



CASTLE PEAK MINING LTD.

Management's Discussion & Analysis

For the nine month period ended September 30, 2021

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") provides information that management considers to be relevant to an assessment and understanding of Castle Peak Mining Ltd.'s ("Castle Peak" or the "Company") financial condition as at September 30, 2021 and the results of its operations and cash flows for the nine month period ended September 30, 2021 and follows the requirements of National Instrument 51-102 ("NI 51-102"). This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the related notes for nine month period ended September 30, 2021 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Company's annual audited financial statements and the related notes for the year ended December 31, 2020 which have been prepared in accordance with IFRS. All dollar amounts included therein and in the following MD&A are expressed in Canadian Dollars unless otherwise noted.

We report in accordance with IFRS and the following disclosures, and associated consolidated financial statements, are presented in accordance with IFRS. This MD&A is prepared as at November 17, 2021 and includes certain statements that may be deemed "forward looking statements". We direct readers to the sections entitled "Risk Factors" and "Forward Looking Statements" in this MD&A.

Further information can be obtained from the Company's filings on the SEDAR website at www.sedar.com, or on the Company's website at www.castlepeakmining.com.

HIGHLIGHTS

- 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.

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.

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) A non-refundable down payment of US \$200,000 (CAD \$262,500 paid on July 10, 2018);
- b) 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);
- c) A non-refundable third deposit of US \$100,000 (CAD \$132,880 paid on May 29, 2019);
- d) 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);
- e) A non-refundable fifth deposit of US \$400,000 (CAD \$527,320 paid on December 16, 2019);
- f) A non-refundable sixth deposit of US \$350,000 (CAD \$444,640 paid on December 18, 2020);
- g) 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
- h) 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.

- On April 27, 2021, the company received \$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 will be unsecured and bear 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.
- On August 4, 2021, the company received \$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 will be unsecured and bear 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.
- On August 19, 2021, the Company incorporated a wholly-owned subsidiary company in the Republic of Ghana named Castle Sika Mining Ltd.
- 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.

KUNSU PROPERTY

The Kunsu Prospecting License is located approximately 35 Km Northwest of Kumasi and 240 Km Northwest of Accra; the property is centred approximately on Latitude 6°48'00" North and Longitude 1° 56.00" West (WGS84 Zone 30N). The property which is situated in close proximity to the Sefwi gold belt is strategically placed on the Asankragwa-Manso Nkwanta gold belt. The Kunsu concession is about 27 Km north of Asanko Gold's mine, and even closer to the Asanko Esaase gold prospect, all of which are inferred to be underlain by similar geology regionally as Kunsu.

Previous surficial sampling works on the Kunsu concession delineated four major NE-SW trending anomalous gold zones, these are:

- North Grid Anomaly, with strike length of about 3.5km;
- Central Grid Anomaly, with strike length of about 4km;
- South West Grid Anomaly, with strike length of about 0.5km;
- South East Grid Anomaly, with strike length of about 1km.

So far, all subsurface exploration works entailing drilling have been focused on parts of the North Grid Anomaly.

Following the entering into a Definite Agreement with Wononuo Investment Limited ("Wononuo") on February 15, 2019, the Company approved a 145 days follow-up stage exploration exercise which comprised geophysical survey, trenching and drilling works that focused on the North Grid zone of the property. The exercise was designed to in the end deliver to CAP information on the extent and prospectivity of gold mineralization and to provide reliable and sufficient data to define an inferred resource base.

The 145 days staged exploration exercise commenced on the 22nd February, 2019 and has to date covered the 5.8 km Induced Polarization (IP) geophysical survey at the North Grid zone, followed by 882 meters of trenches excavated

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on the geophysical defined targets. The trench results, as reported on 18 May, 2019, returned significant Au grade (> 100 ppb Au) intersections hosted within quartz vein lodes and provided compelling evidence of significant Au mineralization within the North Grid zone of the Kunsu property.

Due to the satisfactory results of this stage the Company prepared for a drilling exercise of 1,200 meters of RC drilling across the delineated mineralized zone at the North Grid anomaly. The drilling exercise commenced on 29th June, 2019 and ended on the 11th July 2019. A total of thirteen RC holes and 1,420 meters actually drilled covered this program. The drilling generated a total of 1558 samples including QC samples which were analyzed for Au. Gold mineralization zones >0.1g/t were intercepted in seven (7) out of the thirteen (13) drill holes. Gold grades from drill holes at the West North Grid zone are relatively low but moderate values were intercepted at the bottom of the holes. Gold grade continuity at the West Grid zone has not been established at this stage due to paucity of drill data. Deeper levels of the holes require further testing, as the possible feeder veins may be at depth. Results from drill holes from the East North Grid zone however, returned moderate to significant gold grades of compelling economic interest. The resource estimate tabulated in terms of minimum gold grades (Table 1) for the East North Grid zone, effective September 13, 2019, is classified as at this stage to be an Inferred Resource in accordance with NI 43-101 definitions.

Table 1: Mineral Resource Tabulation:

Resource Type	Volume (m ³)	Tonnage (t)	Density (t/m ³)	Average grade (g/t)	Total Au (g)	Total Au (oz)	Category	Strike Length
Au ≥ 0.3 g/t								
Oxide	175,000	297,500	1.7	0.77	230,282	7,404	Inferred	150m
Fresh	1,000,000	2,700,000	2.7	0.81	2185,259	70,258		
Total	1,175,000	2,997,500		0.81	2,415,540	77,662		
Au ≥ 0.5								
Oxide	75,000	127,500	1.7	1.33	169,243	5,441		
Fresh	600,000	1,620,000	2.7	1.08	1,745,932	61,574		
Total	675,000	1,747,500		1.1	1,915,176	61,574		
Au ≥ 1.0								
Oxide	62,500	106,250	1.7	1.42	151,246	4,863		
Fresh	400,000	1,086,250	2.7	1.28	1,386,791	44,586		
Total	462,500	1,186,250		1.3	1,528,038	49,449		
Au ≥ 1.5								
Fresh	200,000	540,000	2.7	1.53	828,446	26,635		
Total	200,000	540,000		1.53	828,446	26,635		

All the samples collected were prepared and analysed at the ALS Laboratories in Kumasi, Ghana. The ALS facility in Kumasi is a commercial laboratory and part of the ALS Group of laboratories that operates under a global quality management system accredited to ISO 9001:2008 with ISO/IEC 17025 certification. The samples were fine crushed to >70% passing 2mm. A 250g subsample is split by riffle splitter and pulverized to >85% passing 75µm. 50 g subsample is taken and fire-assayed with AAS finish.

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A check sample analysis using similar procedures as ALS, and metallic screen fire assaying (MSFA) were completed at SGS Laboratory Services (GH) Limited located at Tarkwa, Ghana. SGS Laboratory Services GH. Ltd is accredited by SANAS and conforms to the requirements of ISO/IEC 17025:2005. In MSFA both undersize (-75 µm) and oversize (+75 µm) fractions are dried and weighed separately. The oversize fraction is fire-assayed in a single fusion to obtain the oversize gold (coarse fraction gold). The undersize fraction is fire-assayed in duplicate following ordinary fire assay protocols.

The metallic screen fire analysis on selected samples strongly suggests the presence of coarse gold at Kunsu. Gold grades in coarse fractions (+75 µm) of the samples average 71% higher, compared to the gold grades in the fine fractions (-75 µm) which is normally the size fraction used in standard fire assay techniques for gold analysis. It is therefore likely that any resource calculation based on the current assay values would be the conservative minimum gold content. The screen fire assay results are strong indications that analyzing the Au in coarse fractions (+75 µm) of the samples would likely provide a better gold grade representation, provide upgrade of gold values, and have positive implications on the project by way of upgrading the resource estimates.

TECHNICAL DISCLOSURE

Castle Peak's technical disclosure has been reviewed and approved by Prosper Mackenzie Nude, PhD.MAIG, FSEG, who serves as a Qualified Person under the definition in National Instrument 43-101 ('NI 43-101').

SELECTED ANNUAL INFORMATION

	For the Years Ended		
	December 31, 2020	December 31, 2019	December 31, 2018
Expenses for the year	\$ 194,636	\$ 199,131	\$ 154,497
Net income (loss) for the year	(188,046)	(303,370)	4,121,127
Net income (loss) per share	(0.00)	(0.00)	0.03
Exploration expenditures	629,705	1,942,503	1,517,744
Total assets	3,337,510	3,510,228	3,871,739
Capitalized exploration costs	3,224,272	2,594,567	652,064
Total liabilities	16,031	703	58,844

SUMMARY OF QUARTERLY RESULTS

Selected financial indicators for the past eight quarterly periods are shown in the following table:

	For the three months ended			
	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020
Revenue for the period	\$ -	\$ -	\$ -	\$ -
Expenses for the period	55,799	47,433	37,357	56,130
Net loss for the period	(55,490)	(47,681)	(37,804)	(80,903)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Exploration expenditures	15,988	370,269	14,524	463,783
Total assets	4,055,792	3,677,949	3,298,179	3,337,510
Capitalized exploration costs	3,625,053	3,609,065	3,238,796	3,224,272

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Total liabilities	875,288	441,955	14,504	16,031
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	For the three months ended			
	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Revenue for the period	\$ -	\$ -	\$ -	\$ -
Expenses for the period	37,820	53,815	46,871	82,575
Net income (loss) for the period	(50,264)	(57,871)	992	(85,322)
Net earnings (loss) per share	(0.00)	(0.00)	0.00	(0.00)
Exploration expenditures	17,680	93,970	54,272	653,525
Total assets	3,403,317	3,453,581	3,515,145	3,510,228
Capitalized exploration costs	2,760,489	2,742,809	2,648,839	2,594,567
Total liabilities	935	935	4,628	703

The Company is in the business of exploring and evaluating assets in Ghana, Africa and as a result has no revenues. Expenses consist of general corporate administrative costs not attributable to the exploration activities. All costs that are attributable to exploration activities are capitalized to the mineral concessions to which they relate.

On October 31, 2021, the Company completed the purchase transaction of the Kunsu prospecting license in the Ahafo Ano South District of the Ashanti Region of Ghana from Wononuo Investment Limited. In connection with the agreement the company incurred \$400,781 exploration expenditures for the nine month period ended September 30, 2021, representing mainly payment of non-refundable seventh deposit of \$370,269 (US\$300,000), and the balance of \$30,512 incurred for consulting fees and due diligence follow up exploration project.

Total liabilities increased to \$875,288 at September 30, 2021, from \$16,031 at December 31, 2020, primarily due to \$870,959 loans owing to officer, director and to a majority shareholders of the company ("loans to related parties").

RESULTS OF OPERATIONS

Three months ended September 30, 2021 compared to three months ended September 30, 2020

Net loss for the three months ended September 30, 2021 were \$55,490 compared to \$50,264 for the same period in the prior year.

Total expenses for the three months ended September 30, 2021 were \$55,799 compared to \$37,820 for the same period in the prior year.

Expenses for the three months ended September 30, 2021 included \$15,608 in salaries and benefits for Vancouver employee for the three months ended September 30, 2021, compared to \$15,740 for the same period last year. Office and administrative expenses were \$3,911 for the three months ended September 30, 2021, compared to \$4,209 for the same period in the prior year. The Company incurred \$1,884 for transfer agent, filing and regulatory costs for the three months ended September 30, 2021, compared to \$404 for the same period in the prior year. Consulting fees was \$nil for the three months ended September 30, 2021, compared to \$16,792 for the same period last year, representing the fees of JDS and Associates limited, the Company's consultant in Ghana. The Company incurred \$259 for investor relations for the three months ended September 30, 2021 compared to \$279 for the same period in the prior year, representing news release distribution fees. The Company incurred \$13,178 for Professional fees for the three months ended September 30, 2021, representing legal fees associated with executing loans due to related parties and closing the definitive agreement with Wononuo Investment Limited to buy Kunsu Prospecting License, compared to \$Nil for the same period in the prior year.

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The Company recorded \$309 in foreign exchange gain, due to the translation of foreign currency denominated working capital items, compared to \$12,444 foreign exchange loss for the same period in the prior year.

Nine month period ended September 30, 2021 compared to nine month period ended September 30, 2020

Net loss for the nine month period ended September 30, 2021 were \$140,975, compared to \$107,143 for the same period.

Total expenses for the nine month period ended September 30, 2021 were \$140,589 compared to \$138,506 for the same period in the prior year.

Expenses for the nine month period ended September 30, 2021 included \$56,801 in salaries and benefits for Vancouver employee, compared to \$58,069 for the same period last year. The Company incurred \$35,922 for Professional fees for the nine month period ended September 30, 2021, compared to \$19,696 incurred for the same period in the prior year. The increase is due to legal fees associated with executing loans due to related parties and closing the definitive agreement with Wononuo Investment Limited to buy Kunsu Prospecting License. For the nine month period ended September 30, 2021, the Company incurred \$13,920 for office and administrative expenses, compared to \$13,779 incurred for the same period in the prior year. The Company incurred \$10,931 for transfer agent, filing and regulatory costs for the nine month period ended September 30, 2021, compared to \$8,202 for the same period in the prior year. The Company incurred \$1,897 for investor relations for the nine month period ended September 30, 2021 compared to \$741 for the same period in the prior year.

The Company recorded \$386 in foreign exchange loss during the nine month period ended September 30, 2021, due to the translation of foreign currency denominated working capital items, compared to \$31,363 foreign exchange gain, for the same period in the prior year.

Exploration and Evaluation Asset Expenditures

Three months ended September 30, 2021 compared to three months ended September 30, 2020

Exploration and evaluation assets expenditures were \$15,988 during the three months ended September 30, 2021, representing payment in connection with Kunsu Agreement, compared to \$17,680 for the three months ended September 30, 2020.

Exploration and evaluation assets expenditures as summarized in the following table:

	Three months ended September 30, 2021	Three months ended September 30, 2020
Due diligence costs	\$ 15,988	\$ -
Consulting fees	-	17,680
	\$ 15,988	\$ 17,680

On October 31, 2021, the Company completed the purchase transaction of the Kunsu prospecting license in the Ahafo Ano South District of the Ashanti Region of Ghana from Wononuo Investment Limited.

During the three months ended September 30, 2021, the Company incurred \$15,988 in due diligence, compared to \$nil during the same period in the prior year, representing payments to Geological Management Consultancy Ltd. for site management and security services.

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During the three months ended September 30, 2021, the Company incurred \$nil in consulting fees, compared to \$17,680 during the same period in the prior year, representing the fees of JDS and Associates limited, the Company's consultant in Ghana.

Nine month period ended September 30, 2021 compared to nine month period ended September 30, 2020

During the nine month period ended September 30, 2021, exploration and evaluation assets expenditures totaled \$400,781 compared to \$165,922 for the nine month period ended September 30, 2020 as summarized in the following table:

	Six months ended September 30, 2021	Six months ended September 30, 2020
Acquisition cost	\$ 370,269	\$ -
Prospecting license fees	-	64,296
Due diligence costs	30,512	32,791
Consulting fees	-	68,835
	\$ 400,781	\$ 165,922

On October 31, 2021, the Company completed the purchase transaction of the Kunsu prospecting license in the Ahafo Ano South District of the Ashanti Region of Ghana from Wononuo Investment Limited.

In connection with the agreement, the Company made a payment of \$370,269 (US\$300,000) to Wononuo Investment Limited, during the nine month period ended September 30, 2021, representing the non-refundable seventh deposit.

To keep its concessions in good standing, the Company is required to pay certain fees to the Minerals Commission of Ghana, including fees to renew or extend its prospecting and reconnaissance licenses. The Company paid \$nil for prospecting license fees during the nine month period ended September 30, 2020, compared to \$64,296 (US\$45,710) for the same period in the prior year. Variance is due to timing of expenses.

During the nine month period ended September 30, 2021, the Company incurred \$30,512 in due diligence, compared to \$32,791 during the same period in the prior year, representing payments to Geological Management Consultancy Ltd. for site management and security services. Consulting fees was \$nil for the nine month period ended September 30, 2020; compared to \$68,835 for the same period in the prior year, representing the fees of JDS and Associates limited, the Company's consultant in Ghana.

OUTLOOK

During the nine month period ended September 30, 2021, the Company focused its efforts on completing the purchase transaction of the Kunsu project. 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.

Allan Green, Chairman and CEO, said: "We are pleased to add the high potential Kunsu prospecting license to the Castle Peak portfolio, which allows us to proceed with some of the earlier exploration initiatives. The acquisition underlines our commitment to further explore for new gold opportunities in Ghana."

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2021, the Company had cash and cash equivalents of \$420,087 (December 31, 2020 - \$101,577) to settle current liabilities of \$875,288 (December 31, 2020 - \$16,031). The Company expects to raise additional equity financing or related party debt financing in the coming period to meet its obligations.

As at September 30, 2021, the Company's cash and cash equivalents increased by \$318,510 to \$420,087 from \$101,577 as at December 31, 2020. Cash of \$121,624 (December 31, 2020- \$183,468) was used for operating activities, \$409,480 was used in investing activities (December 31, 2020- \$621,006), and \$850,000 provided by financing activities (December 31, 2020- \$nil).

Net cash used in operating activities for the nine month period ended September 30, 2021 was \$121,624 (December 31, 2020- \$183,468). The cash used during the period consists primarily of the loss of \$140,975 (December 31, 2020- \$188,046) which includes non-cash depreciation of \$159 (December 31, 2020- \$1,584), and unrealized foreign exchange loss of \$386 (December 31, 2020- \$6,590 unrealized exchange gain).

Net cash used in investing activities for the nine month period ended September 30, 2021 was \$409,480 (December 31, 2020- \$621,490) which is cash used primarily for the payment of \$370,269 (US\$300,000) to Wononuo Investment Limited, representing the non-refundable seventh deposit. Balance is cash used for due diligence costs in connection with the Kunsu agreement.

Net cash provided by financing activities for the nine month period ended September 30, 2021 was \$850,000 (December 31, 2020- \$nil) representing loans due to related parties, advanced by a director and officer of the company and another loan provided by a majority shareholder.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

On April 27, 2021, the company received \$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 will be unsecured and bear 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. Subsequently 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 August 4, 2021, the company received \$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 will be unsecured and bear 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. Subsequently 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.

In addition to the loans from related parties discussed above, the Company entered into the following transactions with related parties and key management personnel:

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	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Salaries and benefits paid to an officer of the Company ⁽¹⁾	\$ 56,801	\$ 58,069

(1) Remuneration attributed to key management personnel is recorded in salaries and benefits.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the 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 consolidated financial statements and the reported amounts of expenses during the year. Actual results could differ from those estimates and such differences could be significant.

PROPOSED TRANSACTIONS

The Company has no proposed transactions to report at this time.

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 interim consolidated financial statements.

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 are 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 December 31, 2019, 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.

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 earnings 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.

RISK FACTORS

This MD&A does not include all of the information required for full risk factors discussion and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2020.

INTERNAL CONTROLS

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Castle Peak has undertaken to put into place a system of internal controls appropriate for its size, and reflective of its

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operations. The Company's certifying officers are responsible for establishing and maintaining disclosure controls and procedures for the Company, and have concluded based on an evaluation As at December 31, 2020, that the disclosure controls and procedures for the Company are effective.

OUTSTANDING SHARE INFORMATION

Common shares, stock options and warrants issued and outstanding as at September 30, 2021 are described in detail in Note 8 to the unaudited interim consolidated financial statements for the nine month period ended September 30, 2021.

Summarized balances as at September 30, 2021 and November 17, 2021 are as follows:

	September 30, 2021	November 17, 2021
Common shares outstanding	132,763,360	132,763,360
Stock options exercisable	-	-
Fully-diluted	132,763,360	132,763,360

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward looking information" within the meaning of applicable Canadian securities legislation. Forward looking information may include, but is not limited to, information with respect to our planned exploration and evaluation activities including generating new targets, costs and timing of future exploration, results of future exploration and drilling, potential development plans in the future, timing and receipt of approvals, consents and permits under applicable legislation, our executive compensation approach and practice, the composition of our board of directors and committees, and adequacy of financial resources. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward looking information.

Forward looking information is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward looking information, including, without limitation:

- risks related to commodity price fluctuations, including gold price volatility;
- risks related to the exploration and evaluation of our mineral property including general operating risks;
- risks related to the fact that we are a new company with no exploration and evaluation assets in production or development and no history of production or revenue;
- uncertainties related to title to our exploration and evaluation assets and surface rights;
- risks and uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral deposits;
- risks related to governmental regulations, including environmental regulations;
- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- increased costs affecting the mining industry;
- increased competition in the mining industry for properties, qualified personnel and management;
- risks related to some of our directors' and officers' involvement with other natural resource companies;
- risks related to the delay in obtaining or failure to obtain required permits, or non-compliance with permits that have been obtained;
- risks related to our ability to obtain adequate financing for our planned exploration and evaluation activities and to complete further exploration programs;

- risks related to general economic conditions;
- recent market events and conditions; and
- currency fluctuations.

This list is not exhaustive of the factors that may affect any of our forward-looking information. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Forward-looking information involves statements about the future and is inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors. Our forward-looking information is based on the beliefs, expectations and opinions of management on the date the statements are made and we do not assume any obligation to update forward looking information, whether as a result of new information, future events or otherwise, other than as required by applicable law. For the reasons set forth above, prospective investors should not place undue reliance on forward looking information.

APPROVAL

Management is responsible for all information disclosed in the consolidated financial statements. The Board of Directors of Castle Peak Mining Ltd. has approved the disclosures contained in this MD&A.