



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2025

(Expressed in Canadian dollars)

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Sun Peak Metals Corp. (the "Company" or "Sun Peak") for the year ended December 31, 2025 and up to the date of this MD&A and should be read in conjunction with the accompanying audited consolidated financial statements for the year ended December 31, 2025, together with the notes thereto (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 April 28, 2026.

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 ("TSXV") 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 the Ethiopia and the Kingdom of Saudi Arabia ("KSA").

SDC Acquisition and Financing

On December 18, 2025, the Company completed the acquisition of all the issued and outstanding shares of Saudi Discovery Company SPV Limited ("SDC") by way of a share exchange (the "Acquisition").

SDC, through its Saudi Arabian subsidiary, holds a portfolio of exploration licenses in the KSA. At a meeting of the Sun Peak shareholders on December 1, 2025, the Company obtained shareholder approval for the Acquisition, excluding the votes of certain non-arm's length parties involved in the Acquisition.

In consideration, the Company issued 58,065,356 common shares to the shareholders of SDC valued at \$20,903,528 in exchange for all the issued and outstanding shares of SDC. Upon completion of the Acquisition, Sun Peak shareholders and the former shareholders of SDC held approximately 60% and 40%, respectively, of the issued and outstanding common shares of the Company.

Certain former shareholders of SDC are directors and officers of the Company.

Along with the Acquisition, the Company completed private placements for gross proceeds of \$6,668,623 as follows:

- On November 27, 2025, a wholly owned subsidiary of the Company ("FinCo") completed a non-brokered private placement through the issuance of 16,032,470 FinCo subscription receipts at a price of \$0.35 per FinCo subscription receipt for gross proceeds of \$5,611,365. Each FinCo subscription receipt was exchangeable into one unit of the Company. On closing of the Acquisition on December 18, 2025, each FinCo subscription receipt was exchanged for one unit of the Company. Each unit consists of one common share and one-half of one warrant with each whole warrant exercisable to acquire one common share at a price of \$0.50 per share until December 18, 2028.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company paid cash finder's fees of \$111,216 and issued 299,760 FinCo broker warrants exercisable to acquire one FinCo common share at a price of \$0.50 per FinCo share until November 27, 2028. On closing of the Acquisition on December 18, 2025, each FinCo broker warrant was exchanged for one warrant of the Company. Each warrant is exercisable to acquire one common share of the Company at a price of \$0.50 per share until December 18, 2028.

- On November 27, 2025, the Company completed a non-brokered private placement through the issuance of 3,020,736 subscription receipts at a price of \$0.35 per subscription receipt for gross proceeds of \$1,057,258. Each subscription receipt was exchangeable into one unit of the Company. On closing of the Acquisition on December 18, 2025, each subscription receipt was exchanged for one unit of the Company. Each unit consists of one common share and one-half of one warrant with each whole warrant exercisable to acquire one common share at a price of \$0.50 per share until December 18, 2028.

The Company paid cash finder's fees of \$19,906 and issued 56,873 broker warrants. Each broker warrant is exercisable to acquire one common share at a price of \$0.50 per share until November 27, 2028. The Company also incurred other share issuance costs of \$33,834.

KSA Exploration Projects

The KSA exploration projects are comprised of six (6) exploration licenses totalling approximately 438 km² within highly prospective volcanic massive sulfide (VMS) trends of the Arabian-Nubian Shield in Saudi Arabia.

In addition, and as announced on March 31, 2026, the Company acquired seven exploration licenses totalling 632 km² through the KSA's Round 9 licensing auction. The licenses awarded bring the Company's holdings to 1,070 km² across 13 exploration licenses in Saudi Arabia.

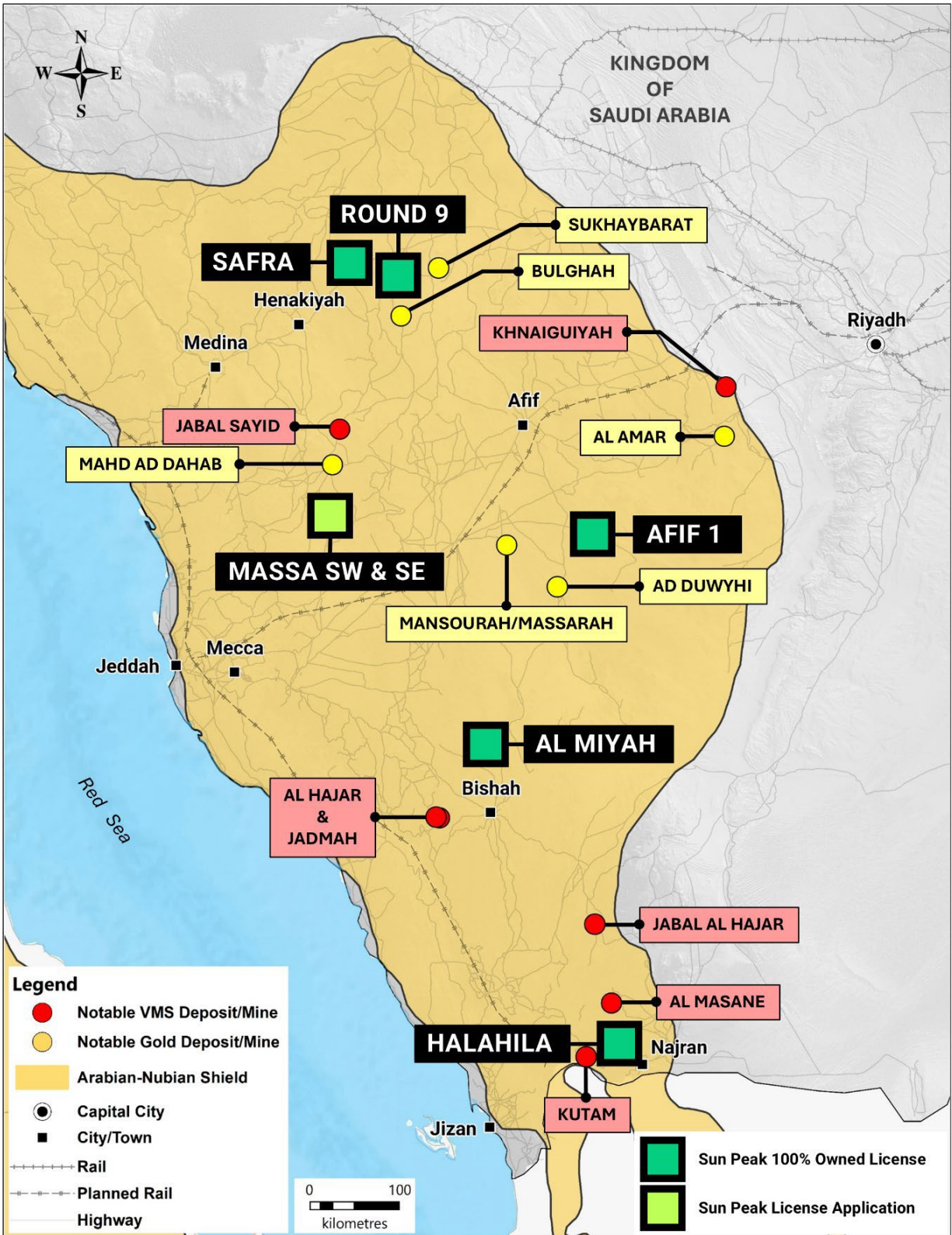
Field exploration programs on the Safra, Al Miyah, and Halahila Projects are underway. Current work, designed to advance the most prospective VMS trends and determine drill targets for the Company's initial drill program, includes:

- Detailed geological mapping and geochemical sampling;
- Ground time-domain electromagnetic ("TDEM") surveys;
- Drone-borne magnetics, induced polarization ("IP"), and airborne electromagnetic, magnetic, and radiometric surveys.

Safra Project (93 km²)

The Safra Project is located within the Nuqrah VMS Belt at the western margin of the Afif Terrane, a region hosting numerous ancient workings and active gold mines. Two documented VMS occurrences, Safra Main and Safra East, are situated approximately 1.5 km apart. Modern exploration completed by SDC, including gravity surveys, trenching, and surface sampling, has outlined multiple sub-parallel VMS zones with strong geophysical and geochemical signatures.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS



SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Al Miyah Project (234 km²)

The Al Miyah Project lies within the Muhadad VMS Belt of the Asir Terrane, a prolific VMS and gold district that hosts the Al Hajar and Al Masane mines. SDC completed detailed gravity surveys and surface sampling that confirmed strong mineralization associated with VMS gossans and historical workings at both the Hishashat and Al Miyah Main prospects.

On April 23, 2026, the Company announced initial surface sample results from a rock-chip and grab sampling program at the Al Miyah project.

Highlights

- A total of 175 rock-chip and grab samples sourced from artisanal workings were collected from three target areas: Hishashat VMS Target, Al Miyah Main VMS Target and the newly identified Hilux Zone Gold Target. The Hilux Zone comprises an approximately 6 kilometer north-south trend marked by artisanal mining, including hand-dug shafts and pits, excavations, and placer workings.
- Rock-chip sampling and material sourced from artisanal workings at Hilux returned up to 6.14 and 6.73 g/t gold, respectively.
- Property-wide sampling outside of known areas returned encouraging precious and base metal values.
- Further work at the Al Miyah Property will comprise additional systematic geological mapping, trenching, rock and soil sampling, ground TDEM, and detailed ground gravity surveys.

Halahila Project (35 km²)

The Halahila Project is located in the Kutam–Al Masane VMS Belt of the southern Asir Terrane, approximately 45 km south of the Al Masane VMS mine. Historical drilling and recent gravity surveys confirm a well-developed VMS system with extensive gossan development and alteration over an approximate 10 km strike length.

On January 22, 2026, the Company announced initial results from a systematic geological mapping, rock-chip, and grab sampling program at the Halahila.

Halahila Project Highlights:

- Systematic geological mapping and rock chip sampling from the main VMS gossan outline a mineralized zone exceeding 650 meters of strike length, with widths of up to 30 meters, hosting encouraging gold and silver values.
- 25% of samples (24 of 98) returned >1 g/t gold, with values up to 16.35 g/t gold.
- 29% of samples (28 of 98) returned >10 g/t silver, with values up to 180 g/t silver.

Afif Project (76 km²)

The Afif Project was identified in December 2023, where a massive zone of gossan sub-outcrop was observed at surface, extending approximately 2 km along strike and up to 250 m in width. The license was awarded in 2024. Since then, initial gravity work was carried out, and trench samples were collected to further evaluate the area.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Round 9 Exploration Licenses (632 km²)

The Round 9 exploration licenses were awarded to Sun Peak as the winning bidder of the Saudi Arabian Ministry of Industry and Mineral Resources' Round 9 Licensing Auction and finalized on March 26, 2026, and are located within prospective trends near the Bulghah and Sukhaybarat gold mines and the Nuqrah VMS deposit, all owned by the Saudi Arabian Mining Company (Ma'aden). The license areas host numerous historical mineral showings, VMS gossans, and strong hydrothermal alteration zones along VMS trends. Initial exploration on the new licenses has begun and will include detailed geological mapping, rock and soil geochemical sampling, trenching, and ground/airborne geophysical surveys.

Massa SW and Massa SE Applications

The license applications for Massa SW and Massa SE have been accepted by the Saudi Arabian Ministry of Industry and Mineral Resources and are awaiting grant. These licenses cover approximately 200 km².

The Shire Project, Ethiopia

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 TDEM surveys were conducted on both the Meli Trend and Anguda North Target. This work will be used to prioritize the next drill locations.

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 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.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT’S DISCUSSION AND ANALYSIS

Force Majeure

On August 26, 2025, the Company announced that Sun Peak had formally notified Ethiopia’s Ministry of Mines of a force majeure declaration on the Shire Project. The declaration, effective retroactively from March 2025, follows the Interim Regional Administration of Tigray’s suspension of mining activities across the region. Sun Peak also invoked force majeure under the terms of its Joint Venture agreement with Ezana Mining Development plc (“Ezana”), with notification accepted by Ezana.

The Interim Regional Administration enacted the suspension to curb illegal mining activities. While Sun Peak’s operations are currently limited to exploration and not mining, the Company supports these measures and has suspended all fieldwork accordingly. Social engagement programs remain active, and communications with local communities continue uninterrupted.

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.

Community Engagement and Human Rights in Ethiopia

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 operations in Ethiopia and the KSA are exploratory in nature and cause very little surface disturbance. Community engagement is performed by our experienced local liaison teams before the beginning of any activities, which encourages positive interactions. We consider Sun Peak’s presence and continued support and involvement in Ethiopia and the KSA 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.

Selected Annual Information

	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Statement of Loss:			
Net revenues	\$Nil	\$Nil	\$Nil
Net loss	\$(2,088,227)	\$(2,409,885)	\$(1,688,482)
Basic and diluted loss per share	\$(0.02)	\$(0.03)	\$(0.02)
Financial Position:			
Total assets	\$34,487,105	\$8,631,301	\$10,425,207
Total liabilities	\$655,595	\$118,759	\$62,178

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Condition and Results of Operations – year ended December 3, 2025

The consolidated net loss for the year ended December 31, 2025 was \$2,088,227 compared to \$2,409,885 for the year ended December 31, 2024.

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

Exploration and evaluation expenditures for the year ended December 31, 2025 totalled \$493,701 (2024 – \$469,590) 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.

Salaries and benefits for the year ended December 31, 2025 totalled \$981,606 (2024 - \$800,579) 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 previously 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 year ended December 31, 2025 totalled \$Nil (2024 - \$559,398) and relates to stock options that were granted and vested during the year.

Summary of Quarterly Results

	3 Months Ended December 31, 2025	3 Months Ended September 30, 2025	3 Months Ended June 30, 2025	3 Months Ended March 31, 2025
Total revenues	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (794,222)	\$ (417,183)	\$ (410,703)	\$ (466,119)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ -	\$ (0.01)

	3 Months Ended December 31, 2024	3 Months Ended September 30, 2024	3 Months Ended June 30, 2024	3 Months Ended March 31, 2024
Total revenues	\$ -	\$ -	\$ -	\$ -
Net loss	\$ (575,986)	\$ (410,290)	\$ (500,281)	\$ (923,328)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fourth Quarter

The Company began the fourth quarter with \$233,660 in cash. During the three months ended December 31, 2025, the Company expended \$519,530 on operating activities, net of working capital changes, received \$234,960 from investing activities, and received \$6,503,667 from investing activities, to end the quarter and the year with \$6,452,757 in cash.

Liquidity and Capital Resources

The Company began the fiscal period with \$2,265,655 cash. During the year ended December 31, 2025, the Company spent \$1,851,363 on operating activities, net of working capital changes, \$465,202 on investing activities, and received \$6,503,667 from investing activities, to end at December 31, 2025 with \$6,452,757 cash.

As described above, the Company completed the acquisition of all the issued and outstanding shares of SDC and completed private placements for gross proceeds of \$6,668,623.

As at December 31, 2025, the Company had working capital of \$6,094,424. 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.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Related Party Transactions

Compensation of key management personnel

Key management includes members of the Board of Directors, the President and Chief Executive Officer, the Vice President Project Development, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel during the year ended December 31, 2025 and 2024 was as follows:

	Year ended December 31,	
	2025	2024
Salaries and benefits / Consulting fees		
Chief Executive Officer	\$ 203,125	\$ 142,708
Vice President Project Development	250,000	245,833
Former Vice President Exploration & Geology	311,087	131,250
Golden Oak (1)	150,000	147,500
	914,212	667,291
Deferred acquisition costs		
VRIFY (2)	-	40,000
Exploration and evaluation expenditures		
VRIFY (2)	-	40,000
Marketing and promotion		
Peak (3)	36,000	72,000
Share-based compensation	-	464,585
Interest expense		
Chairman	1,120	-
Chief Executive Officer	840	-
Golden Oak (1)	963	-
	2,923	-
	\$ 953,135	\$ 1,283,876

- (1) Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company owned by the Chief Financial Officer and Corporate Secretary of the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.
- (2) VRIFY Technology Inc. ("VRIFY") is a company of which a former director of the Company is a principal.
- (3) Peak Investor Marketing Corp. ("Peak") is a company of which the spouse of the Chief Executive Officer is a principal.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Amounts due to related parties

		December 31, 2025	December 31, 2024
Chief Executive Officer	Expenses	\$ -	\$ 8,112
Vice President Project Development	Expenses	-	5,384
Corporate Secretary	Expenses	-	309
Golden Oak	Expenses	3,003	887
Director	Expenses	11,246	-
Former Vice President Exploration & Geology	Fees	156,250	-
		\$ 170,499	\$ 14,692

In November and December 2025, certain officers and directors of the Company loaned the Company a total of \$300,000 at an interest rate of 10%. The loans were unsecured and payable no later than December 31, 2025. The loans were repaid in full with interest of \$2,923 in December 2025.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration and evaluation assets are described in Note 9 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 December 31, 2025	164,217,196	9,883,236	4,100,000
Options granted	-	-	6,575,000
Balance as at the date of this MD&A	164,217,196	9,883,236	10,675,000

Use of accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

The carrying value and the recoverability of exploration and evaluation assets and deferred acquisition costs - Management has determined that exploration and evaluation, and deferred acquisition costs which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Going concern assumption - In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations for a period of one year. Changes in estimated cash use may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Determining if an acquisition is a business combination or an asset acquisition

As required by IFRS 3 Business Combinations ("IFRS 3"), the Company is required to determine whether the acquisition of SDC (as described above) should be accounted for as a business combination or an asset acquisition. Management has determined that SDC did not include all the necessary components of a business. Accordingly, the acquisition of SDC has been recorded as an acquisition of SDC's net assets, consisting of SDC's exploration and evaluation assets and working capital.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" management determined that the functional currency of the parent Company as well as the Company's subsidiaries is the Canadian dollar.

Capitalization of deferred acquisition costs - The Company has entered into an agreement to acquire a company holding mineral projects. The expenditures incurred on the mineral projects are being accounted for as advances toward the purchase of a company interest in accordance with IFRS 10 and capitalized to the consolidated statement of financial position. Upon attaining control of the company, the Company will consolidate it as a subsidiary. On a quarterly basis, the Company assesses the deferred acquisition costs to determine if any impairment indicators are present.

Equity investment - The Company has a 25% interest in the shares of Kandaka Mining Corp. ("Kandaka") and a director of the Company is the sole director of Kandaka. The Company has determined that it has significant influence in Kandaka, therefore the Company accounts for this investment using equity accounting.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2025 and have not been applied in preparing these consolidated financial statements.

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

Financial Instruments and Risk Management

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVTOCI"); or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		December 31, 2025	December 31, 2024
Cash	Amortized cost	\$ 6,452,757	\$ 2,265,655
Receivables	Amortized cost	158,214	30,100
Deposits	Amortized cost	550,530	-
Trade and other payables	Amortized cost	655,595	118,759

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of cash, receivables, deposits and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, guaranteed investment certificates and in government treasury bills which are available on demand by the Company for its programs.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next sixty days. The Company is exposed to liquidity risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity, political risk, and equity prices. These fluctuations may be significant.

- (a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.
- (b) Foreign Exchange Risk: The Company expects to continue to raise equity predominately in Canadian dollars and keeps the majority of its treasury in Canadian dollars. The Company is conducting business in Ethiopia and the KSA. As such, it is subject to risk due to fluctuations in the exchange rate between the Canadian dollar, the US dollar, the Ethiopian Birr, and the Saudi Riyal. Management believes the foreign exchange risk related to currency conversions is minimal and therefore, does not hedge its foreign exchange risk. The effect of a ten percent change in the foreign exchange rate on the cash held in US dollars, Ethiopian Birr, and the Saudi Riyal at December 31, 2025 would be nominal.
- (c) Commodity Price Risk: While the value of the Company's exploration and evaluation assets will be related to the price of gold, copper, zinc and other metals, and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities.

Historically, the price of gold, copper, zinc and other metals has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold, copper, zinc and other metals.

SUN PEAK METALS CORP.
For the year ended December 31, 2025
MANAGEMENT'S DISCUSSION AND ANALYSIS

- (d) Political Uncertainty Risk: In conducting operations in Ethiopia and the KSA, the Company is subject to considerations and risks not typically associated with companies operating in Canada. These include risks such as the political, economic, and legal environments as well as the risk of military conflict. Among other things, the Company's results may be adversely affected by changes in the political and social conditions, including unrest in Ethiopia, the conflict in the middle east, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation.

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 in this MD&A may include, but are not limited to, the anticipated benefits of the potential for exploration potential in Saudi Arabia; the untapped mineral wealth of Saudi Arabia; Sun Peak being successful in acquiring additional licenses; the goal of making a significant discovery and the development of a large-scale project in Saudi Arabia or Ethiopia, and identifying other potential properties and opportunities both in Ethiopia, Saudi Arabia 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 and the Middle Eastern region, 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 Factors" section in the Company's Prospectus dated August 10, 2020 and the "Risks Associated with the SDC Acquisition" section in the Company's Information Circular dated November 3, 2025, both filed on SEDAR+.

Other Information

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