



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

For the nine months ended September 30, 2025

(Expressed in Canadian dollars)

SUN PEAK METALS CORP.
For the nine months ended September 30, 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 nine months ended September 30, 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 nine months ended September 30, 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 November 24, 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.

Force Majeure

In March 2025, the Interim Regional Administration of Ethiopia enacted a suspension of all mining activities in Ethiopia to curb illegal mining activities. While the Company's operations are currently limited to exploration and not mining, the Company suspended all fieldwork accordingly. In June 2025, and then again in September 2025, the Company formally notified Ethiopia's Ministry of Mines of a force majeure declaration covering all six of its exploration licenses, with notification accepted in July and November 2025, respectively. In July 2025, the Company also invoked force majeure under the terms of its option and joint venture agreement with Ezana Mining Development plc ("Ezana"), with notification accepted by Ezana.

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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 kilometres 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.

On June 27, 2025, the Company announced that exploration activities, including the Time Domain Electromagnetic ("TDEM") survey, had been temporarily paused in line with the beginning of the rainy season and seasonal planning. The TDEM program, initiated in January 2025, progressed steadily despite political challenges in the region, demonstrating the team's adaptability and commitment to advancing exploration in a dynamic environment. The survey results will be used to refine drill targets for the next phase of exploration. In total, the TDEM survey completed 938 stations on 43 lines over 5 target areas. The data from the survey is being compiled with other geological, geophysical, and geochemical data to identify and prioritize drill targets. However, evolving regional conditions in Tigray influenced the pace of survey completion, and the Company remains attentive to opportunities for resuming full coverage as the situation stabilizes. The results from the compilation work and future planned TDEM surveys will determine the future drill targeting on the Shire Project.

SDC Acquisition and Financing

In October 2025, the Company entered into a definitive share exchange agreement with Saudi Discovery Company SPV Limited ("SDC") and all of its shareholders (the "SDC Shareholders") pursuant to which Sun Peak will acquire 100% of the issued and outstanding shares of SDC (the "Transaction").

SDC is a privately held mineral exploration company with a portfolio of exploration licenses in the Kingdom of Saudi Arabia.

Under the terms of the share exchange agreement, Sun Peak will issue an aggregate of 58,065,356 common shares to the SDC Shareholders in exchange for all issued and outstanding shares of SDC. Upon completion of the Transaction, Sun Peak shareholders and the former shareholders of SDC will hold approximately 60% and 40%, respectively, of the issued and outstanding Sun Peak common shares, exclusive of any securities to be issued in connection with the Offering (as described below).

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In connection with the Transaction, the Company intends to close a non-brokered private placement of up to 14,285,714 subscription receipts of a wholly owned subsidiary of the Company ("FinCo") at a price of \$0.35 per subscription receipt for aggregate gross proceeds of up to \$5,000,000 (the "Offering"). Each subscription receipt will be automatically exchanged upon the satisfaction of Escrow Release Conditions (as defined below), without any further action by the holder and for no additional consideration, for one unit of FinCo. Each unit shall consist of one common share of FinCo and one-half of one warrant of FinCo.

Following closing of the Offering, FinCo is expected to amalgamate with another wholly owned subsidiary of the Company, with FinCo surviving as a wholly owned subsidiary of Sun Peak. Upon completion of the Transaction, FinCo and the resulting issuer of the Transaction are expected to amalgamate under the name "Sun Peak Metals Corp.", and each FinCo share will be exchanged for one common share of Sun Peak and each FinCo warrant will be exchanged for one warrant of Sun Peak exercisable to acquire one Sun Peak Share at an exercise price of \$0.50 per share for a period of 36 months from the date of issuance. The Sun Peak warrants will be subject to an accelerated expiry provision such that, if the volume-weighted average price of the Sun Peak shares on the TSXV equals or exceeds \$1.00 for 20 consecutive trading days, then the Sun Peak warrants will expire 30 days following the date on which the Company either provides notice of acceleration to the holders of the Sun Peak warrants or issues a news release announcing the acceleration, in each case at the Company's election. The Company reserves the right to increase the private placement by 50% in the context of the market.

The gross proceeds of the Offering will be placed in escrow and held by the subscription receipt agent pending satisfaction of the escrow release conditions, which are expected to include, among other things: (i) completion, satisfaction or waiver of all conditions precedent to the Transaction in accordance with its terms; and (ii) receipt of all required shareholder and regulatory approvals, as applicable (the "Escrow Release Conditions"). Upon satisfaction of the Escrow Release Conditions, the escrowed funds will be released to FinCo and the subscription receipts will be automatically converted into FinCo units.

The Offering is subject to customary closing conditions. The Company may pay finder's fees in connection with the Offering, in accordance with applicable securities laws and the policies of the TSXV, if applicable.

The Transaction remains subject to customary closing conditions, including acceptance of the TSXV, regulatory and shareholder approvals, and is expected to close in December 2025.

Qualified Person

The technical content of this MD&A has been reviewed and approved by Arron Albano, 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, and the state of the political stability continues to have, 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.

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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 has in place a thorough due diligence process which takes into account a wide range of considerations, including human rights, that provides it with all relevant information necessary to make informed decisions when initiating work programs.

Financial Condition and Results of Operations – nine months ended September 30, 2025

The consolidated net loss for the nine months ended September 30, 2025 was \$1,294,005 compared to \$1,833,899 for the nine months ended September 30, 2024.

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

Exploration and evaluation expenditures for the nine months ended September 30, 2025 totalled \$193,982 (2024 – \$312,625) and relate primarily to general and administration costs of the Company's Ethiopian subsidiary that have been allocated to the Nefasit exploration license. As noted above, the Company has declared force majeure and ceased exploration work on its exploration licenses.

Project investigation costs for the nine months ended September 30, 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 nine months ended September 30, 2025 totalled \$600,196 (2024 - \$489,736) and primarily relates to salaries paid to the Chief Executive Officer, the VP Project Development, and the former VP Exploration & Geology. The Chief Executive Officer and the VP Exploration & Geology were 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 nine months ended September 30, 2025 totalled \$Nil (2024 - \$558,209) and relates to stock options that were granted and vested during the period.

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Liquidity and Capital Resources

The Company began the fiscal period with \$2,265,655 cash. During the nine months ended September 30, 2025, the Company spent \$1,331,833 on operating activities, net of working capital changes, and \$700,162 on investing activities, to end at September 30, 2025 with \$233,650 cash.

During the nine months ended September 30, 2025, the Company spent \$695,167 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 September 30, 2025, the Company had working capital of \$256,658.

On October 2025, the Company announced its intention to complete a non-brokered private placement for up to \$5,000,000 (as described above).

In November 2025, certain officers and directors of the Company loaned the Company a total of \$250,000 at an interest rate of 10%. The loans are unsecured and payable no later than December 31, 2025.

However, management estimates that these funds and 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.

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 September 30, 2025	87,098,634	-	4,100,000
Balance as at the date of this MD&A	87,098,634	-	4,100,000

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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.