



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

**For the nine months ended
September 30, 2023**

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.

AKWAABA MINING LTD.
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September 30, 2023
(Expressed in Canadian Dollars)

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AKWAABA MINING LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(unaudited)

AS AT

	September 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 49,760	\$ 37,897
Receivables	17,228	4,566
Prepaid expenses	23,167	13,443
	90,155	55,906
Non-current assets		
Equipment (Note 4)	944	1,595
Exploration and evaluation assets (Note 5)	4,348,742	4,172,957
	\$ 4,439,841	\$ 4,230,458
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 118,187	\$ 122,362
Due to related parties (Note 6)	191,173	20,821
	309,360	143,183
Equity		
Capital stock (Note 8)	18,675,985	18,479,878
Other equity reserve (Note 8)	4,001,075	4,001,075
Accumulated other comprehensive income	264,406	271,981
Deficit	(18,810,985)	(18,665,659)
	4,130,481	4,087,275
	\$ 4,439,841	\$ 4,230,458

Nature of operations (Note 1)**Basis of presentation and going concern (Note 2)****Approved on November 02, 2023 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.

AKWAABA MINING LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS**

(Expressed in Canadian Dollars)

(unaudited)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
EXPENSES				
Depreciation (Note 4)	\$ 217	\$ 217	\$ 651	\$ 652
Investor relations	804	421	5,904	3,542
Office and administrative	3,829	3,663	16,286	14,357
Professional fees	-	-	36,836	32,648
Salaries and benefits	15,677	15,638	57,228	56,805
Transfer agent, filing and regulatory	1,109	896	27,063	14,147
Interest expense (Note 6)	420	239	1,246	694
Foreign exchange loss (gain)	6	(1,018)	112	(1,248)
Loss for the period	(22,062)	(20,056)	(145,326)	(121,597)
Items that may be subsequently reclassified to profit or loss:				
Translation adjustment	84,627	246,184	(7,575)	306,004
Comprehensive income (loss) for the period	62,565	226,128	(152,901)	184,407
Basic and diluted loss per common share	\$ (0.002)	\$ (0.002)	\$ (0.014)	\$ (0.013)
Weighted average number of common shares outstanding – basic and diluted	10,259,374	9,559,374	10,054,245	9,061,320

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

AKWAABA MINING LTD. (Formerly Castle Peak Mining Ltd.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(unaudited)

	Capital Stock		Other Equity Reserve	Deficit	Accumulated Other Comprehensive Income	Total Equity
	Number of Shares	Amount				
Balance, December 31, 2021	8,112,899	\$ 18,045,935	\$ 4,001,075	\$ (18,497,484)	\$ 14,888	\$ 3,564,414
Shares issued on settlement of debt	1,446,475	433,943	-	-	-	433,943
Net loss for the period				(121,597)	-	(121,597)
Translation adjustment	-	-	-	-	306,004	306,004
Balance, September 30, 2022	9,559,374	\$ 18,479,878	\$ 4,001,075	\$ (18,619,081)	\$ 320,892	\$ 4,182,764
Balance, December 31, 2022	9,559,374	\$ 18,479,878	\$ 4,001,075	\$ (18,665,659)	\$ 271,981	\$ 4,087,275
Shares issued on private placement	700,000	210,000	-	-	-	210,000
Share issue costs		(13,893)	-	-	-	(13,893)
Net loss for the period				(145,326)	-	(145,326)
Translation adjustment	-	-	-	-	(7,575)	(7,575)
Balance, September 30, 2023	10,259,374	\$ 18,675,985	\$ 4,001,075	\$ (18,810,985)	\$ 264,406	\$ 4,130,481

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

AKWAABA MINING LTD. (Formerly Castle Peak Mining Ltd.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(unaudited)

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (145,326)	\$ (121,597)
Items not involving cash:		
Depreciation (Note 4)	651	652
Foreign exchange loss (gain)	-	1,248
Interest expense accrual (Note 6)	1,246	694
Changes in non-cash items:		
Receivables	(12,605)	(2,621)
Prepaid expenses	(9,724)	4,423
Accounts payable and accrued liabilities	(154,043)	(4,199)
Net cash used in operating activities	<u>(319,801)</u>	<u>(121,400)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of exploration and evaluation assets	<u>(16,843)</u>	<u>(116,199)</u>
Net cash used in investing activities	<u>(16,843)</u>	<u>(116,199)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to related parties	152,912	-
Private placement proceeds (Net)	<u>196,107</u>	<u>-</u>
Net cash provided by financing activities	<u>349,019</u>	<u>-</u>
Effect of exchange rate on cash and cash equivalents	<u>(512)</u>	<u>(2,610)</u>
Increase (Decrease) in cash and cash equivalents during the period	11,863	(240,209)
Cash and cash equivalents, beginning of the period	<u>37,897</u>	<u>318,645</u>
Cash and cash equivalents, end of the period	<u>\$ 49,760</u>	<u>\$ 78,436</u>

Supplemental disclosures with respect to cash flows (Note 9)

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

AKWAABA MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

1. NATURE OF OPERATIONS

Akwaaba Mining Ltd., formerly known as Castle Peak Mining Ltd, (the "Company" or "Akwaaba") is in the business of exploration and evaluation of mineral properties in Ghana, Africa. Akwaaba 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 "AML".

The address of the Company's corporate office and principal place of business is 2411 Bennie Place, Port Coquitlam, British Columbia, Canada. The address of the Company's legal records is 1800 - 401 West Georgia St, Vancouver, British Columbia, Canada.

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

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, 2022 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 as 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

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.

AKWAABA MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

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, 2022, 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, 2022.

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

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

4. EQUIPMENT

	Office Furniture & Equipment		Computer Hardware		Total
Cost					
Balance at January 1, 2022	\$	728	\$	5,452	\$ 6,180
Additions		(728)		(2,553)	(3,281)
Balance at December 31, 2022	\$	-	\$	2,899	\$ 2,899
Disposal		-		-	-
Balance at September 30, 2023	\$	-	\$	2,899	\$ 2,899
Depreciation					
Balance at January 1, 2022	\$	728	\$	2,988	\$ 3,716
Depreciation for the year		-		869	869
Disposal		(728)		(2,553)	(3,281)
Balance at December 31, 2022	\$	-	\$	1,304	\$ 1,304
Depreciation for the period		-		651	651
Balance at September 30, 2023	\$	-	\$	1,955	\$ 1,955
Carrying amounts					
At December 31, 2022	\$	-	\$	1,595	\$ 1,595
At September 30, 2023	\$	-	\$	944	\$ 944

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

On February 15, 2019, the Company entered into an agreement ("Agreement") to purchase the Kunsu Prospecting License located 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").

On November 1, 2021, and pursuant to the Purchase Transaction, Wononuo transferred the Property to the Company in exchange for a total purchase price of US\$2,000,000 as follows:

- A non-refundable down payment of US \$200,000 (\$262,500 paid on July 10, 2018);
- A non-refundable second deposit of US \$200,000 upon signing of the Definitive Agreement (\$270,920 paid on February 15, 2019);
- A non-refundable third deposit of US \$100,000 (\$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 (\$130,860 paid on October 23, 2019);
- A non-refundable fifth deposit of US \$400,000 payable on obtaining shareholder approval on the Annual General Meeting (\$527,320 paid on December 16, 2019);
- A non-refundable sixth deposit of US \$350,000 (\$444,640 paid on December 18, 2020);
- A non-refundable seventh deposit of US \$300,000 following successful review of the results of the resource evaluations that are to be satisfactory to the Purchaser (\$370,268 paid on April 26, 2021); and
- On October 27, 2021, the Company granted a 1.5% Net Smelter Royalty (NSR) to Wononuo in lieu of the eighth and final deposit of US \$350,000 at closing of the Purchase Transaction.

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

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

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

The Company has an option to buy out the NSR for US\$ 750,000 before November 1, 2024 and for US\$ 1,000,000 then after.

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

	Kunsu Project
Balance at January 1, 2022	\$ 3,828,357
Additions for the year:	
Environmental, permitting and other	15,455
Consulting fees	40,400
Legal fees	23,442
General and administrative	390
Translation adjustment	264,913
	<u>344,600</u>
Balance at December 31, 2022	\$ 4,172,957
Additions for the period:	
Environmental, permitting and other	135,177
Consulting fees	23,280
Legal fees	18,349
Field logistics	5,815
General and administrative	40
Translation adjustment	(6,876)
	<u>175,785</u>
Balance at September 30, 2023	\$ 4,348,742

	Kunsu Project
Cumulative balance at September 30, 2023:	
Acquisition cost	\$ 2,275,455
Environmental, permitting and other	264,973
Due diligence costs	1,171,948
Consulting fees	292,444
Legal fees	65,861
Field logistics	5,815
General and administrative	430
Translation adjustment	271,816
	<u>271,816</u>
Balance at September 30, 2023	\$ 4,348,742

6. 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 (together the "lender"). 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 principal. On December 30, 2021, the Company settled \$442,419 of the outstanding loan, including \$17,419 accrued interest, by issuing common shares of the Company to the lender.

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

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

6. DUE TO RELATED PARTIES (cont'd...)

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 significant shareholder of the Company. The Loan was unsecured and bears interest at the rate of 8% per annum and payable on the earlier of Grizal's demand or one year after the date of advance of principal. On April 4, 2022 the Company settled \$433,943 of the outstanding loan, including \$8,943 accrued interest, by issuing common shares of the Company to Grizal.

During the nine month period ended September 30, 2023, the company incurred \$1,246 in interest ((December 31, 2022 - \$9,457) related to these loans.

During the nine month period ended September 30, 2023, the company received a GHC 1,250,000 loan from YGP, a Ghanaian private company controlled by Allan Green; CEO and a director of the Company. The loan is non-interest bearing and has no set term for repayment.

As of September 30, 2023, \$22,067 (December 31, 2022 - \$20,821) was owing to a director and officer and to a majority shareholder of the Company.

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, 2023 and 2022, 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, 2023		Nine months ended September 30, 2022	
Salaries and benefits paid to an officer of the Company	\$	57,228	\$	56,805

As at September 30, 2023, \$169,105 (December 31, 2022 - \$15,483) was owing to related parties and directors of the Company and is included in due to related parties.

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

Subsequent to the year ended December 31, 2022, the Company approved a share consolidation of the Company's common shares and share warrants on a twenty-for-one basis, which was affected on October 19, 2023. All references to common shares, warrants to purchase common shares and related information contained in the condensed interim consolidated financial statements have been retrospectively adjusted to reflect the effect of the share consolidation for all periods presented. No fractional shares of the Company's common stock were issued in connection with the share consolidation. Any fractional share resulting from the share consolidation was rounded to the nearest whole share.

The Company is authorized to issue an unlimited number of common shares. As at September 30, 2023, the Company had 10,259,374 common shares outstanding (December 31, 2022 - 9,559,374).

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

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

8. CAPITAL STOCK AND OTHER EQUITY RESERVE (cont'd...)**Capital stock (cont'd...)**

During the period ended September 30, 2023, the Company had the following share transaction:

On March 20, 2023, the Company completed a non-brokered private placement consisting of the issue and sale of 700,000 units at a price of \$0.30 per unit for gross proceeds of \$210,000. Each unit consisted of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share of the Company at a price of \$1 per share for a period of 5 years after the closing of the offering. In connection with the private placement, the Company incurred \$13,893 share issue cost representing legal expenses.

During the year ended December 31, 2022, the Company had the following share transactions:

On April 1, 2022, the Company issued 1,446,485 shares at \$0.30 per share to settle \$433,943 of debt owed to Grizal, a British Virgin Islands registered limited liability Company, and a majority shareholder of the Company (Note 6).

Share purchase warrants

The following is a summary of changes in Warrants from December 31, 2022 to September 30, 2023:

	<u>Weighted Average</u>	
	Number of Warrants	Exercise Price
Outstanding at December 31, 2022 and 2021	-	-
Granted	350,000	\$1
Outstanding at September 30, 2023	350,000	\$1

As at September 30, 2023, the Company had outstanding Warrants as follows:

Outstanding	Remaining Life (years)	Exercise Price	Expiry Date
350,000	4.48	\$1	March 19, 2028

During the nine month period ended September 30, 2023, 350,000 warrants issued (December 31, 2022 – Nil).

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.

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

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

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

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 six-month period.

As at September 30, 2023 and 2022, 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, 2023 and September 30, 2022, 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, 2023, December 31, 2022 and 2021	\$ 243,349	\$ 1,287,092	\$ 2,470,634	\$ 4,001,075

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Cash paid (received) during the year for interest	\$ -	\$ -
Cash paid (received) during the year for income taxes	\$ -	\$ -

The following were significant non-cash transactions affecting cash flows from investing and financing activities during the nine months ended September 30, 2023:

- \$268,411 (December 31, 2022 - \$101,440) of exploration and evaluation assets were included in accounts payable, accrued liabilities and due to related parties at September 30, 2023.

The following were significant non-cash transactions affecting cash flows from investing and financing activities during the nine months ended September 30, 2022:

- \$79,672 (December 31, 2021 - \$139,455) of exploration and evaluation assets were included in accounts payable and accrued liabilities at September 30, 2022.

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

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

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, 2023		December 31, 2022
Exploration and evaluation assets				
Ghana	\$	4,348,742	\$	4,172,957
Equipment				
Canada	\$	944	\$	1,595

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, 2023.

12. FINANCIAL INSTRUMENTS AND RISK FACTORS

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

The fair value of the Company's cash, receivables, accounts payable and accrued liabilities and 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 nine 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:

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

(Expressed in Canadian Dollars)

September 30, 2023

(unaudited)

12. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd...)**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, 2023, the Company had cash of \$49,760 and current liabilities of \$309,360. 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, 2023. Based on the Company's net exposure as at September 30, 2023, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an impact on profit or loss of \$16.

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.