office expenses.

- Professional fees incurred during Q3 2024 of $44,319 decreased compared to $64,758 in Q3 2023 due to additional legal costs being incurred during 2023 related to the acquisition of the interest in the Prospect Mountain Property and general corporate matters.

- During Q3 2024, the Company incurred aggregate exploration and evaluation expenses of $1,473,235 (Q3 2023 - $835,611) on the Prospect Mountain Property. The costs incurred during Q3 2024 related to the recently completed 27-hole phase 1, and 18-hole phase 2 drill campaigns. Approximately 14,000 feet were drilled as part of these two drill campaigns resulting in higher drilling and assay costs during Q3 2024 compared to Q3 2023. Additionally, higher project management and geological costs were incurred and related to the various consultants currently supporting the operations at the project. The majority of costs incurred during Q3 2023 related to the geophysical work programs performed including Magnetotelluric helicopter geophysical surveys, geochemical sampling programs, and Property-wide soil sampling exercises.

- Interest income earned during Q3 2024 was $35,035 and decreased compared to $103,576 earned in Q3 2023, and was due to a lower cash balance on hand during Q3 2024.

(Expressed in Canadian Dollars, unless otherwise noted)

- Additionally, share-based compensation increased from $272,751 in Q3 2023 to $303,187 in Q3 2024. 525,000 stock options with a strike price of $1.39 were granted during Q3 2023 compared to 200,000 stock options with a strike price of $1.00 being granted during Q3 2024. The increase in share-based compensation was due to a portion of the expense related to the 2023 option issuances as well as the 2024 option issuance being included in Q3 2024.

- Exploration and evaluation expenditures during Q3 and YTD 2024 and Q3 and YTD 2023 were as follows:

| | | Three Months Ended September 30, | | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | | **2024** | 2023 | | **2024** | 2023 |
| **Prospect Mountain Project** | | | | | | |
| Drilling | $ | **662,034** | 27,533 | $ | **815,516** | 41,435 |
| Project management | | **87,798** | 70,041 | | **267,495** | 131,282 |
| Camp support | | **138,769** | 183,749 | | **322,895** | 242,994 |
| Geological | | **112,210** | 117,618 | | **307,419** | 300,757 |
| Geophysics | | **19,657** | 217,102 | | **89,013** | 310,731 |
| Assays | | **391,678** | 113,228 | | **484,589** | 119,380 |
| Mapping | | **48,808** | 40,785 | | **76,654** | 116,154 |
| Field supplies | | **12,281** | 62,132 | | **36,842** | 64,208 |
| | $ | **1,473,235** | 832,188 | $ | **2,400,422** | 1,326,941 |
| **Black Horse Project** | | - | 3,423 | | **2,354** | 48,329 |
| **Investigation of Prospective Properties** | | - | - | | **-** | 92,283 |
| **Total Exploration Expenses for the Period** | $ | **1,473,235** | 835,611 | $ | **2,402,776** | 1,467,553 |

## YTD 2024 compared to YTD 2023

The Company reported a net loss of $3,526,567 during YTD 2024 compared to $3,070,905 during the same period in 2023.

The reported loss consists primarily of the following:

- Travel expenses decreased from the $233,190 incurred during YTD 2023 to $76,006 during YTD 2024 as there was a significant amount of costs related to due diligence work performed at the Prospect Mountain Property prior to its acquisition in Q3 2023 that required additional travel to site by the Company’s executive management team and Board of Directors.

- Professional fees decreased to $156,249 during YTD 2024 from $212,197 for YTD 2023 attributable to additional legal and accounting costs incurred during 2023 related to the due diligence work and acquisition of the Prospect Mountain Property, and wind down of the Black Horse project in 2023.

- During YTD 2024 the Company incurred $2,402,776 of exploration and evaluation expenses compared to $1,467,553 for the same period in 2023. The increase was due to the fact that the Prospect Mountain Property was being acquired by the Company in Q2 2023 and work began on during May and June 2023, compared to YTD 2024 which includes nine months of expenditures relating to geophysics and chip sampling, as well as drilling and assay costs related to the recently completed phase 1 and phase 2 drill campaigns that totaled 35 holes over 14,000 ft. Additionally, the Company had terminated its option to acquire the Black Horse project in August 2023, and minimal costs related to the wind down of the operations were incurred during YTD 2023. The majority of costs incurred during YTD 2023 related to geophysical work programs performed at the Prospect Mountain Property such as Mobile MT, IP and LIDAR surveys and a comprehensive mapping study completed during 2023.

(Expressed in Canadian Dollars, unless otherwise noted)

- General and administrative costs of $574,805 in YTD 2024 decreased from $824,274 in YTD 2023 due to lower management fees and wages incurred as two key executives took temporary reductions in their remuneration in order to preserve cash required to fund the 2024 drill campaign. Additionally, there was a reduction in filing and transfer agent fees relating to the timing of invoice payments and an incorrectly billed invoice in the prior year. Cost reductions were also realized during YTD 2024 in other areas such as investor relations, IT support, and other general office expenses.

**General and administrative expenses:**

| | | Three Months Ended September 30, | | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | | **2024** | 2023 | | **2024** | 2023 |
| Management fees, wages and benefits | $ | **91,408** | 157,549 | $ | **363,592** | 437,581 |
| Filing and transfer agent fees | | **28,508** | 12,905 | | **46,007** | 93,288 |
| Investor relations and corporate development | | **429** | 15,849 | | **25,047** | 62,284 |
| Insurance | | **10,915** | 49,441 | | **50,994** | 94,574 |
| Office, IT and general | | **7,772** | 20,453 | | **26,754** | 50,245 |
| Other | | **28,031** | 19,936 | | **62,410** | 86,302 |
| | $ | **167,062** | 276,133 | $ | **574,805** | 824,274 |

- Interest income earned during YTD 2024 was $151,015 and decreased compared to $277,039 earned in YTD 2023 due to a lower cash balance on hand during 2024.

- Additionally, share-based compensation decreased from $560,974 in YTD 2023 to $321,500 in YTD 2024. The decrease was due to a higher number of stock options with a higher fair value being granted during YTD 2023 compared to YTD 2024 of which one half vested immediately. 965,000 stock options at a weighted average exercise price of $1.39 were granted during YTD 2023 compared to 200,000 stock options at a weighted average exercise price of $1.00 were granted during YTD 2023.

## Liquidity, Capital Resources and Commitments

The Company reported working capital as at September 30, 2024 of $1,268,758 (December 31, 2023 - $5,028,219), and a cash balance of $1,176,068 (December 31, 2023 - $5,304,713).

The cash on hand as at September 30, 2024, is expected to be sufficient to complete the 2024 drill program at Prospect Mountain North, as well as fund the Company's additional liquidity needs for the remainder of the year and beyond. After the closing of the previously announced private placement on November 5, 2024, the Company currently has cash on hand of approximately $1.5M as of the date of this MD&A.

### Cash Flows

Net cash flows used in operating activities were $(3,527,412) for the nine months ended September 30, 2024 compared to $(2,460,546) for the same period in 2023. The increase was due to the fact that its interest in the Prospect Mountain Property was acquired by the Company in Q2 2023 and work began on during May and June 2023, compared to YTD 2024 which includes nine months of expenditures relating to geophysics, chip sampling, assaying and drilling costs (including two drill campaigns totaling 35 holes over 14,000 ft). Additionally, the Company had terminated its option to acquire the Black Horse project in August 2023, and minimal costs related to the wind down of the operations were incurred during YTD 2023.

Cash flows (used in) from financing activities were $(2,290) for YTD 2024 compared to $1,982,289 for YTD 2023 and the decrease in cash inflows was due to the $2,000,000 gross proceeds received from the non-brokered private placement closed during Q2 2023. Cash flows used in financing activities during YTD 2024 relate to repayments of lease obligations less cash received from the exercise of stock options.

## Critical Accounting Estimates

Application of the Company's accounting policies in compliance with 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 option 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

The preparation of 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 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, 2024 and 2023, 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.

## Financial Risk Factors

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are: liquidity risk, credit risk, and market risk.

### 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 capital markets is hindered or slowed due to a decline in the stock market or other macroeconomic factors. As at September 30, 2024, the Company had a cash balance of $1,176,068 (December 31, 2023 - $5,304,713) to settle current liabilities of $189,343 (2023 - $536,733). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity and financial flexibility.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. At September 30, 2024, the Company has no sources of revenue to fund its exploration and development expenditures and historically relied solely on non-brokered private placements to fund its operations. The Company’s current cash balance is sufficient to fund the remainder of the 2024 work program as well as the existing administrative needs. The Company may require additional financing to accomplish long-term strategic objectives and has an experienced management team and Board of Directors to assist with managing liquidity risk.

### 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 and investments. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

### Market Risk

1) Interest rate risk

   The Company has cash balances with rates that fluctuate with prevailing market rates and has no current debt. The Company’s current policy is to invest cash in cash accounts or short-term interest-bearing securities issued by high quality financial institutions and chartered banks. The Company monitors its cash and investments as well as the credit ratings of its banks.

2) Currency risk

   Foreign currency risk is the risk that the value of the Company’s financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian dollar would not likely have a significant impact on the Company’s financial position, results of operations, and cash flows. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk, however exchange rates are continually monitored for any significant changes. A portion of the Company’s exploration expenses are paid in USD, and the Company frequently converts a portion of its CAD cash balances into USD to reduce its currency risk exposure related to the CAD when required or deemed appropriate or advantageous due to timing or opportunities in currency markets. The Company is mainly exposed to foreign currency risk on financial instruments consisting of trade payables denominated in USD and GBP, however a 10% movement in foreign exchange rates would not have a material impact on the net loss for the nine months ended September 30, 2024 or the year ended December 31, 2023.

3) Price risk

(Expressed in Canadian Dollars, unless otherwise noted)

The Company is exposed to price risk with respect to precious metal commodity prices and the prices of equity securities. Equity security price risk is defined as the potential adverse impact on the Company's net income or loss due to movements in individual prices of equity securities or price movements in the stock market generally. Commodity price risk is defined as the potential adverse impact on net income or loss and economic value due to commodity price movement and volatility. The Company closely monitors commodity prices, particularly as they relate to gold and silver and movements in the price of individual equity securities, and movements in macroeconomic trends and market cycles.

## Capital Management

The Company's primary objective when managing capital is to maximize returns for its shareholders, while maintaining a flexible capital structure that optimizes cost of capital at acceptable risk and safeguards the Company's ability to continue as a going concern.

The Company manages its capital structure, and makes any necessary adjustments to it, in light of changes in economic conditions to ensure financial flexibility and enable the Company to respond to changes and risk characteristics of its underlying assets and business opportunities. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

The Company defines capital as its shareholder's equity comprised of share capital, contributed surplus and deficit. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's capital management objectives, policies and processes have remained consistent and unchanged during the three and nine months ended September 30, 2024.

## Related Party Transactions

a) Key management compensation

The Company incurred charges with directors, officers (Chief Executive Officer, Chief Financial Officer, and Director of Corporate Development who are the key management personnel), and a company with a common director displayed in the table below. Key management have the authority and responsibility to plan, direct, and control the activities of the Company and receive compensation for services rendered in that capacity. Amounts paid to related parties were incurred in the normal course of business. Salaries, benefits, consulting fees and director's fees are recorded at the exchange amount while share-based compensation is measured at the fair value of the instruments issued, with the expense recognized over the relevant vesting periods.

Compensation awarded to key management for the three and nine months ended September 30, 2024 and 2023 was:

| | | Three Months Ended September 30, | | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | | **2024** | 2023 | | **2024** | 2023 |
| Management fees, wages and benefits | $ | **154,322** | 197,191 | $ | **505,326** | 576,602 |
| Share-based compensation | | **76,593** | - | | **76,593** | - |
| | $ | **230,915** | 197,191 | $ | **581,919** | 576,602 |

The transactions noted above 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. As at September 30, 2024, the Company did not owe any unpaid salaries, benefits or consulting fees to key management personnel. As at December 31, 2024, the Company $11,294 was included in accounts payable and accrued liabilities in relation to these amounts.

## 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.

## Additional Disclosure for Venture Issuers Without Significant Revenue

See analysis on Q3 2024 vs Q3 2023 and Q3YTD 2024 vs Q3YTD 2023 earlier in this document, as well as refer to the Company's condensed interim financial statements for the nine months ended September 30, 2024.

## Qualified Person

Mr. Mike Sutton, P.Geo., a director of the Company, is the Qualified Person, as defined under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, who reviewed and approved scientific and technical disclosure in this MD&A.

## 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 options and warrants or additional Common Shares from time to time in the future. If it does so, the ownership interest of the

Company's current shareholders could also be diluted.

## 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 31,772,176 Common Shares issued and outstanding, 2,525,000 options with exercise prices between $0.55 and $2.87, 340,000 warrants with an exercise price of $1.34, and 64,050 warrants with an exercise price of $0.90.

## 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) exploration, development and operating risks; (iii) substantial capital requirements and liquidity; (iv) fluctuating mineral prices and marketability of minerals; (v) 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; (xvi) timing for receipt of regulatory approvals necessary for drilling at the Prospect Mountain Property; (xvii) estimates of mineralization from drilling and geophysical surveys, (xviii) geological information projected from sampling results and the potential quantities and grades of the target zones; (xix) the potential for minerals and/or mineral resources and reserves, and (xx) 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.sedarplus.ca or the Company's website at www.northpeakresources.com