

**AKWAABA MINING LTD.**  
Management's Discussion & Analysis  
For the year ended December 31, 2022

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## **INTRODUCTION**

The following Management's Discussion and Analysis ("MD&A") provides information that management considers to be relevant to an assessment and understanding of Akwaaba Mining Ltd. (Formerly Castle Peak Mining Ltd.) ("Akwaaba" or the "Company") financial condition as at December 31, 2022 and the results of its operations and cash flows for the year ended December 31, 2022 and follows the requirements of National Instrument 51-102 ("NI 51-102").

This discussion should be read in conjunction with the Company's annual audited financial statements and the related notes for the year ended December 31, 2022 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 April 06, 2023 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](http://www.sedar.com).

## **HIGHLIGHTS**

- On March 20, 2023, the Company completed a non-brokered private placement consisting of the issue and sale of 14,000,000 units at a price of \$0.015 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 \$0.05 per share for a period of 5 years after the closing of the offering.
- On February 8, 2022, the Company announced a name change to Akwaaba Mining Ltd and new ticker symbol "TSXV: AML", formerly "Castle Peak Mining Ltd." and "TSXV: CAP", respectively.

The Board recommended the change of the Company's name to "Akwaaba Mining Ltd." as part of its marketing strategy to strengthen the Ghanaian footprint of the Company beyond its geographical involvement. The word "Akwaaba" means "Welcome" in the Akan languages spoken in Ghana. With the name change, the Company will be able to better reflect and improve ties with the local Ghanaian community.

## **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.

**AKWAABA MINING LTD.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2022**

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 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 <sup>3</sup> )	Tonnage (t)	Density (t/m <sup>3</sup> )	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		

**AKWAABA MINING LTD.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2022**

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 75mm. 50 g subsample is taken and fire-assayed with AAS finish.

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, 2022	December 31, 2021	December 31, 2020
Expenses for the year	\$187,274	\$ 213,903	\$ 194,636
Net income (loss) for the year	(168,175)	(214,372)	(188,046)
Net income (loss) per share	(0.00)	(0.00)	(0.00)
Exploration expenditures	344,600	604,085	629,705
Total assets	4,230,458	4,161,990	3,337,510
Capitalized exploration costs	4,172,957	3,828,357	3,224,272
Total liabilities	143,183	597,576	16,031

**AKWAABA MINING LTD.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2022**

**SUMMARY OF QUARTERLY RESULTS**

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

	For the three months ended			
	Dec. 31, 2022	Sept. 30, 2022	Jun. 30, 2022	Mar. 31, 2022
Other income for the period	\$ 19,660	\$ -	\$ -	\$ -
Expenses for the period	64,429	21,074	55,177	46,594
Net loss for the period	(46,578 )	(20,056)	(54,707)	(46,834)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Exploration expenditures	(19,180)	269,289	135,998	(41,507)
Exploration expenditures (net of translation adjustment)	29,070	19,355	17,810	13,452
Total assets	4,230,458	4,283,107	4,052,822	4,042,317
Capitalized exploration costs	4,172,957	4,192,137	3,922,848	3,786,850
Total liabilities	143,183	100,343	96,186	578,208

	For the three months ended			
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Other income for the period	\$ -	\$ -	\$ -	\$ -
Expenses for the period	73,314	55,799	47,433	37,357
Net income (loss) for the period	(73,397)	(55,490)	(47,681)	(37,804)
Net earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Exploration expenditures	203,304	15,988	370,269	14,524
Exploration expenditures (net of translation adjustment)	189,525	15,988	370,269	14,524
Total assets	4,161,990	4,055,792	3,677,949	3,298,179
Capitalized exploration costs	3,828,357	3,625,053	3,609,065	3,238,796
Total liabilities	597,576	875,288	441,955	14,504

During the year ended December 31, 2022, the Company recorded \$19,660 in other income from Community Mining Scheme (\$nil for the year ended December 31, 2021). Community Mining Scheme is a policy rolled out by the Ghana Government to tackle illegal mining by encouraging locals mining in mining communities to undertake responsible, viable and sustainable small scale mining under the Ghana Minerals and Mining Act, 2006 (Act 703).

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.

Total liabilities decreased to \$143,183 at December 31, 2022, from \$597,576 at December 31, 2021, primarily due to settlement of \$433,943 loan owing to a majority shareholders of the company, by issuing Company shares.

## **RESULTS OF OPERATIONS**

*Three months ended December 31, 2022 compared to three months ended December 31, 2021*

Net loss for the three months ended December 31, 2022 were \$66,238 compared to \$73,397 for the same period in the prior year.

Total expenses for the three months ended December 31, 2022 were \$64,429 compared to \$73,314 for the same period in the prior year.

Other income for the three months ended December 31, 2022 were \$19,660, representing other income from Community Mining Scheme, compared to \$nil for the same period in the prior year. Community Mining Scheme is a policy rolled out by the Ghana Government to tackle illegal mining by encouraging locals mining in mining communities to undertake responsible, viable and sustainable small scale mining under the Ghana Minerals and Mining Act, 2006 (Act 703).

The Company incurred \$1,788 for Professional fees for the three months ended December 31, 2022, compared to \$11,533 for the same period in the prior year. The difference is due to legal fees associated with executing debt to shares agreements and closing the definitive agreement with Wononuo Investment Limited to buy Kunsu Prospecting License in 2021. Expenses for the three months ended December 31, 2022 included \$640 for transfer agent, filing and regulatory costs, lower than \$14,971 for the same period in the prior year, due to expenses associated with the 2021 Annual General Meeting held on November 29, 2021. 2022 Annual General Meeting was postponed to March 31, 2023 in anticipation of proposed financing transactions. The Company incurred \$nil for investor relations for the three months ended December 31, 2022 compared to \$3,916 for the same period in the prior year, due to less news release distributions during the period.

Travel expenses and consulting were \$18,693 and \$4,410, respectively, for the three months ended December 31, 2022, compared to \$nil for the same period in the prior year. The increase is due to the expenses associated with the CFO's visit to Ghana, and the multiple visits by the Company's representative and consultants to the field to negotiate agreement with local communities to settle the issue of community mining activities.

The Company incurred \$18,691 in salaries and benefits for Vancouver employee for the three months ended December 31, 2022, compared to \$15,586 for the same period last year, higher due to the increase in work hours during the CFO's visit to Ghana. Office and administrative expenses were \$7,177 for the three months ended December 31, 2022, compared to \$6,357 for the same period in the prior year. Directors' fees were \$4,050 for the three months ended December 31, 2022, compared to \$3,750 for the same period in the prior year.

The Company incurred \$8,763 in interest expense on loans due to related parties for the three months ended December 31, 2022, compared to \$16,767 for the same period in the prior year. The decrease is due to settlement of related parties' debts by issuing shares of the Company.

The Company recorded \$1,809 in foreign exchange loss, due to the translation of foreign currency denominated working capital items, compared to \$82 for the same period in the prior year.

*Year ended December 31, 2022 compared to year ended December 31, 2021*

Net loss for the year ended December 31, 2022 were \$168,175 compared to \$214,372 for the same period.

**AKWAABA MINING LTD.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2022**

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Total expenses for the year ended December 31, 2022 were \$187,274 compared to \$213,904 for the same period in the prior year.

Other income for the year ended December 31, 2022 were \$19,660, representing other income from Community Mining Scheme, compared to \$nil for the same period in the prior year. Community Mining Scheme is a policy rolled out by the Ghana Government to tackle illegal mining by encouraging locals mining in mining communities to undertake responsible, viable and sustainable small scale mining under the Ghana Minerals and Mining Act, 2006 (Act 703).

The Company incurred \$34,436 for Professional fees for the year ended December 31, 2022, compared to \$47,455 incurred for the same period in the prior year. The difference is due to legal fees associated with executing debt to shares agreements and closing the definitive agreement with Wononuo Investment Limited to buy Kunsu Prospecting License in 2021. The Company incurred \$14,787 for transfer agent, filing and regulatory costs for the year ended December 31, 2022, lower than \$25,902 for the same period in the prior year, due to expenses associated with the 2021 Annual General Meeting held on November 29, 2021. 2022 Annual General Meeting was postponed to March 31, 2023 in anticipation of proposed financing transactions. The Company incurred \$3,542 for investor relations for the year ended December 31, 2022 lower than \$5,813 for the same period in the prior year, due to less news release distributions during the year.

Travel expenses and consulting were \$18,693 and \$4,410, respectively for the year ended December 31, 2022, compared to \$nil for the same period in the prior year. The increase is due to the expenses associated with the CFO's visit to Ghana in November 2022, and the multiple visits by the Company's representative and consultants to the field to negotiate agreement with local communities to settle the issue of community mining activities.

Expenses for the year ended December 31, 2022 included \$75,496 in salaries and benefits for Vancouver employee, compared to \$72,387 for the same period last year. For the year ended December 31, 2022, the Company incurred \$21,534 for office and administrative expenses, compared to \$20,277 incurred for the same period in the prior year. Directors' fees were \$4,050 for the year ended December 31, 2022, compared to \$3,750 for the same period in the prior year.

The Company incurred \$9,457 in interest expense on loans due to related parties the year ended December 31, 2022, compared to \$37,725 for the same period in the prior year. The decrease is due to settlement of related parties' debts by issuing shares of the Company.

The Company recorded \$561 in foreign exchange loss during the year ended December 31, 2022, due to the translation of foreign currency denominated working capital items, compared to \$469 for the same period in the prior year.

### **Exploration and Evaluation Asset Expenditures**

*Three months ended December 31, 2022 compared to three months ended December 31, 2021*

Exploration and evaluation assets expenditures were \$(19,180) during the three months ended December 31, 2022, compared to \$203,304 for the three months ended December 31, 2021.

Excluding translation adjustments, exploration and evaluation assets expenditures for three months ended December 31, 2022 were \$29,070, compared to \$189,525 incurred for the same period in the prior year.

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

**AKWAABA MINING LTD.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2022**

	Three months ended December 31, 2022	Three months ended December 31, 2021
Acquisition cost	\$ -	\$ 136,066
Environmental and permitting	7,971	50,045
Consulting fees	13,012	-
Legal fees	8,075	3,414
Due diligence costs	-	-
General and administrative	12	-
Translation adjustments	(48,250)	13,779
	\$ (19,180)	\$ 203,304

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 December 31, 2022, the Company incurred \$13,012 in consulting fees, and \$8,075 in legal fees, compared to \$3,414 during the same period in the prior year, representing payments for Geological Management Consultancy Ltd. for site management and security services and for the Company's legal representative in Ghana. Environmental, permitting and other costs totaled \$7,971 for the three months ended December 31, 2022, lower than \$50,045 for the same period in the prior year due to the timing of expenses. 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, and to the Environmental Protection Agency of Ghana ("EPA") for processing and certificate fees with respect to EPA permits and forestry permits.

During the three months ended December 31, 2022, the Company recorded a translation adjustment of \$48,250 resulting from the strengthening of the Canadian dollar against the US dollar, compared to a translation adjustment of \$13,779 for the same period in the prior year. The translation adjustments are related to the translation of exploration and evaluation assets from US dollars, the functional currency of the Ghana subsidiary, to Canadian dollars.

*Year ended December 31, 2022 compared to year ended December 31, 2021*

During the year ended December 31, 2022, exploration and evaluation assets expenditures totaled \$344,600 compared to \$604,085 for the year ended December 31, 2021.

Excluding translation adjustments, exploration and evaluation assets expenditures for year ended December 31, 2022 were \$79,687, compared to \$590,306 incurred for the same period in the prior year.

**AKWAABA MINING LTD.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2022**

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

	Year ended December 31, 2022	Year ended December 31, 2021
Acquisition cost	\$ -	\$ 506,335
Environmental and permitting	15,455	50,045
Consulting fees	40,400	-
Legal fees	23,442	3,414
Due diligence costs	-	30,512
General and administrative	390	-
Translation adjustments	264,913	13,779
	\$ 344,600	\$ 604,085

During the year ended December 31, 2022, The Company incurred \$40,400 in consulting fees, and \$23,442 in legal fees, compared to \$nil and \$3,414, respectively, during the same period in the prior year, representing payments to Geological Management Consultancy Ltd. for site management and security services and for the Company's legal representative in Ghana. Environmental, permitting and other costs totaled \$15,455 for the year ended December 31, 2022, lower than \$50,045 for the same period in the prior year due to the timing of expenses. 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, and to the Environmental Protection Agency of Ghana ("EPA") for processing and certificate fees with respect to EPA permits and forestry permits.

During the three months ended December 31, 2022, the Company recorded a translation adjustment of \$264,913 resulting from the weakening of the Canadian dollar against the US dollar, compared to a translation adjustment of \$13,779 for the same period in the prior year. The translation adjustments are related to the translation of exploration and evaluation assets from US dollars, the functional currency of the Ghana subsidiary, to Canadian dollars.

#### **LIQUIDITY AND CAPITAL RESOURCES**

As at December 31, 2022, the Company had cash and cash equivalents of \$37,897 (December 31, 2021 - \$318,645) to settle current liabilities of \$143,183 (December 31, 2021 - \$597,576). The Company expects to raise additional equity financing or related party debt financing in the coming period to meet its obligations.

As at December 31, 2022, the Company's cash and cash equivalents decreased by \$280,748 to \$37,897 from \$318,645 as at December 31, 2021. Cash of \$163,550 (December 31, 2021- \$171,594) was used for operating activities, \$117,514 was used in investing activities (December 31, 2021- \$461,886), and \$nil provided by financing activities (December 31, 2021- \$850,000).

Net cash used in operating activities for the year ended December 31, 2022 was \$163,550 (December 31, 2021- \$171,594). The cash used during the period consists primarily of the loss of \$168,175 (December 31, 2021- \$214,372) which includes non-cash depreciation of \$869 (December 31, 2021- \$594), and interest accrued of \$9,457 (December 31, 2021- \$37,725).

Net cash used in investing activities for the year ended December 31, 2022 was \$117,514 (December 31, 2021- \$461,886) representing primarily payments for finder's fees, consulting and legal fees in Ghana.

**AKWAABA MINING LTD.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2022**

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Net cash provided by financing activities for the year ended December 31, 2022 was \$nil (December 31, 2021- \$850,000 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**

As of December 31, 2022, \$20,821 (December 31, 2021 - \$445,306) was owing to a director and officer and to a majority shareholder of the Company. The loan balance as of December 31, 2022 represents accrued interests.

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

	Year ended December 31, 2022	Year ended December 31, 2021
Salaries and benefits paid to an officer of the Company <sup>(1)</sup>	\$ 75,496	\$ 72,387
Directors fees	4,050	3,750

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

As of December 31, 2022, \$15,483 (December 31, 2021 - \$7,138) was owing to directors of the Company. The balance as of December 31, 2022 and 2021 represents accrued directors' fees.

**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**

For a complete summary of the Company's significant accounting policies, see Note 3 to the audited financial statements for the year ended December 31, 2022.

**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, 2022, the Company had cash of \$37,897 and current liabilities of \$143,183. 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 December 31, 2022. Based on the Company's net exposure as at December 31, 2022, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an impact on profit or loss of \$1,675.

#### c) Price risk

**AKWAABA MINING LTD.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2022**

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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, 2022.

### **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. Akwaaba has undertaken to put into place a system of internal controls appropriate for its size, and reflective of its 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, 2022, 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 December 31, 2022 are described in detail in Note 8 to the audited consolidated financial statements for the year ended December 31, 2022.

Summarized balances as at December 31, 2022 and April 06, 2023 are as follows:

	December 31, 2022	April 06, 2023
Common shares outstanding	191,187,470	205,187,470
Warrants exercisable	-	7,000,000
Fully-diluted	191,187,470	212,187,470

### **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 Akwaaba Mining Ltd. has approved the disclosures contained in this MD&A.