

PELTON MINERALS CORPORATION
Management’s Discussion and Analysis
Period Ended June 30, 2023
Dated August 29, 2023
(Form 51-102F1)

This Management Discussion and Analysis (“MD&A”) of Peloton Minerals Corporation (the “Company”) is provided for the purpose of reviewing the three and six months ended June 30, 2023 and comparing results to the three and six months ended June 30, 2022. The MD&A was prepared as of August 29, 2023 and should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and corresponding notes for the three and six months ended June 30, 2023 and 2022 as well as the audited consolidated financial statements for the year ended December 31, 2022. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards appropriate in the circumstances. All monetary amounts are expressed in United States dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com and at the Company’s website located at www.pelotonminerals.com.

DESCRIPTION OF THE BUSINESS

The Company is a mineral exploration company focused on the acquisition and exploration of mineral resource properties, primarily gold and silver prospects in the US States of Nevada and Montana.

The Company is a reporting issuer in the Provinces of British Columbia and Ontario and its common shares trade on the Canadian Securities Exchange (“CSE”) under the symbol PMC, and on the OTCQB Market in the United States under the trading symbol PMCCF.

CORPORATE ACTIVITIES

MINERAL EXPLORATION PROJECTS

In June, 2023, the Company reported that a significant new lithium discovery had occurred on mineral claims immediately adjacent and tied on to the west boundary of Peloton’s Texas Canyon Project (“Texas Canyon”) by Surge Battery Metals (“Surge”). In addition, CAT Strategic Metals (“CAT”), that is tied onto the eastern boundary of Texas Canyon, has also recently reported lithium potential. Both companies surround Texas Canyon with mineral claims, and both are reporting plans for drilling programs this summer.

The company has subsequently reported that potentially lithium bearing hectorite had been identified over an extensive area at Texas Canyon and on the Company’s Golden Trail property about 6 kilometers east.

Hectorite and illite clays are the predominant lithium bearing minerals at Thacker Pass within the McDermitt Caldera in western Nevada which is the largest known measured and indicated lithium resource in the United States. The Texas Canyon property similarly sits on part of the margin of an ancient caldera of similar age to the McDermitt Caldera.

The hectorite and illite clays were identified by re-processing hyperspectral data the Company held from an airborne regional hyperspectral survey it conducted in 2016, covering 100 square kilometers including the Texas Canyon and Golden Trail properties. The hyperspectral data was re-processed by SpecTIR, Reno, NV, to search for hectorite SWIR (short wave infrared) absorption features using several different hectorite SWIR standards.

Texas Canyon hosts several breccia bodies along the margin of a graben/caldera structure. High grade uranium was mined in the 1950's from one of these breccia bodies, with historic grades reported at 1% uranium and samples running up to 7% uranium. Peloton's own sampling of the waste dump has returned samples up to 1% uranium as well as up to 1660 ppm molybdenum and up to 1280 ppb gold.

Peloton suggests that the adjacent lithium mineralization, and Texas Canyon's uranium mineralization are likely cogenetic within the margin of the caldera, and the caldera may have played a significant role as the source of the lithium or other mineralization within the nearby area.

Also, subsequent to the second quarter, the Company announced retaining IBK Capital to raise lithium exploration capital, and that the Company had reached an agreement with the original vendors of the Boulder Copper Porphyry Property, Montana (the "Boulder Porphyry") to cancel the requirement for cash payments to be made over three years totalling US\$600,000, which was part of the original acquisition terms. The Boulder Porphyry is held 100% by Celerity and as part of this agreement, Peloton's interest in Celerity will be about 18% with no further cash payments or other obligations to be made.

CORPORATE

On May 31, 2023, the Company issued 1,798,889 units at \$0.09 CDN per unit for proceeds of \$120,423 (\$161,900 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to 5pm on May 31, 2026.

On June 23, 2023, the Company issued 1,741,999 units at \$0.09 CDN per unit for proceeds of \$118,210 (\$156,779.91 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to 5pm on June 23, 2026.

The Company modified the expiry time of certain outstanding warrants of the Company held by previous private placement investors as follows:

- a. 3,258,264 warrants exercisable at a price of CDN\$0.125 until 5:00 pm on May 7, 2023 are now exercisable until 5:00 pm on May 7, 2025.

Corporate Activity Subsequent to the End of the Quarter

In August, 2023, the Company closed a private placement in the amount of CDN\$55,000.00 for 611,111 units at the price of CDN\$0.09 per unit. Each unit consists of one common share and one common share purchase warrant exercisable for three years. Each warrant entitles the holder to purchase one common share at a price of CDN\$0.12.

In July, 2023, the Company modified the expiry date of 7,934,629 warrants from August 20, 2023 to August 20, 2025;

OVERALL PERFORMANCE

The Company's financial condition has changed over the six months ended June 30, 2023 with the working capital deficiency decreasing from (\$950,413) at December 31, 2022 to (\$839,745) at June 30, 2023. The Company's financial condition has changed over the three months ended June 30, 2023, with the working capital deficiency decreasing by \$7,644 from (\$847,389) at March 31, 2023 to (\$839,745) at June 30, 2023. The difference is mainly attributable to changes in the timing of financing activities.

SUBSEQUENT EVENTS

Refer to the Corporate Activities section above.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2023
(COMPARED WITH THREE MONTHS ENDED JUNE 30, 2022)

For the three months ended June 30, 2023 and June 30, 2022, the Company had no revenue. Exploration and claim maintenance expenses for the three months ended June 30, 2023 were \$124,015 compared to \$708 during the three months ended June 30, 2022. The larger expenditure in 2023 was due to exploration conducted by the Company on the Golden Trail Project and by the Company's partially owned subsidiary, Celerity Mineral Corporation ("Celerity"), on the Boulder Porphyry Project.

Expenses incurred during the three months ended June 30, 2023 (compared to expenses incurred during the three months ended June 30, 2022) consisted of:

- i. Office and administrative costs of \$117,779 (2022 - \$146,359);
- ii. Professional Fees of \$15,609 (2022 - \$10,529);
- iii. Foreign exchange gain of \$3,453 (2022 Loss - \$14,465);
- iv. Depreciation of \$2,270 (2022 - \$2,270);
- v. Stock-based compensation of \$59,743 (2022 - \$55,965)
- vi. Gain on revaluation of foreign currency warrants of \$203,088 (2022 Gain - \$128,246);
- vii. Gain on revaluation of derivative liability of \$27,426 (2022 Gain - \$16,448); and
- viii. Fair value of warrants extended of \$141,478 (2022 - \$4,830).

There were considerable changes in some line items between the three months ended June 30, 2023 and June 30, 2022. The changes from revaluation of foreign currency warrants and derivative liability and the fair value of warrants extended are book entries resulting from fluctuations in currency and stock price, and can swing considerably from quarter to quarter. There is no effect on the company's cash position. Expenses for stock-based compensation relate to the grant of stock options and have no effect on the company's cash position.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2023
(COMPARED WITH SIX MONTHS ENDED JUNE 30, 2022)

For the six months ended June 30, 2023 and June 30, 2022, the Company had no revenue. Exploration and claim maintenance expenses for the six months ended June 30, 2023 were \$220,787 compared to \$29,640 during the six months ended June 30, 2022. The larger expenditure in 2022 was due to exploration conducted by the Company on the Golden Trail Project and by Celerity on the Boulder Porphyry Project.

Expenses incurred during the six months ended June 30, 2023 (compared to expenses incurred during the six months ended June 30, 2022) consisted of:

- i. Office and administrative costs of \$227,923 (2022 - \$274,632);
- ii. Professional Fees of \$25,947 (2022 - \$23,423);
- iii. Foreign exchange Loss of \$18,396 (2022 Gain - \$7,741);
- iv. Depreciation of \$4,540 (2022 - \$4,540);
- v. Stock-based compensation of \$59,743 (2022 - \$55,965);
- vi. Gain on revaluation of foreign currency warrants of \$391,783 (2022 - Gain of \$168,129);
- Gain on revaluation of derivative liability of \$17,833 (2022 - Gain of \$13,776); and
- vii. Fair value of warrants extended of \$141,478 (2022 - \$20,863).

There were considerable changes in some line items between the six months ended June 30, 2023 and June 30, 2022. The changes from revaluation of foreign currency warrants and derivative liability and the fair value of warrants extended are book entries resulting from fluctuations in currency and stock price, and can swing considerably from quarter to quarter. There is no effect on the company's cash position. Expenses for stock-based compensation relate to the grant of stock options and have no effect on the company's cash position.

Total assets as at June 30, 2023 were \$230,094 (Dec. 31, 2022 - \$114,391) and consisted of cash \$146,337 (Dec. 31, 2022 - \$13,027), HST receivable of \$5,310 (Dec. 31, 2022 - \$Nil) prepaid expenses of \$6,506 (Dec. 31, 2022 - \$24,883), equipment \$27,240 (Dec. 31, 2022 - \$31,780) and reclamation bonds of \$44,701 (Dec. 31, 2022 - \$44,701).

Total current liabilities as at June 30, 2023 were \$997,898 (Dec. 31, 2022 - \$988,323) consisting primarily of trade payables and amounts due to directors and officers. Included in this amount is \$717,874 (December 31, 2022 - \$557,144) owing to directors of the Company for management and directors fees.

The Company's long-term financial liabilities are:

- i. Derivative liability for convertible debenture of \$120,319 (June 30, 2022 - \$55,078; Dec. 31, 2022 - \$138,152); and
- ii. Warrants denominated in a foreign currency of \$1,563,389 (June 30, 2022 - \$567,733; Dec. 31, 2022 - \$1,721,427); and
- iii. Deposit for shares to be issued \$118,956 (Dec. 31, 2022 – Nil).

The liabilities for foreign currency warrants and derivative liability are book entries and can change considerably from quarter to quarter. There is no effect on the Company's cash position.

The Company has no sales and has never earned revenues with the exception of non-material interest revenue. Raising capital through sales of its common shares funds the Company's exploration operations.

Summary of Quarterly Results

Description	June 30/23	Mar 31/23	Dec 31/22	Sept 30/22	June 30/22	Mar 31/22	Dec 31/21	Sept 30/21
	\$	\$	\$	\$	\$	\$	\$	\$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income/Loss	(226,927)	(62,271)	(1,723,426)	(194,221)	(60,086)	(159,330)	(154,312)	344,589
Net Income/Loss Per share – Basic & Diluted	(0.002)	(0.001)	(0.014)	(0.002)	(0.001)	(0.001)	(.001)	0.003

LIQUIDITY

As at June 30, 2023, the Company had cash in the amount of \$146,337 (June 30, 2022 - \$11,317) and current liabilities of \$997,898 (June 30, 2022 - \$691,108). As at June 30, 2023, the Company had a working capital deficiency of \$839,745 (June 30, 2022 – deficiency \$644,494). Included in this amount is \$717,874 owing to directors of the Company for management and director fees. As a result, the Company has liquidity risk and is dependent on raising capital. Director fees that remain unpaid after two years are written-off at the end of each fiscal year of the Company, starting with the fiscal year ending December 31, 2013. All base fees that remain unpaid to management after two years will be written-off at the end of each fiscal year of the Company, starting with the fiscal year ending December 31, 2020.

CAPITAL RESOURCES

For its long-term business objectives, the Company will require funds for ongoing exploration work on its current mineral projects, to work on any other mineral projects that it acquires, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other

commitments for material capital expenditures over either the near or long term, and none are presently contemplated other than as disclosed above and/or over normal operating requirements.

The Company is not in default of its obligations on any of its mineral properties at this time.

OFF BALANCE SHEET ARRANGEMENTS

At August 29, 2023, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Officers, Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Management and director fees in the amount of \$167,182 were incurred in the period ended June 30, 2023. This amount was included in office and administrative costs in the consolidated statements of loss and comprehensive loss, however the amounts were accrued since the directors did not wish to divert the limited available funds from the advancement of the mineral projects. The fair value of stock options granted to management and directors is \$59,743.

PROPOSED TRANSACTIONS

There are no transactions proposed at this time other than as disclosed herein.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Accounting Policies

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Committee.

The significant accounting policies of the Company are summarized in Note 2 to the Company's audited financial statements for the year ended December 31, 2022.

Critical Accounting Estimates

The Critical Accounting Estimates of the Company are discussed in Note 2 to the Company's audited financial statements for the year ended December 31, 2022.

Financial Instruments

The Financial Instruments of the Company are discussed in Note 2 to the Company's audited financial statements for the year ended December 31, 2022.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's: (a) capitalized or expensed exploration and development costs; (b) expensed research and development costs; (c) deferred development costs; (d) general and administrative expenses; and (e) any material costs, whether expensed or recognized as assets, not already referred to in this MD&A is provided in the Company's Condensed Interim Consolidated Financial Statements and its Audited Consolidated Financial Statements for the year ended December 31, 2022, which can be accessed on SEDAR under the Company's profile page at www.sedar.com.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's authorized share capital consists of unlimited common shares without par value.

Issued and outstanding: June 30, 2023 – 122,488,347;

Issued and outstanding: August 29, 2023 (date of this report) – 123,099,458

Warrants outstanding: June 30, 2023 – 46,717,670

Warrants outstanding: August 29, 2023 – 46,168,781

The warrants expire between October 2023 and July 2028 and have a weighted average exercise price of CDN \$0.1219 per share.

Broker Warrants outstanding: June 30, 2023 – 373,440

Broker Warrants outstanding: August 29, 2023 – 373,440

The warrants expire between October 2023 and May 2024.

Options outstanding: June 30, 2023 – 9,550,000

Options outstanding: August 29, 2023 – 9,550,000

The options expire between December 2023 and June 2028 and have a weighted average exercise price of CDN \$0.0977 per share.

Dividend Policy

No dividends have been paid on any shares of the Company since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Controls and Procedures

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures, for the nature and size of the entity, are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that these controls and procedures are effective, for the nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

Litigation

The Company is not a party to any litigation.

Risks Associated with Exploration and Mining Operations

The exploration of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Company's mineral properties. Even if such commercial quantities are subsequently discovered by the Company's exploration efforts, there can be no assurance such properties can be brought into commercial production. Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Company. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Company does not have control may be encountered and may adversely affect the Company's operations and financial results.

Environmental Risks

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that current requirements and future changes to environmental legislation may not adversely affect the Company's operations.

Mineral Market

The market for minerals is subject to factors beyond the Company's control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

Funding Requirements

In order to move forward with its exploration activities, the Company will require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Reliance on Management

The Company anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Company could materially adversely affect the Company.

Auditors, Transfer Agent and Registrar

The auditors of the Company are RSM Canada LLP, of Toronto, Ontario. The Transfer Agent and Registrar for the Common Shares of the Company is TSX Trust Company in Toronto, Ontario.

Forward Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" "suggest" and similar expressions used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's internal projections, expectations, future growth, performance and business prospects and opportunities

and are based on information currently available to the Company. Since they relate to the Company's current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by law or by CSE policies.