



**MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS**

For the three months ended March 31, 2025

(Expressed in Canadian dollars)

SUN PEAK METALS CORP.
For the three months ended March 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis – quarterly highlights ("MD&A") of the results of operations and financial condition of Sun Peak Metals Corp. (the "Company" or "Sun Peak") for the three months ended March 31, 2025 and up to the date of this MD&A, and has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management's discussion and analysis for the fiscal year ended December 31, 2024 (the "Annual MD&A").

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended December 31, 2024, together with the notes thereto, and the accompanying unaudited condensed interim consolidated financial statements and related notes thereto for the three months ended March 31, 2025 (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS Accounting Standards and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is May 22, 2025.

Description of the Business

Sun Peak is a publicly traded company incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 2, 2016. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol PEAK and on the OTCQB Venture Market in the United States under the symbol SUNPF. The Company's head office and registered and records office address is Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6.

The Company's principal business is the acquisition, exploration, and development of resource properties for the mining of precious or base metals in Ethiopia.

Sun Peak has been actively investigating other potential opportunities. The Company will provide further details when available.

Force Majeure Ends

In November 2020, armed conflicts broke out in the Tigray Region of northern Ethiopia and a state of emergency was declared in the Tigray Region by the Federal Democratic Republic of Ethiopia government. The Company immediately suspended all work programs and invoked force majeure by notification to Ethiopia's Ministry of Mines and Petroleum.

In November 2022, a peace agreement named "Agreement for Lasting Peace through a Permanent Cessation of Hostilities" was announced between the conflicting parties.

While the conflict in Tigray (which began in November 2020), came to an end in November 2022, the long-term economic, socio-political and security impacts on the region may persist. There can be no assurance that political conditions will remain stable in Ethiopia in the future or that the Company's exploration and development activities at Shire and the financial condition and results of the Company as a whole will not be adversely impacted. Any future political and/or economic instability in the country may trigger civil unrest that may result in the suspension of the Company's activities at its properties.

In early 2024, the Company received notification letters from the Ministry of Mines declaring that force majeure has ended for its Terer, Meli, and Nefasit exploration licenses. Sun Peak has since commenced work on these three licenses including drilling to test multiple copper-gold VMS targets developed by the Company.

SUN PEAK METALS CORP.
For the three months ended March 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Shire Project

Sun Peak is exploring the district-scale Shire VMS Project in the Tigray Region of northern Ethiopia. The Shire Project is comprised of six exploration licenses and covers approximately 1,450 square kilometers in the prospective Arabian Nubian Shield. The licenses are in the same geological environment as both the Bisha Mine and the Asmara Projects to the north in Eritrea. The Sun Peak team have worked in East Africa for more than two decades and the Company's strategy is to apply exploration techniques that have worked successfully in the region before, to build assets through major copper-gold VMS discoveries.

As announced February 27, 2025, Ground Time-Domain Electro-Magnetic ("TDEM") surveys were conducted on both the Meli Trend and Anguda North Target. This work will be used to prioritize the next drill locations. The complete TDEM results are pending.

Field exploration crews have been active at the Shire Project, conducting detailed geological mapping, rock sampling, and grid-based soil sampling on numerous VMS trends, priority and pipeline target areas. The newly identified gossans show significant gold and silver in grab samples at surface. The primary massive sulphide zone below the gossan targets will also be investigated for copper and zinc potential, as seen in other VMS deposits in the region.

Qualified Person

The technical content of this MD&A has been reviewed and approved by David K. Daoud, B.Sc. P.Geo., a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Trends

The Company is an exploration company, and as such issues of seasonality or market fluctuations can have an impact on the expenditure patterns. The conflict in Ethiopia had a major impact on the Company's operations, as noted above. The Company expenses its exploration, project investigation and general and administration costs, and these amounts are included in the net income (loss) for each quarter and year. The Company's treasury, in part, determines the levels of exploration.

Community Engagement and Human Rights

Sun Peak has been active on engagement with communities and other stakeholders to ensure that stakeholders provide consent and agreement to our activities that create surface disturbance, including drill holes. All disturbance to the land will be reclaimed after completion of the exploration work. The Company's current operations in Ethiopia are exploratory in nature and cause very little surface disturbance. Community engagement is performed by our experienced local liaison team before the beginning of any activities, which encourages positive interactions. We consider Sun Peak's presence and continued support and involvement in the Tigray region a positive contribution and we consider our conduct to be consistent with Multinational Enterprises Guidelines. Sun Peak is committed to doing business with integrity and in an ethical manner that is clear and apparent to all internal and external stakeholders. Sun Peak adheres to the Company's Human Rights Policy and does not tolerate violations of human rights in any way, shape, or form, whether these violations are committed by Sun Peak personnel or contracted third parties.

SUN PEAK METALS CORP.
For the three months ended March 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Condition and Results of Operations – three months ended March 31, 2025

The consolidated net loss for the three months ended March 31, 2025 was \$466,119 compared to \$923,328 for the three months ended March 31, 2024.

The significant changes between the current period and the comparative period are discussed below.

Exploration and evaluation expenditures for the three months ended March 31, 2025 totalled \$89,387 (2024 – \$76,065) and relate primarily to general and administration costs of the Company's Ethiopian subsidiary. As noted above, the Company had declared force majeure and ceased exploration work on its exploration licenses. The Company started drilling during 2024, however only on the Terer project which is under an earn-in agreement and therefore not part of the Company's exploration and evaluation expenditures but rather recorded as deferred acquisition costs on the statement of financial position.

Project investigation costs for the three months ended March 31, 2025 totalled \$17,913 compared to \$Nil in the comparative period and relates to the identification of new exploration properties investigated by management of the Company.

Salaries and benefits for the three months ended March 31, 2025 totalled \$185,700 (2024 - \$162,325) and primarily relates to salaries paid to the Chief Executive Officer, the VP Exploration & Geology, and the VP Project Development. The Chief Executive Officer and the VP Exploration & Geology have been seconded to other companies to varying degrees so that the portion of the salary paid by those other companies reduces each executive's salary from Sun Peak.

Non-cash share-based compensation for the three months ended March 31, 2025 totalled \$Nil (2024 - \$547,351) and relates to stock options that were granted and vested during the period.

Liquidity and Capital Resources

The Company began the fiscal period with \$2,265,655 cash. During the three months ended March 31, 2025, the Company spent \$510,838 on operating activities, net of working capital changes, and \$434,608 on investing activities, to end at March 31, 2025 with \$1,320,929 cash.

During the three months ended March 31, 2025, the Company spent \$429,187 on the Terer and Meli exploration licenses, towards its earn-in requirements to the JV Agreement as described in Note 9 to the Financial Report. This amount was recorded as deferred acquisition costs on the statement of financial position.

As at March 31, 2025, the Company had working capital of \$1,327,106. Management estimates that its working capital may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

Related Party Transactions

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

SUN PEAK METALS CORP.
For the three months ended March 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration and evaluation assets are described in Note 8 to the Financial Report.

Outstanding Share Data as at the date of this MD&A

Authorized: an unlimited number of common shares without par value

	Common Shares Issued and Outstanding	Share Purchase Warrants	Stock Options
Balance as at March 31, 2025	87,098,634	-	8,200,000
Balance as at the date of this MD&A	87,098,634	-	8,200,000

Disclaimer for Forward-Looking Information

Certain information and statements in this MD&A may be considered forward-looking information or forward-looking statements for purposes of applicable securities laws (collectively, "forward-looking statements"), which reflect the expectations of management regarding its disclosure and amendments thereto. Forward-looking statements consist of information or statements that are not purely historical, including any information or statements regarding beliefs, plans, expectations or intentions regarding the future. Such information or statements may include, but are not limited to, statements with respect to completing the obligations to earn a 67.5% interest in the JV Agreement, the goal of making a significant discovery and the development of a large-scale project in Ethiopia and identifying other potential properties and opportunities both in Ethiopia and globally. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits Sun Peak will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions, which may prove to be incorrect. These assumptions and risks include, but are not limited to, assumptions and risks associated with the state of the political stability of Ethiopia, equity financing markets and results of future exploration activities by the Company. These forward-looking statements are made as of the date of this MD&A and, except as required by applicable securities laws, Sun Peak assumes no obligation to update these forward-looking statements, or to update the reasons why actual results differed from those projected in the forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the "Risks and Uncertainties" section in the Prospectus filed with Canadian security regulators.

Other Information

Additional information relating to the Company is available for viewing on the Company's web site at www.sunpeakmetals.com.