



**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**

**For the six months ended June 30, 2022**

**(Unaudited - Expressed in Canadian dollars)**

---

**NOTICE TO READER**

These condensed interim consolidated financial statements of Sun Peak Metals Corp. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to the financial statements or the related Management's Discussion and Analysis.

---

**SUN PEAK METALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited - Expressed in Canadian dollars)

	<i>Note</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>			
Current			
Cash	4	\$ 8,561,200	\$ 9,217,664
Receivables	5	7,500	151,381
Prepaid expenses	6	33,160	28,866
		8,601,860	9,397,911
Equipment	7	302,745	160,279
Exploration and evaluation assets	8	11,465	11,465
Deferred acquisition costs	9	3,301,554	3,237,124
Equity investment	10	44,625	54,558
		\$ 12,262,249	\$ 12,861,337
<b>LIABILITIES</b>			
Current			
Trade and other payables	11	\$ 85,980	\$ 72,298
<b>EQUITY</b>			
Share capital	12	19,044,808	19,044,808
Reserve	12	1,338,475	1,338,475
Deficit		(8,207,014)	(7,594,244)
		12,176,269	12,789,039
		\$ 12,262,249	\$ 12,861,337

**Nature of operations**

1

These condensed interim consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors of the Company on August 19, 2022.

**On behalf of the Board:**/s/ David Awram

Director

/s/ Greg Davis

Director

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

**SUN PEAK METALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited - Expressed in Canadian dollars)

		Three months ended June 30,		Six months ended June 30,	
	Note	2022	2021	2022	2021
<b>Expenses</b>					
Consulting fees	13	\$ 30,000	\$ 30,000	\$ 60,000	\$ 60,000
Depreciation	7	20,849	36,757	42,959	52,230
Exploration and evaluation expenditures	8	-	44,208	-	184,021
Foreign exchange		(88,870)	10,166	15,184	35,855
Investor relations		-	255	-	1,033
Office expenses		43,552	5,552	57,384	20,821
Marketing fees	13	3,000	6,000	6,000	21,129
Professional fees		20,757	9,755	20,757	12,184
Project investigation costs		19,931	-	19,931	-
Regulatory costs		20,577	6,636	48,757	77,011
Salaries and benefits	13	148,114	147,514	331,101	326,076
Share-based compensation		-	-	-	32,852
Travel expenses		12,867	-	21,645	44,350
		(230,777)	(296,843)	(623,718)	(867,562)
<b>Dilution gain on equity investment</b>		-	185,625	-	185,625
<b>Interest income</b>		15,128	5,587	20,881	10,158
<b>Loss on equity investment</b>	10	(6,693)	(33,512)	(9,933)	(33,512)
<b>Management services</b>		-	96,000	-	96,000
<b>Loss and comprehensive loss for the period</b>		\$ (222,342)	\$ (43,143)	\$ (612,770)	\$ (609,291)
<b>Basic and diluted loss per share</b>		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
<b>Weighted average number of shares outstanding</b>		87,098,634	78,769,573	87,098,634	78,469,573

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

**SUN PEAK METALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited - Expressed in Canadian dollars)

	<b>Six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows to operating activities</b>		
Loss for the period	\$ (612,770)	\$ (609,291)
Items not involving cash:		
Depreciation	42,959	52,230
Share-based compensation	-	32,852
Dilution gain on equity investment	-	(185,625)
Loss on equity investment	9,933	33,512
Change in non-cash working capital items:		
Receivables	143,881	64,128
Prepaid expenses	(4,294)	26,280
Trade and other payables	13,682	(190,135)
	<u>(406,609)</u>	<u>(776,049)</u>
<b>Cash flows to investing activities</b>		
Purchase of equipment	(185,425)	(31,003)
Deferred acquisition costs	(64,430)	(355,776)
Equity investment	-	(2,500)
	<u>(249,855)</u>	<u>(389,279)</u>
<b>Cash flows from financing activities</b>		
Exercise of warrants	-	60,000
	-	60,000
<b>Decrease in cash for the period</b>	<b>(656,464)</b>	<b>(1,105,328)</b>
<b>Cash, beginning of period</b>	<b>9,217,664</b>	<b>9,760,495</b>
<b>Cash, end of period</b>	<b>\$ 8,561,200</b>	<b>\$ 8,655,167</b>
<b>Supplementary information</b>		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

**SUN PEAK METALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Unaudited - Expressed in Canadian dollars)

	<b>Number of shares</b>	<b>Share capital</b>	<b>Reserve</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2021</b>	87,098,634	\$ 19,044,808	\$ 1,338,475	\$ (7,594,244)	\$ 12,789,039
Loss and comprehensive loss for the period	-	-	-	(612,770)	(612,770)
<b>Balance, June 30, 2022</b>	87,098,634	\$ 19,044,808	\$ 1,338,475	\$ (8,207,014)	\$ 12,176,269

	<b>Number of shares</b>	<b>Share capital</b>	<b>Reserve</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2020</b>	78,438,634	\$ 17,745,808	\$ 1,230,658	\$ (6,070,729)	\$ 12,905,737
Exercise of warrants	400,000	60,000	-	-	60,000
Share-based compensation	-	-	32,852	-	32,852
Loss and comprehensive loss for the period	-	-	-	(609,291)	(609,291)
<b>Balance, June 30, 2021</b>	78,838,634	\$ 17,805,808	\$ 1,263,510	\$ (6,680,020)	\$ 12,389,298

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

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

---

**1. NATURE OF OPERATIONS**

---

Sun Peak Metals Corp. (the “Company”) is a publicly traded company incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 2, 2016. Effective August 17, 2020, the Company’s common shares commenced trading on the TSX Venture Exchange (“TSX-V”) under the symbol PEAK. Effective March 4, 2021, the Company’s common shares commenced trading on the OTCQB Venture Market in the United States under the symbol SUNPF. The Company’s head office and registered and records office address is Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6.

The Company’s principal business is the acquisition, exploration, and development of resource properties for the mining of precious or base metals in Ethiopia.

In November 2020, armed conflicts broke out in the Tigray Region of northern Ethiopia and a state of emergency was declared in the Tigray Region by the Federal Democratic Republic of Ethiopia government. The Company immediately suspended all work programs and invoked force majeure by notification to Ethiopia’s Ministry of Mines and Petroleum. The Company has received letters from the Ministry of Mines and Petroleum confirming that the Ministry has accepted the force majeure declaration on its exploration licenses (Note 8 and 9). Subsequent extension requests have been filed and accepted. During force majeure, all work and contractual commitments on the projects are deferred until it is deemed safe and stable by the Company to resume exploration work in the region.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at June 30, 2022, the Company had working capital of \$8,515,880. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned operations through the next twelve months.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, customers, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business. Risks include, but are not limited to, the ability of the Company to raise funds, the ability of the Company to conduct operations in the event of safety lockdowns, the inability to travel for professionals and contractors involved in exploration, regional travel and quarantine restrictions within the country, and the disruption of shipping material and samples to and from the project. The Company suspended exploration operations in March 2020 due to the pandemic and implemented a COVID response plan to comply with local and international regulations. In September 2020, the Company returned to full exploration operations in Ethiopia, however in November 2020, suspended exploration operations again due to the conflicts in Ethiopia.

These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

---

**2. BASIS OF PRESENTATION**

---

**Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as at the date the Board of Directors approved these condensed interim consolidated financial statements for issue.

These condensed interim consolidated financial statements do not include all of the information and disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2021.

**Basis of measurement**

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**Functional and presentation currency**

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the parent Company's functional currency as well as being the functional currency for the Company's Ethiopian subsidiary.

**Use of estimates and judgments**

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

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

**(i) Critical accounting estimates**

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

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



**SUN PEAK METALS CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

---

**2. BASIS OF PRESENTATION (continued)**

---

**Use of estimates and judgments (continued)**

(ii) Critical accounting judgments

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

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

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

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

---

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company as at and for the year ended December 31, 2021.

**Standards issued but not yet effective**

A number of new standards, amendments to standards and interpretations are not yet effective as of June 30, 2022 and have not been applied in preparing these consolidated financial statements. In addition, these standards are not expected to impact the Company.

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

---

**4. CASH**

---

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Canadian dollar denominated deposits held in Canada	\$ 8,087,976	\$ 8,409,079
US dollar denominated deposits held in Canada	395,971	736,345
US dollar denominated deposits held in Ethiopia	75,481	11,481
Birr denominated deposits held in Ethiopia	1,772	60,759
Total	\$ 8,561,200	\$ 9,217,664

---

**5. RECEIVABLES**

---

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Amounts due from the Government of Canada pursuant to goods and services input tax credits	\$ 7,500	\$ -
Due from Kandaka	-	151,200
Other	-	181
Total	\$ 7,500	\$ 151,381

---

**6. PREPAID EXPENSES**

---

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Prepaid insurance	\$ 3,626	\$ 14,509
Prepaid rent	3,747	3,800
Other	25,787	10,557
Total	\$ 33,160	\$ 28,866

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

**7. EQUIPMENT**

	Office furniture and equipment	Field equipment	Vehicles	Total
<b>Cost</b>				
At December 31, 2021	78,371	75,908	113,310	267,589
Additions	-	185,425	-	185,425
At June 30, 2022	\$ 78,371	\$ 261,333	\$ 113,310	\$ 453,014
<b>Accumulated depreciation</b>				
At December 31, 2021	25,242	41,973	40,095	107,310
Depreciation	7,264	28,015	7,680	42,959
At June 30, 2022	\$ 32,506	\$ 69,988	\$ 47,775	\$ 150,269
<b>Carrying amounts</b>				
At December 31, 2021	\$ 53,129	\$ 33,935	\$ 73,215	\$ 160,279
At June 30, 2022	\$ 45,865	\$ 191,345	\$ 65,535	\$ 302,745

**8. EXPLORATION AND EVALUATION ASSETS**

	Nefasit Project	Adi Dairo Project	Adi Mendi Project	Workemba Project	Total
December 31, 2021	\$ 5,257	\$ 2,797	\$ 899	\$ 2,512	\$ 11,465
Additions	-	-	-	-	-
June 30, 2022	\$ 5,257	\$ 2,797	\$ 899	\$ 2,512	\$ 11,465

In November 2020, armed conflicts broke out in the Tigray Region of northern Ethiopia and a state of emergency was declared in the Tigray Region by the Federal Democratic Republic of Ethiopia government. The Company immediately suspended all work programs and invoked force majeure by notification to Ethiopia's Ministry of Mines and Petroleum. The Company has received letters from the Ministry of Mines and Petroleum confirming that the Ministry has accepted the force majeure declaration on its exploration licenses. Subsequent extension requests have been filed and accepted. During force majeure, all work and contractual commitments on the projects are deferred until it is deemed safe and stable by the Company to resume exploration work in the region.

Further details on the Company's exploration and evaluation assets are found in Note 8 of the December 31, 2021 consolidated financial statements.

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

**8. EXPLORATION AND EVALUATION ASSETS (continued)**

Exploration and evaluation expenditures included in the loss for the three and six months ended June 30, 2022, and 2021 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Nefasit				
Project administration	\$ -	\$ 9,451	\$ -	\$ 62,191
Salaries and benefits	-	11,458	-	20,566
Travel expenses	-	1,194	-	9,253
	-	22,103	-	92,010
Adi Da-iro				
Project administration	-	9,453	-	62,192
Salaries and benefits	-	11,458	-	20,566
Travel expenses	-	1,194	-	9,253
	-	22,105	-	92,011
Total	\$ -	\$ 44,208	\$ -	\$ 184,021

\* until December 31, 2021, the Company included Ethiopian general and administrative expenses in exploration and evaluation expenditures, however for the three and six months ended June 30, 2022, these expenditures have been included in their respective profit and loss line items.

**9. DEFERRED ACQUISITION COSTS**

	June 30, 2022	December 31, 2021
Opening balance	\$ 3,237,124	\$ 2,819,057
Advances to Axum	64,430	128,686
Expenses paid on behalf of Axum	-	289,381
Closing balance	\$ 3,301,554	\$ 3,237,124

In November 2020, armed conflicts broke out in the Tigray Region of northern Ethiopia and a state of emergency was declared in the Tigray Region by the Federal Democratic Republic of Ethiopia government. The Company immediately suspended all work programs and invoked force majeure by notification to Ethiopia's Ministry of Mines and Petroleum. The Company has received letters from the Ministry of Mines and Petroleum confirming that the Ministry has accepted the force majeure declaration on its exploration licenses. Subsequent extension requests have been filed and accepted. During force majeure, all work and contractual commitments on the projects are deferred until it is deemed safe and stable by the Company to resume exploration work in the region.

The Company also invoked force majeure pursuant to the joint venture agreement between the Company and Ezana Mining Development plc ("Ezana") by notification to Ezana. Pursuant to the joint venture agreement, the Company has an option to earn up to 70% in Axum Metals Share Company ("Axum"), which holds the Terer and Meli exploration licenses. Further details on the Company's deferred acquisition costs are found in Note 9 of the December 31, 2021 consolidated financial statements.

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

**10. EQUITY INVESTMENT**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Opening balance	\$ 54,558	\$ -
Additions	-	2,500
Dilution gain	-	185,625
Share-based compensation adjustment	-	18,552
Loss	(9,933)	(152,119)
Closing balance	\$ 44,625	\$ 54,558

The Company has a 25% investment in Kandaka, a Canadian private company investigating mineral exploration opportunities in Sudan. Directors and officers of the Company hold an additional 20% of Kandaka. The Company and Kandaka also have directors and officers in common.

As at June 30, 2022 and December 31, 2021, the net assets of Kandaka were as follows:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Assets	\$ 181,515	\$ 372,453
Liabilities	(3,015)	(154,223)
Net assets	178,500	218,230
Ownership	25%	25%
Closing balance	\$ 44,625	\$ 54,558

**11. TRADE AND OTHER PAYABLES**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Trade and other payables in Canada	\$ 32,692	\$ 56,616
Trade and other payables in Ethiopia	16,027	3,972
Amounts due to the Government of Canada pursuant to goods and services input tax credits	-	4,891
Amounts due to related parties (Note 13)	37,261	6,819
Total	\$ 85,980	\$ 72,298

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

**12. SHARE CAPITAL****a) Authorized share capital**

The authorized share capital is comprised of an unlimited number of common shares without par value.

**b) Issued share capital**

There were no common shares issued during the six months ended June 30, 2022.

**c) Escrow shares**

As at June 30, 2022, the Company had 9,291,642 common shares held in escrow, to be released 3,097,214 on August 17, 2022, 3,097,214 on February 17, 2023, and 3,097,214 on August 17, 2023.

**d) Security based compensation**

In June 2022, the Company's shareholders approved a new replacement stock option plan (the "New Option Plan"). The New Option Plan is a 10% "rolling" stock option plan which governs the granting of stock options to directors, officers, employees and consultants of the Company or a subsidiary of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time which supersedes the current stock option plan (the "Superseded Option Plan"). Any stock options currently outstanding under the Superseded Option Plan will remain outstanding, however new stock option grants will be subject to the New Option Plan. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.

In addition, the shareholders approved a new equity incentive plan (the "Equity Plan") which governs the granting of any restricted share unit (RSU), performance share unit (PSU) or deferred share unit (DSU) granted under the Equity Plan, to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved for issuance up to 8,709,863 common shares, being 10% of the issued and outstanding common shares of the Company, pursuant to the Equity Plan.

The New Option Plan and Equity Plan follow the new security based compensation policy adopted by the TSX-V in November 2021.

The continuity of stock options for the six months ended June 30, 2022 is as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance, December 31, 2021</b>	<b>Issued</b>	<b>Exercised</b>	<b>Cancelled/ Expired</b>	<b>Balance, June 30, 2022</b>
August 17, 2025	\$ 0.35	4,100,000	-	-	-	4,100,000
July 20, 2026	\$ 0.35	225,000	-	-	-	225,000
		4,325,000	-	-	-	4,325,000
Weighted average exercise price	\$ 0.35	\$ -	\$ -	\$ -	\$ -	\$ 0.35

As at June 30, 2022, all stock options were exercisable with a weighted average remaining life of 3.18 years.

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

**13. RELATED PARTY TRANSACTIONS***Compensation of key management personnel*

Key management includes members of the Board of Directors, the President and Chief Executive Officer, the Vice President Exploration & Geology, the Vice President Project Development, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel, which includes the amounts disclosed above, during the three and six months ended June 30, 2022 and 2021 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Consulting fees				
Golden Oak (1)	\$ 30,000	\$ 30,000	\$ 60,000	\$ 60,000
Marketing fees				
Peak (2)	3,000	3,000	6,000	6,000
VRIFY (3)	-	3,000	-	6,000
	3,000	6,000	6,000	12,000
Salaries and benefits				
Chief Executive Officer	41,667	45,833	91,667	83,333
Vice President Exploration & Geology	41,667	45,833	91,667	83,333
Vice President Project Development	41,667	45,833	91,667	83,333
	125,001	137,499	275,001	249,999
	\$ 158,001	\$ 173,499	\$ 341,001	\$ 321,999

(1) Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company owned by the Chief Financial Officer and Corporate Secretary of the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.

(2) Peak Investor Marketing Corp. ("Peak") is a company of which the spouse of the Chief Executive Officer is a principal.

(3) VRIFY Technology Inc. ("VRIFY") is a company of which a director of the Company is a principal.

*Amounts due to related parties*

		June 30, 2022	December 31, 2021
Chief Executive Officer	Expenses	\$ 7,831	\$ 2,478
Vice President Exploration & Geology	Expenses	9,114	-
Vice President Project Development	Expenses	9,465	3,929
Golden Oak	Expenses	10,851	412
		\$ 37,261	\$ 6,819

**SUN PEAK METALS CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2022

(Unaudited - Expressed in Canadian dollars)

---

**14. SEGMENTED INFORMATION**

---

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and evaluation.

With the exception of the cash disclosed in Note 4, all of the Company's significant assets are located in Ethiopia.

---

**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

---

**Financial Instruments**

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

		<b>June 30, 2022</b>	<b>December 31, 2021</b>
Cash	FVTPL	\$ 8,561,200	\$ 9,217,664
Receivables	Amortized cost	7,500	151,381
Trade and other payables	Amortized cost	85,980	72,298

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

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

The carrying values of receivables and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The fair value of cash was determined based on Level 1 of the fair value hierarchy.

**Risk management**

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended December 31, 2021.