



GOLDEN PEAK
MINERALS

Management Discussion and Analysis

For the Year Ended August 31, 2016

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the year ended August 31, 2016 contains forward-looking information including forward-looking information about Golden Peak Minerals Inc. (the "Company" or "Golden Peak")'s operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management's Discussion and Analysis (MD&A) of the financial condition, results of operations and cash flows of the Company for the year ended August 31, 2016 should be read in conjunction with the audited financial statements as at August 31, 2016 and 2015. This MD&A is effective December 21, 2016. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its audited financial statements for the year ended August 31, 2016 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

DESCRIPTION OF BUSINESS

Golden Peak Minerals Inc. (the "Company") is an exploration stage company incorporated pursuant to the British Columbia Business Corporations Act on March 31, 2011. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "GP". The address of the Company's corporate office and its principal place of business is 510-744 West Hasting Street, Vancouver, British Columbia, Canada, V6C 1A1.

On August 11, 2016, the Company consolidated its common shares on a one new share for ten old shares basis. All share and per share amounts have been revised to reflect the consolidation.

The Company is currently focusing its financial resources on conducting exploration programs. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.



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EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation asset are summarized as follows:

	Columbia Shear Property	Foubert Lake Property	Oyster Property	Atikwa Lake Property	Lac Lapointe Property	Total
<u>Acquisition Costs</u>						
Balance, August 31, 2014	\$ 39,250	\$ -	\$ -	\$ -	\$ -	\$ 39,250
Acquisition and option payments (cash)	-	11,000	-	-	-	11,000
Acquisition and option payments (shares)	-	144,000	-	-	-	144,000
Balance, August 31, 2015	39,250	155,000	-	-	-	194,250
Claim costs	-	-	-	1,209	-	1,209
Acquisition and option payments (shares)	-	-	60,000	60,000	92,750	212,750
Impairment	(39,250)	-	-	-	-	(39,250)
Balance, August 31, 2016	\$ -	\$ 155,000	\$ 60,000	\$ 61,209	\$ 92,750	\$ 368,959
<u>Deferred Exploration Expenditures</u>						
Balance, August 31, 2014	\$ 267,497	\$ -	\$ -	\$ -	\$ -	\$ 267,497
METC received	(27,349)	-	-	-	-	(27,349)
Balance, August 31, 2015	240,148	-	-	-	-	240,148
Geological	-	-	-	-	25,000	25,000
Impairment	(240,148)	-	-	-	-	(240,148)
Balance, August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
<u>Total Exploration and Evaluation Assets</u>						
Balance, August 31, 2015	\$ 279,398	\$ 155,000	\$ -	\$ -	\$ -	\$ 434,398
Balance, August 31, 2016	\$ -	\$ 155,000	\$ 60,000	\$ 61,209	\$ 117,750	\$ 393,959



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Columbia Shear Group Property

On May 9, 2011, and subsequently amended on September 17, 2012, the Company entered into an option agreement to acquire a 100% undivided interest in 22 mineral claims located in British Columbia. As consideration, the Company agreed to pay a total of \$75,000 in cash, issue 12,500 common shares of the Company and incur \$1,000,000 in exploration expenditures as follows:

	Cash Payments	Exploration Expenditures	Number of Common Shares to be Issued
Upon execution of the Agreement (paid)	\$ 10,000	\$ -	-
One year from the Agreement date (incurred)	-	100,000	-
Upon listing on April 10, 2013 (paid and issued)	15,000	-	7,500
Before April 10, 2014 (issued)	-	-	5,000
Before April 10, 2015 (not paid or incurred)	10,000	200,000	-
Before April 10, 2016	15,000	300,000	-
Before April 10, 2017	25,000	400,000	-
Total	\$ 75,000	\$ 1,000,000	12,500

The Company agreed to pay the optionor a 3% Net Smelter Royalty ("NSR") on the property. The Company also has the option to purchase 2% of the 3% NSR (two-thirds) at a price of \$500,000 per percentage point at any time starting on the date that the property is put into commercial production. The purchase of the remaining 1% is negotiable after commercial production commences.

During the year ended August 31, 2016, the Company relinquished its option on the Columbia Sheer Group Property. Accordingly, the property was written down to \$nil.

Foubert Lake Property

On June 26, 2015, the Company entered into an agreement to acquire a 100% undivided interest in 11 mineral claims located in Quebec. As consideration, the Company paid a total of \$11,000 in cash and issued a total of 240,000 common shares of the Company (issued and valued at \$144,000).

The vendor retains a 1% NSR on the property. The Company has the option to purchase the NSR at a price of \$500,000.

Oyster Property

On September 23, 2015, the Company entered into an agreement to acquire a 100% undivided interest in 4 mineral claims located in Manitoba. As consideration, the Company issued 100,000 common shares of the Company at a value of \$60,000.

The vendor retains a 3% Gross Overriding Royalty "GORR" on the property. The Company has the option to purchase 1% of the 3% GORR (one-third) at a price of \$1,000,000.



Atikwa Lake Property

On February 4, 2016, the Company entered into an agreement to acquire a 100% undivided interest in 20 mineral claims located in Ontario. As consideration, the Company issued 75,000 common shares of the Company at a value of \$60,000.

Lac Lapointe Property

On February 15, 2016, the Company entered into an option agreement to acquire a 100% undivided interest in 20 mineral claims located in Quebec. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 132,500 common shares of the Company upon approval by the TSX-V (issued and valued at \$92,750);
- Cash payment of \$40,000 on or before August 15, 2017; and
- Cash payment of \$100,000 on or before February 15, 2019.

The vendor retains a 2% Gross Overriding Royalty “GORR” on the property. The Company has the option to purchase 1% of the 2% GORR (one-half) at a price of \$1,000,000.

Grenfell Property

On October 13, 2016, the Company entered into an agreement to acquire the Grenfell Property located in Ontario.

Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 upon approval by the TSX-V;
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2017;
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2018; and
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2019.

In the event of a minimum discovery of 1,000,000 ounces of gold or gold equivalent resource, the Company will pay a bonus of \$1,000,000 to the optionor upon completion of a National Instrument 43-101 compliant report.

The original vendor retains a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.



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Heikki Property

On October 28, 2016, the Company entered into four option agreements to acquire the Esa, Kulta, Seija and Soturi properties, collectively the Heikki Property, located in Ontario.

Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 2,600,000 common shares of the Company and making a cash payment of \$105,000 upon approval by the TSX-V;
- Issuing 3,100,000 common shares of the Company by November 17, 2017; and
- Issuing 1,750,000 common shares of the Company by November 17, 2018.

The vendors retains a 3% NSR on the property. The Company has the option to purchase 1% of the 3% NSR (one-third) at a price of \$500,000.

SELECTED ANNUAL INFORMATION

	August 31, 2016	August 31, 2015	August 31, 2014
Revenue	\$ -	\$ -	\$ -
Net and comprehensive loss	(575,236)	(199,624)	(209,213)
Basic and diluted loss per share	(0.37)	(0.18)	(0.24)
Total assets	400,988	435,173	402,480
Long-term debt	-	-	-
Dividends	-	-	-

SUMMARY OF QUARTERLY RESULTS

(\$000's except earnings per share)

For the Quarter Periods Ending on	August 31, 2016	May 31, 2016	February 29, 2016	November 30, 2015
Revenue	\$ -	\$ -	\$ -	\$ -
Net and comprehensive loss	(425)	(33)	(81)	(36)
Basic and diluted loss per common share	(0.27)	(0.02)	(0.06)	(0.03)

For the Quarter Periods Ending on	August 31, 2015	May 31, 2015	February 28, 2015	November 30, 2014
Revenue	\$ -	\$ -	\$ -	\$ -
Net and comprehensive loss	(25)	(36)	(43)	(96)
Basic and diluted loss per common share	(0.02)	(0.03)	(0.04)	(0.09)



OPERATIONS

Three Months ended August 31, 2016

During the three months ended August 31, 2016 the Company reported a net loss of \$424,488 (2015 - \$25,592). Variations in expenses from the three months ended August 31, 2016 to the three months ended August 31, 2015 were as follows:

- Management fees of \$18,750 (2015 - \$15,000) increased as the CFO began charging fees in the fourth quarter of 2016;
- Office and general of \$8,178 (2015 - \$2,213) increased due to more activity in 2016;
- Pre-exploration costs of \$87,980 (2015 - \$nil) related to due diligence done on a property acquisition for which the Company did not have title at the time of expenditures;
- Professional fees of \$16,838 (2015 - \$3,988) increased as the Company incurred legal and accounting fees in 2016 but had a recovery in 2015;
- Rent of \$3,000 (2015 - \$9,563) decreased as the Company did not incur rent expenses for part of the fourth quarter;
- Transfer agent and filing fees of \$8,624 (2015 - \$2,804) increased due to activity; and
- Impairment of exploration and evaluation assets of \$279,398 (2015 - \$nil) related to the impairment of the Columbia Shear Property.

Year ended August 31, 2016

During the year ended August 31, 2016 the Company reported a net loss of \$575,236 (2015 - \$199,624). Variations in expenses from the year ended August 31, 2016 to the year ended August 31, 2015 were as follows:

- Consulting fees of \$22,285 (2015 - \$16,500) increased due to more activity in 2016;
- Management fees of \$63,750 (2015 - \$60,000) increased primarily because the CFO began charging fees in the fourth quarter of 2016;
- Office and general of \$22,290 (2015 - \$11,882) increased due to more activity in 2016;
- Pre-exploration costs of \$87,980 (2015 - \$nil) related to due diligence done on a property acquisition for which the Company did not have title at the time of expenditures;
- Professional fees of \$53,657 (2015 - \$48,825) increased as the Company incurred additional legal fees in 2016, primarily due to more acquisitions;
- Rent of \$20,792 (2015 - \$29,045) decreased primarily because the Company did not incur rent expenses for part of the fourth quarter;
- Transfer agent and filing fees of \$18,815 (2015 - \$18,452) remained consistent year to year; and
- Impairment of exploration and evaluation assets of \$279,398 (2015 - \$nil) related to the impairment of the Columbia Shear Property.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at August 31, 2016 was \$170 compared to \$190 at August 31, 2015. The working capital deficiency was \$271,973 (2015 - \$115,626). To address the working capital deficiency, subsequent to August 31, 2016, the Company closed a non-brokered private placement for gross proceeds of \$499,999 by issuing 4,166,658 units at a price of \$0.12 per unit. The Company also settled accounts payable and accrued liabilities of \$50,300 by issuing 186,296 common shares.



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In addition, on December 21, 2016, the Company completed a non-brokered private placement for gross proceeds of \$2,314,949. The Company issued 2,000,000 non-flow-through common shares of the Company at a price of \$0.50 per share and 2,022,998 flow-through common shares of the Company at a price of \$0.65 per share. The Company incurred finder's fees of \$196,495 and issued 332,300 finder's warrants with an exercise price of \$0.50 per share and an expiry date of December 21, 2018.

The Company will need to raise additional financing in order to meet general working capital requirements for the 2017 fiscal year and to continue exploration of its mineral properties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss:

	2016	2015
Management fees	\$ 63,750	\$ 60,000

Key management includes current and former directors and officers of the Company, including the Chief Executive Officers and Chief Financial Officer.

During the years ended August 31, 2016 and 2015, the following amounts were incurred or paid to officers and directors and/or their related companies:

- i) The Company paid \$21,800 (2015 - \$22,150) for professional fees to a company controlled by a director and \$16,500 (2015 - \$18,000) in rent to companies controlled by directors.

As at August 31, 2016 and 2015, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable is \$126,789 (2015 - \$90,761) due to directors and officers of the Company and companies controlled by directors of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- ii) Loans of \$nil (2015 - \$12,900) were due to directors of the Company or companies controlled by directors of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

COMMITMENTS

The Company is obligated to make certain payments and issue shares in connection with the acquisition of its exploration and evaluation assets.



NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Accounting standards effective January 1, 2018

IFRS 15 Revenue from Contracts with Customers – In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedge requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics. The Standard is effective for accounting periods beginning on or after January 1, 2018.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

CRITICAL ACCOUNTING POLICIES

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.



Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Key sources of 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 material adjustments to the consolidated financial statements.

Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and



are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at August 31, 2016, the Company has no known rehabilitation requirements and accordingly, no provision has been made.

Valuation of flow-through premium

The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the estimated premium that investors pay for the flow-through feature, being the portion in excess of the market value of shares without the flow-through feature issued in concurrent private placement financing. In the case that the Company did not issue non-flow-through shares together with the flow-through shares, the market value of shares without the flow-through feature will be determined using their closing quoted bid price.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash, accounts payable and directors loans. Cash is classified as FVTPL. Accounts payable and directors loans are classified as other financial liabilities. The carrying value of these instruments approximates their fair values due to the relatively short periods to maturity of these instruments.

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash, the Company places the instrument with a major Canadian financial institution.

Liquidity risk

The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at August 31, 2016, the Company had cash of \$170 (2015 - \$190) to settle accounts payable of \$279,002 (2015 - \$103,501) and directors loans of \$nil (2015 - \$12,900) which fall due for payment within twelve months of the statement of financial position date. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.



The Company intends to address its working capital deficiency through a combination of debt settlement agreements and private placement financings.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* - The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company does not have any significant foreign currency denominated monetary assets or liabilities.
- ii) *Interest rate risk* - The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company has no interest-bearing financial liabilities.
- iii) *Other price risk* - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company does not have significant exposure to this risk.

SHARE CAPITAL

As at December 21, 2016, the Company had the following securities issued and outstanding:

	December 21, 2016	August 31, 2016	August 31, 2015
Common Shares	13,142,453	1,916,501	1,301,860
Warrants	4,590,100	258,002	166,860
Stock Options	152,000	16,000	37,000
Fully Diluted Shares	17,884,553	2,190,503	1,505,720

BOARD OF DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.



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Current Directors of the Company are as follows:

Todd Hanas, CEO and Director

Peter A. Ball, Director

Dominic Verdejo, Director