



**CASTLE PEAK MINING LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)**

**For the nine months ended
September 30, 2021**

NOTICE TO READER

Under National Instrument 51-102, part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with the standards published by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

CASTLE PEAK MINING LTD.
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September 30, 2021
(Expressed in Canadian Dollars)

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CASTLE PEAK MINING LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(unaudited)

AS AT

	September 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	\$ 420,087	\$ 101,577
Receivables	2,987	582
Prepaid expenses	7,665	10,920
	430,739	113,079
Non-current assets		
Equipment (Note 4)	-	159
Exploration and evaluation assets (Note 5)	3,625,053	3,224,272
	\$ 4,055,792	\$ 3,337,510
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 4,329	\$ 16,031
Loans due to related parties (Note 6)	870,959	-
	875,288	16,031
Equity		
Capital stock (Note 8)	17,603,516	17,603,516
Other equity reserve (Note 8)	4,001,075	4,001,075
Deficit	(18,424,087)	(18,283,112)
	3,180,504	3,321,479
	\$ 4,055,792	\$ 3,337,510

Nature of operations (Note 1)**Basis of presentation and going concern (Note 2)****Subsequent events (Note 13)****Approved on November 17, 2021 on behalf of the Board of Directors:***"Allan Green"*

Allan Green, Chairman of the Board of Directors

"Iyad Jarbou"

Iyad Jarbou, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CASTLE PEAK MINING LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS
(Expressed in Canadian Dollars)
(unaudited)

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
EXPENSES				
Depreciation (Note 4)	\$ -	\$ 396	\$ 159	\$ 1,188
Investor relations	259	279	1,897	741
Office and administrative	3,911	4,209	13,920	13,779
Professional fees	13,178	-	35,922	19,696
Consulting fees	-	16,792	-	36,831
Salaries and benefits	15,608	15,740	56,801	58,069
Transfer agent, filing and regulatory	1,884	404	10,931	8,202
Interest expense (Note 6)	20,959	-	20,959	-
	(55,799)	(37,820)	(140,589)	(138,506)
Foreign exchange gain (loss)	309	(12,444)	(386)	31,363
Net loss for the period	(55,490)	(50,264)	(140,975)	(107,143)
Basic and diluted loss per common share	\$ (0.000)	\$ (0.000)	\$ (0.000)	\$ (0.000)
Weighted average number of common shares outstanding – basic and diluted	132,763,360	132,763,360	132,763,360	132,763,360

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CASTLE PEAK MINING LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

(unaudited)

	Capital Stock		Other Equity Reserve (Note 7)	Non-controlling Interest	Accumulated Other Comprehensive Income	Deficit	Total Equity
	Number of Shares	Amount					
Balance, December 31, 2019	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ -	\$ -	\$ (18,095,066)	\$ 3,509,525
Net loss for the period	-	-	-	-	-	(107,143)	(107,143)
Balance, September 30, 2020	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ -	\$ -	\$ (18,202,209)	\$ 3,402,382
Balance, December 31, 2020	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ -	\$ -	\$ (18,283,112)	\$ 3,321,479
Net loss for the period	-	-	-	-	-	(140,975)	(140,975)
Balance, September 30, 2021	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ -	\$ -	\$ (18,424,087)	\$ 3,180,504

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CASTLE PEAK MINING LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(unaudited)

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (140,975)	\$ (107,143)
Items not involving cash:		
Depreciation (Note 4)	159	1,188
Foreign exchange loss (gain)	386	(31,363)
Interest expense accrual (Note 6)	20,959	-
Changes in non-cash items:		
Receivables	(2,405)	(1,570)
Prepaid expenses	3,255	8,565
Accounts payable and accrued liabilities	(3,003)	232
Net cash used in operating activities	<u>(121,624)</u>	<u>(130,091)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of exploration and evaluation assets	(409,480)	(165,922)
Purchase of equipment	-	(484)
Net cash used in investing activities	<u>(409,480)</u>	<u>(166,406)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from related parties received	850,000	-
Net cash provided by financing activities	<u>850,000</u>	<u>-</u>
Effect of exchange rate on cash and cash equivalents	<u>(386)</u>	<u>31,363</u>
Increase (Decrease) in cash and cash equivalents during the period	318,510	(265,134)
Cash and cash equivalents, beginning of the period	<u>101,577</u>	<u>899,945</u>
Cash and cash equivalents, end of the period	<u>\$ 420,087</u>	<u>\$ 634,811</u>

Supplemental disclosures with respect to cash flows (Note 9)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2021

(unaudited)

1. NATURE OF OPERATIONS

Castle Peak Mining Ltd. (the "Company" or "Castle Peak") is in the business of exploration and evaluation of mineral properties in Ghana, Africa. Castle Peak was incorporated under the laws of British Columbia on June 3, 2009. The Company is listed on the TSX Venture Exchange ("TSXV") under the symbol "CAP".

The condensed interim consolidated financial statements include the accounts of Castle Sika Mining Ltd. ("Castle Sika"), a wholly owned Ghanaian subsidiary of the Company, incorporated in Ghana on August 19, 2021.

The address of the Company's corporate office and principal place of business is 29 - 1255 Riverside Drive, Port Coquitlam, British Columbia, Canada. The address of the Company's legal records is 301 - 543 Granville St, Vancouver.

2. BASIS OF PRESENTATION AND GOING CONCERN**Statement of compliance**

The accompanying condensed interim consolidated financial statements of the Corporation have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"), on a basis consistent with those significant accounting policies followed in the most recent annual financial statements except as noted below, and therefore should be read in conjunction with the December 31, 2020 audited financial statements and the notes thereto.

Basis of measurement

These condensed interim consolidated financial statements are presented in Canadian dollars except where otherwise noted.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Going concern of operations

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus has severely limited the mobility of people and businesses, which in turn impacted the Company's abilities to continue with any exploration program or raise the necessary funds. However, it is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

The Company's condensed interim consolidated financial statements are prepared using IFRS applicable to a going concern, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenue from operations and may require additional financing or outside participation to undertake further activities.

These conditions may cast significant doubt as to the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION AND GOING CONCERN (cont'd...)

Critical accounting estimates, judgements and assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts and disclosures of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from those estimates and such differences could be significant.

Critical judgments

The preparation of these condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in this note, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates.

Key sources of estimation uncertainty

Significant estimates made by management affecting the condensed interim consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred tax assets & liabilities

The estimation of income taxes and liabilities includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets or liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets and liabilities, and deferred income tax provisions or recoveries could be affected.

Recoverability of exploration & evaluation assets

The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended December 31, 2020, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

The accounting policies in these condensed interim consolidated financial statements are the same as those applied in the Corporation's financial statements as at and for the year ended December 31, 2020.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2021

(unaudited)

4. EQUIPMENT

	Office Furniture & Equipment		Computer Hardware		Total
Cost					
Balance at January 1, 2020	\$	728	\$	2,069	\$ 2,797
Additions		-		-	484
Balance at December 31, 2020	\$	728	\$	2,553	\$ 3,281
Additions		-		-	-
Balance at September 30, 2021	\$	728	\$	2,553	\$ 3,281
Depreciation					
Balance at January 1, 2020	\$	138	\$	1,400	\$ 1,538
Depreciation for the year		431		1,153	1,584
Balance at December 31, 2020	\$	569	\$	2,553	\$ 3,122
Depreciation for the period		159		-	159
Balance at September 30, 2021	\$	728	\$	2,553	\$ 3,281
Carrying amounts					
At December 31, 2020	\$	159	\$	-	\$ 159
At September 30, 2021	\$	-	\$	-	\$ -

5. EXPLORATION AND EVALUATION ASSETS**Kunsu project**

On February 15, 2019, the Company entered into a definitive agreement, and its amendments dated July 31, 2019, November 28, 2019, December 10, 2020, and July 30, 2021 ("Kunsu Agreement") to purchase a prospecting license covering an area approximately 137.06 km² located at Kunsu in the Ahafo Ano South District of the Ashanti Region of Ghana ("The Property") from Wononuo Investment Limited ("Wononuo"), who was the holder of 100% undivided interest and title of the license (the "Purchase Transaction"). Subsequent to the date of the condensed interim consolidated financial statements, the Company completed the Agreement.

Pursuant to the Purchase Transaction, Wononuo transferred the Property to the Company in exchange for a total purchase price of US\$2,000,000 paid as follows:

- A non-refundable down payment of US \$200,000 (CAD \$262,500 paid on July 10, 2018);
- A non-refundable second deposit of US \$200,000 upon the signing of the Kunsu Agreement no later than February 15, 2019 (CAD \$270,920 paid on February 15, 2019);
- A non-refundable third deposit of US \$100,000 (CAD \$132,880 paid on May 29, 2019);
- A non-refundable fourth deposit of US \$100,000 payable on presentation and evaluation of the full exploration technical report (CAD \$130,860 paid on October 23, 2019);
- A non-refundable fifth deposit of US \$400,000 (CAD \$527,320 paid on December 16, 2019);
- A non-refundable sixth deposit of US \$350,000 (CAD \$444,640 paid on December 18, 2020);
- A non-refundable seventh deposit of US \$300,000 payable by April 30, 2021 following successful review of the results of the resource evaluations that are satisfactory to the Company (CAD \$370,269 paid on April 26, 2021); and
- In lieu of making the final payment for the balance of US \$350,000, the Company entered into a 1.5% Net Smelter Returns Agreement ("NSR") with Wononuo on minerals mined, removed and sold by Castle Mining Sika Limited with a buy-out option on August 20, 2021.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2021

(unaudited)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Exploration and evaluation assets expenditures related to the Kunsu agreement are as follows:

	Kunsu Project
Balance at January 1, 2020	\$ 2,594,567
Additions for the year:	
Acquisition cost	444,640
Due diligence costs	64,296
Consulting fees	59,163
Legal fees	61,606
	<u>629,705</u>
Balance at December 31, 2020	\$ 3,224,272
Additions for the period:	
Acquisition cost	370,269
Due diligence costs	30,512
	<u>400,781</u>
Balance at September 30, 2021	\$ 3,625,053

	Kunsu Project
Cumulative balance at September 30, 2021:	
Acquisition cost	\$ 2,139,389
Environmental, permitting and other	64,296
Due diligence costs	1,171,948
Consulting fees	228,764
Legal fees	20,656
	<u>3,625,053</u>
Balance at September 30, 2021	\$ 3,625,053

6. LOANS DUE TO RELATED PARTIES

On April 27, 2021, the company received a \$425,000 loan from Allan Green; CEO and a director of the Company, and Candel & Partners SAS, a private company beneficially owned by Allan Green. The Loan was unsecured and bears interest at the rate of 8% per annum and payable on the earlier of lender's demand or one year after the date of advance of principle. Subsequent to the date of the condensed interim consolidated financial statements, the Company approved settlement of the outstanding loan into common shares of the Company.

On August 4, 2021, the company received a \$425,000 loan from Grizal Enterprises Ltd. ("Grizal"), a British Virgin Islands registered limited liability Company, and a majority shareholder of the Company. The Loan was unsecured and bears interest at the rate of 8% per annum and payable on the earlier of lender's demand or one year after the date of advance of principle. Subsequent to the date of the condensed interim consolidated financial statements, the Company approved settlement of the outstanding loan into common shares of the Company.

As of September 30, 2021, \$870,959 (December 31, 2020 - \$Nil) was owing to a director and officer and to a majority shareholder of the Company (the "Loans"). The loan balance as of September 30, 2021 included accrued interest of \$20,959 (December 31, 2020 - \$Nil).

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2021

(unaudited)

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and executive officers.

During the nine month periods ended September 30, 2021 and 2020, the Company entered into the following transactions with related parties and key management personnel that are not disclosed elsewhere in the condensed interim consolidated financial statements:

	Nine months ended September 30, 2021		Nine months ended September 30, 2020	
Salaries and benefits paid to an officer of the Company	\$	56,801	\$	58,069

8. CAPITAL STOCK AND OTHER EQUITY RESERVE**Capital stock**

The Company is authorized to issue an unlimited number of common shares. As at September 30, 2021, and December 31, 2020 the Company had 132,763,360 common shares outstanding.

During the period ended September 30, 2021, and the year ended December 31, 2020 the Company had no share transactions.

Share purchase warrants

As at September 30, 2021 and December 31, 2020, the Company had no outstanding Warrants.

Stock optionsOption plan details

The Company has adopted a stock option plan (the "Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant share options to directors, officers, employees and consultants of up to 10% of the issued and outstanding common shares of the Company. Stock options granted under the Plan will have a term not to exceed ten years, have an option price not less than the market price on the grant date, and will not be assignable or transferable by the optionee.

The Company's Board of Directors, subject to the policies of the Exchange, may determine and impose terms upon which each option shall become vested, provided that, if the Company's common shares are listed on the TSX-V, options granted to consultants performing investor relations activities must vest in stages over 12 months with no more than 25% of the options vesting in any three-month period.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2021

(unaudited)

8. CAPITAL STOCK AND OTHER EQUITY RESERVE (cont'd...)**Stock options (cont'd...)**

Stock option transactions and the number of stock options outstanding are summarized as follows:

	<u>Weighted Average</u>	
	<u>Number of Options</u>	<u>Exercise Price</u>
Outstanding at December 31, 2019	1,565,000	\$0.29
Expired	(450,000)	\$0.10
Outstanding at December 31, 2020	1,115,000	\$0.36
Expired	(1,115,000)	\$0.36
Outstanding at September 30, 2021	-	\$0.00

As at September 30, 2021, the Company had no outstanding stock options.

The Company recognizes share-based payments expense for all stock options granted at fair value of the options granted. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free rates, dividend yields, forfeiture rates, volatility factors, and expected life of the options. During the periods ended September 30, 2021 and September 30, 2020, the Company recognized share-based payments expense of \$nil.

Other equity reserve

The following is a summary of changes in other equity reserve:

	Gain from related party debt settlement	Options and agent's warrants	Warrants	Total
Balances at September 30, 2021, December 31, 2020 and 2019	\$ 243,349	\$ 1,287,092	\$ 2,470,634	\$ 4,001,075

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Cash paid (received) during the year for interest	\$ -	\$ -
Cash paid (received) during the year for income taxes	\$ -	\$ -

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2021

(unaudited)

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (cont'd...)

The following were significant non-cash transactions affecting cash flows from investing and financing activities during the three months ended September 30, 2021:

- \$20,959 of accrued interest were included in loans due to related parties at September 30, 2021 (December 31, 2020 - \$Nil).
- \$Nil of exploration and evaluation assets were included in accounts payable and accrued liabilities at September 30, 2021 (December 31, 2020 - \$8,699).

The following were significant non-cash transactions affecting cash flows from investing and financing activities during the three months ended September 30, 2020:

- \$Nil of exploration and evaluation assets were included in accounts payable and accrued liabilities at September 30, 2020 (December 31, 2019 - \$Nil).

10. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition, exploration and evaluation of exploration and evaluation assets in Ghana.

Geographical information is as follows:

	September 30, 2021	December 31, 2020
Exploration and evaluation assets		
Ghana	\$ 3,625,053	\$ 3,224,272
Equipment		
Canada	\$ -	\$ 159

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers components of equity in the management of capital.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine month period ended September 30, 2021.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2021

(unaudited)

12. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and loans due to related parties.

The fair value of the Company's cash, receivables, accounts payable and accrued liabilities and loans due to related parties approximate carrying value due to their short terms to maturity. The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value. The fair value hierarchy is as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to cash and receivables. The Company's cash is held with a major Canadian chartered bank and management believes the risk of loss to be remote. Receivables consist of input tax credits receivable from the Government of Canada. The Company does not believe it is subject to significant credit risk in relation to its receivables.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As at September 30, 2021, the Company had cash of \$420,087 and current liabilities of \$875,288. The Company intends to raise additional equity financing or related party debt financing in the coming period to meet its obligations.

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 and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash balances which earn interest at variable market interest rates, however, this exposure is considered to be minimal. The Company has no interest-bearing debt, and therefore, is not exposed to risk in the event of interest rate fluctuations.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2021

(unaudited)

12. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd...)**b) Currency risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company's expenditures are predominantly in Canadian dollars, and US dollars. The Company has financial assets and liabilities denominated in US dollars as at September 30, 2021. Based on the Company's net exposure as at September 30, 2021, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an impact on profit or loss of \$1,741.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. SUBSEQUENT EVENTS

On October 1, 2021, the Company approved the settlement of up to \$425,000 of debt through the issuance of common shares of the Company (the "First Debt Settlement"). Pursuant to the First Debt Settlement, the Company will issue up to 30,000,000 common shares of the Company to certain creditors being Allan Green, CEO and a director of the Company, and Candel & Partners SAS, a private company beneficially owned by Allan Green. Completion of the first debt settlement is subject to approval by the TSX Venture Exchange.

On October 25, 2021, the Company approved the settlement of up to \$425,000 of debt through the issuance of common shares of the Company (the "Second Debt Settlement"). Pursuant to the Second Debt Settlement, the Company will issue up to 30,000,000 common shares of the Company to Grizal. Completion of the second debt settlement is subject to approval by the TSX Venture Exchange.

On October 31, 2021, the Company completed the purchase transaction and the general assignment of licenses and permits of the Kunsu prospecting license in Ghana from Wononuo Investment Limited. Title to the prospecting license is held by Castle Sika Mining Ltd. Pursuant to completion of the purchase transaction, Castle Peak will pay a finder's fee of USD \$90,000 to JDS & Associates Limited.