# CRITICAL CAPITAL CORPORATION

**Filing Statement**

with respect to a Qualifying Transaction

with

**CASTLE PEAK MINING LTD.**

February 23, 2011

*Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.*

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## GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Filing Statement including the summary hereof. Terms and abbreviations used in the financial statements of Critical and Castle Peak and the pro forma consolidated financial statements of Critical and in the schedules to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

All dollar amounts herein are in Canadian dollars, unless otherwise stated.

All defined terms not otherwise defined herein are as defined in the policies of the Exchange.

"**Acquisition**" means the acquisition by Critical of at least 76% of the issued and outstanding shares of Castle Peak from the holders thereof pursuant to the terms set out in the Share Purchase Agreement.

"**Affiliate**" means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A Company is a "subsidiary" of another Company if it is controlled by the other Company.

A Company is "controlled" by a Person if:

(a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person, or

(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"**Agency Agreement**" means the agency agreement dated November 9, 2010 between the Agent and Critical relating to the Brokered Private Placement.

"**Agent**" mean Raymond James Ltd.

"**Agent's Commission**" means a cash commission of up to 7% of the gross proceeds received by the Corporation from the sale of Units by the Agent.

"**Agent's Warrants**" means the non-transferable share purchase warrants to be granted by the Corporation to the Agent to purchase that number of Common Shares that is equal to 7% of the Common Shares sold in connection with the Brokered Private Placement at a price of $0.50 per Common Share, exercisable for a period of 12 months from the date of issuance.

"**Associate**" when used to indicate a relationship with a Person, means:

(a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the Issuer;

(b) any partner of the Person;

(c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and

(d) in the case of a Person who is an individual:

(i) that Person's spouse or child; or

(ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

(e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member (as defined by the policies of the Exchange) firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange's policies with respect to that Member firm, Member corporation or holding company.

"**Brokered Private Placement**" means the portion of the Private Placement to raise up to $1,848,350 by the Agent for the Corporation through the issuance of Units at a purchase price of $0.35 per Unit.

"**Castle Peak**" means Castle Peak Mining Ltd., a private British Columbia corporation.

"**CEO**" means the chief executive officer of a company.

"**CFO**" means the chief financial officer of a company.

"**Closing**" means the completion of the Transactions.

"**Closing Date**" means the date the Closing of the Transactions will occur, which will be such date as the Corporation and Castle Peak may agree.

"**Common Shares**" means the common shares of the Corporation or Resulting Issuer, as the context requires.

"**Company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Completion of the Qualifying Transaction**" means the date the Final Exchange Bulletin in respect of the Transactions is issued by the Exchange.

"**Computershare**" means Computershare Investor Services Inc.

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting shares of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer.

"**Corporate Finance Warrants**" means the non-transferable share purchase warrants to be granted by the Corporation to the Agent to purchase up to 50,000 Common Shares at a price of $0.50 per share, exercisable for a period of 12 months from the date of issuance, as additional compensation under the Brokered Private Placement.

“**Corporation**” or “**Critical**” means Critical Capital Corporation prior to the completion of the Acquisition.

“**CPC**” means a corporation:

(a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and

(b) in regard to which the Final Exchange Bulletin has not yet occurred.

“**CPC Policy**” means the Policy 2.4 - *Capital Pool Companies* of the corporate finance manual of the Exchange.

“**CPC Escrow Agreement**” means the escrow agreement dated August 18, 2009 among the Corporation, founding shareholders of the Corporation and Computershare, as escrow agent.

“**Exchange**” means TSX Venture Exchange Inc.

“**Filing Statement**” means this filing statement including the schedules attached hereto.

“**Final Exchange Bulletin**” means the Exchange Bulletin issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

“**Finder’s Fee**” means a cash commission of up to 5% of the gross proceeds received by the Corporation from the sale of Units from the non-brokered portion of the Private Placement.

“**Insider**” if used in relation to an Issuer, means:

(a) a director or senior officer of the Issuer;

(b) a director or senior officer of a Company that is an Insider or subsidiary of the Issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or

(d) the Issuer itself if it holds any of its own securities.

“**IPO**” means the initial public offering of Common Shares of the Corporation on February 26, 2010.

“**IPO Agent’s Warrants**” means the options to acquire up to 200,000 Common Shares of the Corporation at a price of $0.10 per share, issued to the Corporation’s agent in connection with the Corporation’s IPO, which options will expire on March 9, 2012.

“**Issuer**” means a Company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant Company seeking a listing of its securities on the Exchange.

“**Letter of Intent**” means the letter of intent from Critical to Castle Peak dated March 17, 2010, and accepted by Castle Peak on March 18, 2010, amendment no. 1 dated September 30, 2010, amendment no. 2 dated December 30, 2010 and amendment no. 3 dated January 11, 2011, relating to the purchase of all of the issued and outstanding shares of Castle Peak, which will be superseded and replaced by the Share Purchase Agreement.

“**Name Change**” means the change of the Corporation’s name to “Castle Peak Mining Ltd.” or such other name as the board of directors of Critical deems appropriate and is acceptable to the applicable regulatory authorities upon Closing, subject to Exchange and other regulatory acceptance.

“**Nkwanta and Ayiem Report**” means the technical report on the Nkwanta and Ayiem properties prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects by Alain-Jean

Beauregard, P. Geol., FGAC, OGQ, and Daniel Gaudreault, P. Eng, OIQ, AEMQ, of Geologica Groupe-Conseil Inc. ("Geologica") entitled "NI 43-101 Technical Evaluation Report on Nkwanta & Ayiem Concessions, Wassa-West District, Republic of Ghana, West Africa" and dated February 14, 2011 for the Corporation and Castle Peak.

"**Non Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

"**Person**" means a Company or individual.

"**Principal**" means:

(a) a Person who acted as a promoter of the issuer within two years before the IPO prospectus or Exchange bulletin confirming final acceptance of a transaction;

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or final Exchange bulletin;

(c) a 20% holder – a Person that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the Issuer's IPO or immediately after the final Exchange bulletin for non IPO transactions;

(d) a 10% holder – a Person that:

(i) holds securities carrying more than 10% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the Issuer's IPO or immediately after the final Exchange bulletin for non IPO transactions; and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

A Company, more than 50% held by one or more Principals, will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principals' securities of the entity and the total securities of the entity outstanding). Any securities of the Issuer that this entity holds will be subject to escrow requirements.

A Principal's spouse and relatives of the Principal or spouse who live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements.

"**Private Placement**" means the private placement by the Corporation to raise between $6,000,000 and $8,000,000 through the issuance of Units at a purchase price of $0.35 per Unit.

"**QT Escrow Agreement**" means the escrow agreement in the form of Exchange Form 5D - *Escrow Agreement (Value Security)* to be entered into on or before the Closing Date among the Corporation, certain shareholders of Castle Peak, and Computershare, as escrow agent.

"**Qualifying Transaction**" means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means.

"**Resulting Issuer**" means the corporation that was formerly Critical that will exist upon issuance of the Final Exchange Bulletin.

"**Share Purchase Agreement**" means the share purchase agreement dated as of January 11, 2011 made among the Corporation, Castle Peak, and the holders of the issued and outstanding shares of Castle Peak, pursuant to which the Corporation and Castle Peak have agreed to complete the Acquisition on the terms and conditions set forth therein.

"**Share Purchase Warrants**" means the non-transferable common share purchase warrants of the Corporation which will be issued as part of the Units issued pursuant to the Private Placement. Each whole Share Purchase Warrant will entitle the holder, on exercise, to purchase one Common Share of the Resulting Issuer at a price of $0.50 per share for a period of 12 months following the Closing.

**"Sponsor"** has the meaning specified in Exchange Policy 2.2 – Sponsorship and Sponsorship Requirements.

"**Stock Option Plan**" means the stock option plan dated August 4, 2009 of the Corporation, as amended from time to time. The Stock Option Plan will be the stock option plan of the Resulting Issuer, assuming completion of the Qualifying Transaction.

"**Transactions**" means the Acquisition and the Private Placement.

"**Units**" means units of the Corporation issued pursuant to the Private Placement, each Unit comprised of one Common Share and one-half of one Share Purchase Warrant.

## GLOSSARY OF MINING TERMS

The following is a glossary of certain terms used in this Filing Statement including the summary hereof.

“Ag” means the chemical symbol for silver;

“alteration” means any change in the mineralogical composition of a rock that is brought about by physical or chemical means, especially by the action of hydrothermal solutions;

“anomaly” means a geological feature, especially in the subsurface, distinguished by geological, geophysical or geochemical means, which is different from the general surroundings and is often of potential economic value having a geochemical or geophysical character which deviates from regularity;

“Ashanti Belt” means the southernmost, north east trending, paleo-proterozoic volcano-sedimentary greenstone belt located in south west Ghana;

“assay” means to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest;

“Au” means the chemical symbol for gold;

“Birimian” means the Birimian terranes in the south part of the West African craton which are a mix of metamorphosed volcanic, sedimentary and plutonic rocks and low grade metavolcanics and metasediments. Almost half of the terranes consist of alkaline granites. The rocks formed over a period of about 50 million years between 2.200Ga and 2.100Ga years ago;

“BLEG” means bulk leach extractable gold;

“Bui belt” means a north east trending, paleo-proterozoic volcano-sedimentary greenstone belt located in Ghana;

“Ca(OH)” means calcium hydroxide;

“DDH” means diamond drill hole;

“deposit” means a mineralized body which has been physically delineated by sufficient drilling, trenching and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing reserves of ore, until final legal, technical and economic factors have been resolved;

“diamond drill” means a rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections, two cm or more in diameter;

“DIBK” means di iso butyl ketone;

“dip” means the maximum angle that a structural surface makes with the horizontal, measured perpendicular to the strike of the structure and in the vertical plane;

“EM” means a geophysical survey method which measures the electromagnetic properties of rocks;

“FA” means fire assay;

“FAA” means fire assay atomic absorption finish;

“felsic” means a igneous rock having abundant light-coloured minerals;

“fire assay” means the assaying of metallic ores, usually gold and silver, by methods requiring melting of the rock to separate its various metallic constituents;

“Ga” means giga-annum (1,000,000,000 years);

“geochemistry” means the study of the chemical properties of rocks;

“g/t” means grams per metric tonne;

“geophysical survey” means a scientific method of prospecting that measures the physical properties of rock formations. Common properties investigated include magnetism, specific gravity, electrical conductivity and radioactivity;

“granitoids” means a generalized grouping of rocks with similar characteristics to a granite; a common and widely occurring type of intrusive, felsic, igneous rock;

“hectare” means a square of 100 m on each side;

“host” means a rock or mineral that is older than rocks or minerals introduced into it;

“hydrothermal” means pertaining to hot water, especially with respect to its action in dissolving, redepositing and otherwise producing mineral changes within the earth’s crust;

“igneous” means a classification of rocks formed from the solidification from a molten state. If the rock crystallizes within the crust, it is said to be intrusive, while if it flows onto the surface, it is extrusive;

“intrusion” means the process of emplacement of magma in pre-existing rock;

“IP” means induced polarization which is a geophysical imaging technique used to identify minerals beneath the surface;

“Mag” means a geophysical survey method which measures the magnetic properties of rocks;

“masl” means metres above sea level;

“mineralization” means the process or processes by which a mineral or minerals are introduced into a rock resulting in concentration of metals and their chemical compounds within a body of rock;

“NaCN” means sodium cyanide;

“NSR” means net smelter return royalty;

“ppb” means parts per billion;

“ppm” means parts per million;

“pyrite” means a mineral composed of iron and sulphur (FeS2);

“QAQC” means Quality Assurance and Quality Control;

“quartz” means a mineral composed of silicon dioxide, crystalline silica, commonly in white masses, next to feldspar, the commonest mineral;

“RAB drilling” means rotary air blast drilling;

“RC Holes” means reverse circulation drill holes;

“sample” means a small portion of rock, soil or a mineral deposit taken so that the metal content can be determined by assaying;

“sampling” means selecting a fractional but representative part of a rock, soil, or a mineral deposit for analysis;

“sediment” means solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically precipitated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form;

“strike” means direction or trend of a geologic structure;

“Tarkwaian” means of mid Proterozoic age; 2.12 – 2.14 Ga;

“UTM” means Universal Transverse Mercator, a grid reference system;

“vein” means a precipitation or deposit from a hydrothermal fluid of, commonly, quartz, carbonate minerals and metallic minerals into a fissure or crack or other geological structure; and

“VLF-EM” means a geophysical survey that measures very low frequency electromagnetic.

## CRITICAL CAPITAL CORPORATION

## SUMMARY OF FILING STATEMENT

*The following is a summary of information relating to the Corporation, Castle Peak and the Resulting Issuer, (assuming completion of the Transactions), and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. The information provided in this Filing Statement is as at February 23, 2011, except as otherwise stated.*

### The Corporation

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on June 3, 2009, and completed its IPO as a Capital Pool Company on February 26, 2010. The Common Shares became eligible to commence trading on the Exchange on March 9, 2010. The Corporation's business has been restricted to the identification and evaluation of potential acquisitions or interests that could lead to the completion of its Qualifying Transaction under the CPC Policy.

### Castle Peak

Castle Peak was incorporated under the *Business Corporations Act* (British Columbia) on September 13, 2006. Castle Peak is in the business of the evaluation, acquisition and exploration of precious metal mineral properties in Ghana. Castle Peak currently holds interests in seven prospecting licenses in Ghana. Castle Peak's principal properties are the Nkwanta prospecting license and Ayiem prospecting license. Castle Peak, through its subsidiaries, owns 100% of the Nkwanta, Asuogya, and Dompem properties, 95% of the Ayiem and Essamang (Kedadwen/Esserman) properties, 90% of the Bonsaso prospecting license, and 83% of the Dompim prospecting license. Castle Peak is a private company, whose outstanding shares are held by 48 shareholders.

### The Qualifying Transaction

Management of the Corporation has identified the acquisition of Castle Peak as an appropriate transaction to constitute its Qualifying Transaction. It is proposed that the Corporation would acquire at least 76% of the issued and outstanding shares of Castle Peak from the shareholders of Castle Peak.

A formal share purchase agreement (the "Share Purchase Agreement") dated January 11, 2011 to be entered into by the Corporation, Castle Peak and the shareholders of Castle Peak has been signed by the Corporation, Castle Peak and 99% of the shareholders of Castle Peak. The Share Purchase Agreement has been delivered to the remaining shareholders of Castle Peak for execution. Pursuant to the Share Purchase Agreement the Corporation will acquire at least 76% of the issued and outstanding shares of Castle Peak in exchange for the issuance of up to 18,000,000 Common Shares to the shareholders of Castle Peak at a deemed price of $0.35 per share, representing an aggregate acquisition price of $6,300,000. The exchange ratio is 0.5803222, where one share of Castle Peak is paid for by the issuance of 0.5803222 Common Share of the Corporation. Upon Closing, the Corporation will be the majority, if not sole, shareholder of Castle Peak. The number of Common Shares to be issued in connection with the Acquisition was determined pursuant to arm's length negotiations between the management of each of the Corporation and Castle Peak.

### Private Placement

Concurrent with the Acquisition, the Corporation will complete the Private Placement for aggregate gross proceeds of between $6,000,000 and $8,000,000, through the issuance of up to 22,857,142 Units at a purchase price of $0.35 per Unit. Each Unit will be comprised of one Common Share and one-half of one Share Purchase Warrant. Each whole Share Purchase Warrant will entitle the holder to purchase one Common Share at a purchase price of $0.50 per share for a period of 12 months following the Closing. Shares and Share Purchase Warrant certificates will be issued from the Corporation's new name "Castle Peak Mining Ltd."

Pursuant to an engagement letter dated May 31, 2010, and amended on September 17, 2010 and February 3, 2011, and subsequent Agency Agreement, the Agent has agreed to act as the exclusive agent of the Corporation, to raise up to $1,848,350 of the Private Placement, on a commercially reasonable efforts basis (the "Brokered Private Placement"). The Corporation will pay the Agent a commission of 7% of gross proceeds in cash and 7% in Agent's Warrants. Each Agent's Warrant will entitle the Agent to acquire one common share of the Corporation for a period of 12 months at a price of $0.50 per share. In addition, the Corporation has agreed to issue to the Agent non transferable share purchase warrants (the "Corporate Finance Warrants") to purchase up to 50,000 Common Shares at a price of $0.50 per Common Share for a period of 12 months from the date of Closing; pay to the Agent a corporate finance fee of $25,000 plus applicable taxes. A deposit toward the corporate finance fee and estimated legal fees and expenses has been paid by the Corporation to the Agent in the amount of $26,000, of which $14,000 is non-refundable. Should the Exchange require the Corporation to retain a sponsor, the Agent agreed to act as sponsor subject to the Agent successfully completing its due diligence. The Corporation has obtained from the Exchange an exemption from the requirement to retain a sponsor. The Corporation granted the Agent a right of first refusal on all brokered financings involving the Corporation for a period of 12 months from Closing.

The Corporation may pay a finder's fee of up to 5% of gross proceeds in cash to parties at arm's length to the Corporation and Castle Peak who introduce purchasers to the Corporation in connection with the non-brokered portion of the Private Placement.

For more information on the Private Placement, see "Part I - The Corporation – Corporate Structure and Description of Business – Private Placement".

**Name Change**

Pursuant to a shareholder resolution dated August 11, 2009 consented to in writing by all shareholders, the Corporation obtained shareholder approval to change the name of the Corporation to a name chosen by the directors of the Corporation. The directors of the Corporation plan to change the name of the Corporation to "Castle Peak Mining Ltd.", or such other name as the board of directors of the Corporation deems appropriate and is acceptable to the applicable regulatory authorities upon Closing, subject to Exchange and other regulatory acceptance. Castle Peak plans to change its name from "Castle Peak Mining Ltd." to "Castle Peak Mining (2006) Ltd.".

**The Resulting Issuer**

Upon Closing, Castle Peak will become a direct wholly-owned subsidiary of the Corporation and the Corporation will carry on the business of evaluating, acquiring and exploring mineral properties in Ghana. It is anticipated that the Resulting Issuer will change its name to "Castle Peak Mining Ltd.", and will trade on the Exchange under new trading symbol "CAP". Upon Completion of the Qualifying Transaction and subject to the approval of the Exchange, the Resulting Issuer will become a Tier 2 Mining Issuer on the Exchange.

**Risk Factors**

There are inherent risks in the business of the Corporation and in the business of Castle Peak. The Acquisition must be considered speculative due to the nature of the business of the Corporation and Castle Peak, and each company's relatively formative stage of development. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. In addition to the factors disclosed elsewhere in this Filing Statement, investors should consider the following risk factors in assessing the investment merits of such securities:

1. Castle Peak does not have a history of mineral exploration operations on which to base an evaluation of its business and prospects and accordingly its business is essentially dependent on its success or failure in exploring for and developing mineral resources. Castle Peak is engaged in the business of mineral exploration and development, in particular with respect to gold, and has never generated earnings or revenues.

2. The Resulting Issuer will be subject to all of the risks inherent in the mineral exploration and mining industries, and there is no assurance that it will ever succeed, become profitable or that investors will receive a return of any part of their investment.

3. There can be no assurance that mining equipment will be available to Castle Peak on a timely basis or at a reasonable cost.

4. There is a potential lack of adequate infrastructure in Ghana.

5. The Resulting Issuer will need to continually raise additional capital in order to be able to continue to expand its exploration and development efforts, which capital may not be readily available on terms acceptable to it, if at all.

6. Castle Peak does not own title to certain of its prospecting licenses. Title to the licenses are in the names of the respective vendors and transfer of title to Castle Peak or its subsidiaries requires filing of appropriate documents and payment of appropriate filing fees with the Ghana Minerals Commission. There is no guarantee Castle Peak's interest in the licenses will not be challenged by the present title holders; Castle Peak's title to such properties will not be challenged or impugned; the appropriate permits and approvals will be obtainable on reasonable terms or on a timely basis; the licenses will be renewed upon their expiry; and that Castle Peak will be able to explore its properties as permitted or to enforce its rights with respect to its properties.

7. There was a lawsuit relating to Castle Peak's title to the Dompim prospecting license, see "Part II - The Target Company – Narrative Description of the Business". Although the High Court of Ghana in Accra gave a judgment in favour of Castle Peak's subsidiary company, the judgment is subject to appeal by Klair Star, the plaintiff in the initial action. There is no assurance that on the appeal, if initiated by the plaintiff, that the High Court judge's ruling will be upheld. However, Castle Peak understands that all avenues of appeal have expired.

8. There is an ongoing dispute relating to Castle Peak's ownership to the Nkwanta and Asuogya properties with the vendor Netas Mining Company Limited ("Netas"), see "Part II - The Target Company – Narrative Description of the Business".

9. Castle Peak's properties, being located in Ghana, are subject to various political, legal, economic and other uncertainties.

10. All of Castle Peak's properties are located in Ghana, which has historically experienced relatively high rates of inflation and political and legal instability.

11. Insurance against environmental and many other risks to which the Resulting Issuer may be exposed may not be available to the Resulting Issuer on economically feasible premiums, if at all.

12. All phases of Castle Peak's operations are subject to environmental regulations. Environmental hazards may exist on Castle Peak's properties which are unknown to the Company at present and which have been caused by previous owners or operators of such properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

13. Fluctuations in the value of the United States dollar relative to the Canadian dollar could have a material impact on the Resulting Issuer's consolidated financial statements by creating gains or losses.

14. Some of the directors and officers of the Corporation, Castle Peak and the Resulting Issuer reside outside of Canada. It may not be possible for investors to collect from such directors or officers or enforce judgments obtained in courts in Canada predicated on the civil liability provisions of Canadian securities legislation against such directors and officers of the Corporation, Castle Peak and the Resulting Issuer.

15. Significant competition exists for gold acquisition opportunities in Ghana and throughout the world, much of which competition is with large, established mining companies with greater financial and technical resources than those of the Resulting Issuer.

16. Mineral exploration and development operations are significantly volatile and uncertain, as are the global markets for these minerals, and there is no assurance that the market for gold or other minerals explored for will be sustained.

17. A number of directors of the Resulting Issuer also serve as directors and/or officers of other companies involved in the exploration and development of natural resource properties. As a result, conflicts may arise between the obligations of these individuals to the Resulting Issuer and to such other companies.

The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation, the Resulting Issuer or Castle Peak. Additional factors are noted in this Filing Statement under "Part II - The Target Company – Risk Factors".

**Conditions Precedent**

The completion of the Acquisition contemplated by the Share Purchase Agreement is subject to certain conditions, including (i) obtaining all necessary regulatory approvals, including, without limitation, the Exchange's approval and the Exchange being satisfied that after the completion of the Transactions the Resulting Issuer will satisfy the Exchange's minimum listing requirements for a Tier 2 Mining Issuer as prescribed by the Exchange Policy 2.1 Minimum Listing Requirements, (ii) the completion of the Private Placement; and (iii) other conditions under the Share Purchase Agreement which are typical for a share purchase transaction.

**Interests of Insiders, Promoters or Control Persons of the Corporation**

Other than as described below, no Insider, promoter or Control Person of the Corporation or its Associates and Affiliates (before giving effect to the Acquisition) have any interest in Castle Peak.

1. Brian Lock, a director of the Corporation, was a director of Castle Peak from February 1, 2007 to January 18, 2010. Mr. Lock, personally and through his holding company Brigill Investments Ltd., has loaned a total of $210,000 to Castle Peak. The loans do not accrue interest, are repayable on Closing or if the Qualifying Transaction is terminated, and are evidenced by promissory notes issued by Castle Peak. Upon Completion of the Qualifying Transaction, Castle Peak plans to repay the loans owing to Mr. Lock, and Mr. Lock intends to use the proceeds to subscribe for Units under the Private Placement.

2. David Smalley, a director of the Corporation, was a director of Castle Peak from its incorporation on September 13, 2006 to March 8, 2010, and Mr. Smalley was corporate secretary of Castle Peak from January 31, 2007 to March 8, 2010. Mr. Smalley is also partner and lawyer at Fraser and Company LLP, a law firm providing legal services to the Corporation and Castle Peak. The partners and associates of Fraser and Company LLP own, directly or indirectly, in the aggregate, 400,000 Common Shares of the Corporation; and an additional 1,126,138 of the common shares of Castle Peak. Upon Closing, the Resulting Issuer will issue 653,523 Common Shares of Resulting Issuer in exchange for the 1,126,138 common shares of Castle Peak. The shares together represents an aggregate of 2.7% of the outstanding shares of the Resulting Issuer with a minimum Private Placement and 2.5% of the outstanding shares with a maximum Private Placement, excluding any securities acquired under the Private Placement. In 2007 the board of directors of Castle Peak approved of a one-time payment of director fees of $45,000 to David Smalley. In November 2010, Mr. Smalley personally loaned $20,000 to Castle Peak. Upon Completion of the Qualifying Transaction, Castle Peak plans to repay the loans owing (total amount of $65,000) to Mr. Smalley, and Mr. Smalley intends to use the proceeds to subscribe for Units under the Private Placement.

**Arm's Length Qualifying Transaction**

The Qualifying Transaction was negotiated by the Corporation and Castle Peak dealing at arm's length with each other and therefore, in accordance with the policies of the Exchange, is not a Non Arm's Length Qualifying Transaction. As result, approval of the Qualifying Transaction by shareholders of the Corporation is not required under the Exchange policies as a condition to the completion of the Qualifying Transaction.

**Estimated Funds Available to the Resulting Issuer**

Upon Completion of the Qualifying Transaction, the Resulting Issuer will have approximately $5,396,292 in estimated funds available to it. This figure includes the minimum gross proceeds of $6,000,000 from the Private Placement.

Net proceeds from the Private Placement will be used to pay for the costs associated with completing the Acquisition, the costs to transfer title to the prospecting licenses owned by Castle Peak, repayment of loans owing by Castle Peak, the proposed work program on the Ayiem property, exploration programs to keep all of the concessions in good standing, and for general working capital purposes of the Resulting Issuer. However, management may reallocate available funds for sound business reasons. See “Part III - The Resulting Issuer – Available Funds and Principal Purposes”.

**Selected Pro Forma Financial Information**

The following table sets out selected pro forma consolidated balance sheet data for the Resulting Issuer as at November 30, 2010 (unaudited), after giving effect to the Qualifying Transaction:

| | As at November 30, 2010 (unaudited) |
|---|---|
| Current Assets | $7,865,637 |
| Total Assets | $11,594,875 |
| Current Liabilities | $436,574 |
| Share Capital | $11,235,687 |
| Deficit | $(1,761,986) |

**Market for Securities**

The Common Shares of the Corporation are listed on the Exchange under the trading symbol “CQZ.P”. The Common Shares became eligible to commence trading on the Exchange on March 9, 2010. The shares were halted voluntarily on March 19, 2010 by the Corporation in connection with the announcement of the proposed Acquisition. There were no trades while the Common Shares were listed on the Exchange. The Corporation’s shares remain halted as of the date of this Filing Statement. It is anticipated that the Common Shares will resume trading on the Exchange after completion of the Qualifying Transaction, under the symbol “CAP”.

**Sponsorship**

The Agent has agreed to act as sponsor of the Corporation should the Exchange require the Corporation to retain a sponsor, subject to the Agent successfully completing its due diligence. A general policy of the Exchange requires that a sponsor be retained to prepare a sponsor report in compliance with Exchange Policy 2.2, unless an exemption from sponsorship is available to the Corporation. The Corporation has obtained from the Exchange an exemption from the requirement to retain a sponsor.

The Agent will receive the compensation outlined in Private Placement above and more particularly described under “Part I - The Corporation – Corporate Structure and Description of Business – Private Placement”. The Agent owns the IPO Agent’s Warrants. In addition members of the Pro Group and employees of the Agent collectively have subscribed for 1,648,400 Units under the non-brokered portion of the Private Placement, while no Units will be sold to members of the Pro Group and employees of the Agent under the brokered portion of the Private Placement.

**Conflicts of Interest**

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of businesses and corporations, with a view to potential acquisition of interests, on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia).

**Interests of Experts**

No person or company who is named as having prepared or certified a part of the Filing Statement or prepared or certified a report or valuation described or included in the Filing Statement has, or will have upon completion of the Transactions, any direct or indirect interest in the Corporation.

**Conditional Approval**

The Corporation has made an application to the Exchange to accept the Acquisition as the Qualifying Transaction for the Corporation, subject to the Corporation fulfilling all of the requirements of the Exchange.

## NOTICE CONCERNING FORWARD-LOOKING STATEMENTS

This Filing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation or Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) the intention to complete the Acquisition, Private Placement and the Qualifying Transaction; (B) the description of the Resulting Issuer that assumes completion of the Transactions; and (C) the intention to grow the business and operations of the Resulting Issuer and Castle Peak. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Filing Statement. Such forward-looking statements are based on certain assumptions and analyses made by management of each of the Corporation and Castle Peak in light of their experience and their perceptions of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. Their assumptions may prove to be incorrect, including, but not limited to the ability of the Corporation to: obtain necessary financing; satisfy conditions under the Share Purchase Agreement; satisfy the requirements of the Exchange with respect to the Acquisition and the Qualifying Transaction; the economy generally; risks relating to the Resulting Issuer’s substantial capital requirements; risks relating to the prices of gold and other minerals/metals; risks regarding mineral reserve and resource estimates; environmental risks; limited operating history of the Resulting Issuer and Castle Peak; and anticipated and unanticipated costs. While the Corporation anticipates that subsequent events and developments may cause its views to change, the Corporation specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Corporation’s views as of any date subsequent to the date of this Filing Statement. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation, the Resulting Issuer or Castle Peak. Additional factors are noted under “Risk Factors” in this Filing Statement.

## CAUTION

All information contained in this Filing Statement with respect to Castle Peak was provided by Castle Peak for inclusion herein and with respect to that information, the Corporation and its directors, officers and advisers have relied solely on the information provided by Castle Peak.

No person is authorized to give any information or to make any representation not contained in this Filing Statement and, if given or made, such information or representation should not be relied upon as having been authorized. This Filing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of any offer or proxy solicitation. Neither delivery of this Filing Statement nor any distribution of the securities referred to in this Filing Statement shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date hereof.

## RISK FACTORS

*For a description of the risk factors facing the Corporation as a CPC, please see the Corporation's Final Prospectus, dated November 25, 2009, available on request to the Corporation or at www.sedar.com.*

*Critical does not have an operating history.*

Critical has no business or assets, other than that which remains of the proceeds of the IPO. Critical has no history of earnings; it has not paid any dividends and it is unlikely to pay any dividends in the immediate or foreseeable future.

For information on the risk factors relating to Castle Peak and the Resulting Issuer, please see the risk factors listed under the heading "Part II - The Target Company – Risk Factors".

## PART I - THE CORPORATION

*Information in this Part I is given as of the date of this Filing Statement, prior to the completion of the Transactions.*

## CORPORATE STRUCTURE AND DESCRIPTION OF BUSINESS

### Name and Incorporation of the Corporation

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on June 3, 2009, and completed its IPO as a CPC on February 26, 2010. The Common Shares became eligible to commence trading on the Exchange on March 9, 2010, under the trading symbol "CQZ.P". At the Corporation's request and in connection with the announcement of the proposed Qualifying Transaction, the Corporation's common shares were halted from trading on the Exchange on March 19, 2010. Following Completion of the Qualifying Transaction, the common shares of the Corporation will be reinstated for trading as the common shares of the Resulting Issuer, under trading symbol "CAP".

The registered and records office of the Corporation is located at Suite 1200, 999 West Hastings Street, Vancouver, British Columbia V6C 2W2. The head office of the Corporation is located at Suite 1200, 999 West Hastings Street, Vancouver, British Columbia V6C 2W2.

### General Development of Business

The Corporation is a CPC pursuant to the Exchange's CPC Policy and to date has not carried on any operations. The principal business of the Corporation has been the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, subject to acceptance for filing by the Exchange. The Corporation does not have business operations or assets other than cash, and currently has no written or oral agreements in place for the acquisition of an asset or business other than the Share Purchase Agreement to acquire Castle Peak's shares.

On March 18, 2010, the Corporation entered into the Letter of Intent with Castle Peak, whereby the Corporation agreed to acquire all of the issued and outstanding shares of Castle Peak in exchange for the issuance of up to 18,000,000 Common Shares. On September 30, 2010, the Corporation and Castle Peak entered into amendment no. 1 of the Letter of Intent, which among other things provides for an additional loan from the Corporation to Castle

Peak. On December 30, 2010, the Corporation and Castle Peak entered into amendment no. 2 of the Letter of Intent, which extended the deadline to close the transaction to March 31, 2011. On January 11, 2011, the parties entered into the Amendment No. 3 which increased the concurrent financing to a minimum of $6,000,000 and a maximum of $8,000,000. The Corporation intends that the Acquisition, being the proposed acquisition of all outstanding and issued shares of Castle Peak, will constitute the Corporation's Qualifying Transaction. However, the definitive Share Purchase Agreement provides that Critical will only be required to, as a condition of closing, obtain the signatures of at least 76% of the shareholders of Castle Peak to the Share Purchase Agreement. Castle Peak is an arm's length party to the Corporation with respect to the Acquisition, and there are no parties or their respective Associates or Affiliates which are Control Persons in both the Corporation and Castle Peak. As a result, the Acquisition is not a Non Arm's Length Qualifying Transaction and the Corporation is not required to seek shareholder approval for the Acquisition. There can be no assurance that the Exchange will accept the Acquisition.

Upon Completion of the Qualifying Transaction, the Corporation will continue operating Castle Peak's business of evaluating, acquiring and exploring mineral properties in Ghana. Upon Completion of the Qualifying Transaction, the Corporation will cease being a CPC and become a Tier 2 Mining Issuer on the Exchange.

The Corporation's only income, since incorporation, has been interest income, and its only expenses have been the costs of its IPO, identifying and funding assets and businesses to acquire, funding the Transactions, and administration.

In conjunction with the Acquisition, the Corporation has not undertaken any financing other than the Private Placement, as described below.

**Background**

The Corporation is a capital pool company or "CPC", as such term is defined in the policies of the Exchange. Pursuant to the Share Purchase Agreement between the Corporation and Castle Peak, the Corporation agreed, among other things, to acquire at least 76% of the issued and outstanding common shares of Castle Peak from the current shareholders of Castle Peak in exchange for the issuance of up to 18,000,000 Common Shares of the Corporation. The Acquisition, if completed and approved by the Exchange, will be the Corporation's Qualifying Transaction pursuant to the policies of the Exchange, as a result of which the Corporation will cease being a CPC and will be listed on the Exchange as a Tier 2 Mining Issuer. Pursuant to the Share Purchase Agreement, the Corporation agreed to complete the Private Placement, among other things.

Castle Peak is incorporated under the *Business Corporations Act* (British Columbia), and currently holds interests in seven prospecting licenses in Ghana. Castle Peak's principal properties are the Nkwanta and Ayiem concessions, for which Castle Peak, through its subsidiary Canterbury Mining Company Limited, holds a 100% interest and a 95% interest respectively. The other five properties are the Asuogya, Essamang (Kedadwen / Esserman), Bonsaso, Dompim and Dompem, which Castle Peak owns between 83% to 100% of the title to the licenses.

**Name Change**

Pursuant to a shareholder resolution dated August 11, 2009 consented to in writing by all shareholders, the Corporation obtained shareholder approval to change the name of the Corporation to a name chosen by the directors of the Corporation. The directors of the Corporation plans to change its name to "Castle Peak Mining Ltd.", or such other name as the board of directors of the Corporation deems appropriate and is acceptable to the applicable regulatory authorities.

The Name Change will be effective upon Closing, subject to Exchange and other regulatory acceptance. The directors will not proceed with the Name Change unless they are satisfied, acting reasonably, that the Qualifying Transaction will be completed.

It is anticipated that a letter of transmittal containing instructions with respect to the surrender of share certificates for the Corporation's Common Shares without par value will be furnished to the shareholders of the Corporation for use in exchanging their share certificates. Following the return of a properly completed and executed letter of transmittal, together with the share certificate for the Common Shares, the certificates in the new name and for the appropriate number of Common Shares without par value will be issued.

**The Qualifying Transaction**

The Share Purchase Agreement dated January 11, 2011, made among the Corporation, Castle Peak and the shareholders of Castle Peak has been signed by the Corporation, Castle Peak and 99% of the shareholders of Castle Peak. The Share Purchase Agreement has been delivered to the remaining shareholders of Castle Peak for execution. Pursuant to the Share Purchase Agreement the Corporation will acquire at least 76% of the issued and outstanding shares of Castle Peak in exchange for the issuance to the shareholders of Castle Peak of up to 18,000,000 Common Shares at a deemed price of $0.35 per share, representing an aggregate acquisition price of $6,300,000. The exchange ratio is 0.5803222, where one share of Castle Peak is paid for by the issuance of 0.5803222 Common Share by the Corporation. Upon Closing, Castle Peak will become a majority-owned, if wholly-owned, subsidiary of the Corporation and the Corporation will carry on the business of evaluating, acquiring and exploring mineral properties in Ghana. The number of Common Shares to be issued in connection with the Acquisition was determined pursuant to arm's length negotiations between the management of each of the Corporation and Castle Peak.

**Private Placement**

As a condition of the Acquisition, Critical is required to complete, concurrently with the Closing of the Acquisition, the Private Placement to raise between $6,000,000 and $8,000,000 through the issuance of between 17,142,858 Units and 22,857,142 Units at a purchase price of $0.35 per Unit. Each Unit will consist of one Common Share of the Corporation and one-half of one Share Purchase Warrant of the Corporation. Each whole Share Purchase Warrant will entitle the holder to acquire one Common Share of the Corporation at a purchase price of $0.50 per share at any time during the period of 12 months from the Closing of the Private Placement.

Pursuant to the Agency Agreement, the Agent has agreed to act as the exclusive agent of the Corporation, to raise up to $1,848,350 of the Private Placement, on a commercially reasonable efforts basis. The Corporation will pay the Agent a commission of 7% of gross proceeds in cash and 7% in Agent's Warrants. Each Agent's Warrant entitling the Agent to acquire one common share of the Corporation for a period of 12 months at a price of $0.50 per share. In addition, the Corporation has agreed to issue to the Agent Corporate Finance Warrants to purchase up to 50,000 Common Shares at a price of $0.50 per Common Share for a period of 12 months from the date of Closing; pay to the Agent a corporate finance fee of $25,000 plus applicable taxes. A deposit toward the corporate finance fee and estimated legal fees and expenses has been paid by the Corporation to the Agent in the amount of $26,000, of which $14,000 is non-refundable. Should the Exchange require the Corporation to retain a sponsor, the Agent agreed to act as sponsor subject to the Agent successfully completing its due diligence.

The Corporation granted the Agent a right of first refusal on all brokered financings involving the Corporation for a period of 12 months from the date of Closing.

The proceeds of the Private Placement will be used to fund the costs associated with completing the Acquisition, the costs to transfer title to the prospecting licenses owned by Castle Peak, repayment of amounts owing by Castle Peak, repayment of accounts payable and accrued liabilities, the proposed work program on the Ayiem property, exploration programs to keep all of the concessions in good standing, and for general working capital purposes of the Resulting Issuer.

The Corporation may pay a finder's fee of 5% of gross proceeds in cash to parties at arm's length to the Corporation and Castle Peak who introduce purchasers to the Corporation in connection with the non-brokered portion of the Private Placement. The Corporation has entered into a finder's fee agreement with three persons who are at arm's length to the Corporation and Castle Peak. The Corporation expects to pay approximately $30,958 of finder's fees in cash to these three persons.

**Loan to Castle Peak**

Since March 17, 2010, Critical has loaned a total amount of $135,000 to Castle Peak. The loans do not accrue interest, are repayable on Closing or if the Qualifying Transaction is terminated, and are evidenced by five promissory notes issued by Castle Peak.

## SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

**Information from Inception**

| | Three months ended November 30, 2010 (unaudited) | Year ended August 31, 2010 (audited) | Period from inception on June 3, 2009 to August 31, 2009 (audited) |
|---|---|---|---|
| Total Income | $nil | $nil | $nil |
| Total Expenses | $33,758 | $210,750 | $1,203 |
| Amounts Deferred in connection with the Qualifying Transaction | $26,000 | $26,000 | $nil |

**Management's Discussion and Analysis**

The Corporation's management's discussion and analysis for the period from inception on June 3, 2009 to August 31, 2010 is incorporated by reference and attached to this Filing Statement as Schedule A-1, and should be read in conjunction with the Corporation's audited financial statements and notes thereto also incorporated by reference and attached to this Filing Statement as Schedule A-2. The audited financial statements of the Corporation included in this Filing Statement are for the period from the date of inception on June 3, 2009 to August 31, 2010, as well as the unaudited financial statements for the three months ended November 30, 2010.

Pro forma financial statements for the Resulting Issuer, after giving effect to the Acquisition and Private Placement, is attached to this Filing Statement as Schedule C.

## DESCRIPTION OF SECURITIES

**Corporation's Share Capital**

The Corporation is authorized to issue an unlimited number of Common Shares. As at the date of this Filing Statement, 4,500,000 Common Shares are issued and outstanding as fully paid and non-assessable, of which 2,000,000 shares are subject to escrow restrictions pursuant to the CPC Escrow Agreement. In addition, 450,000 Common Shares are reserved for issuance pursuant to stock options granted to officers and directors of the Corporation, and 200,000 Common Shares are reserved for issuance pursuant to IPO Agent's Warrants issued in connection with the Corporation's IPO.

Holders of Common Shares are entitled to one vote per share on all matters subject to shareholders vote. The Common Shares have no pre-emptive or other subscription rights. All of the presently outstanding Common Shares are fully paid and non-assessable. If the Corporation is liquidated or dissolved, holders of Common Shares will be entitled to share ratably in the assets of the Corporation remaining after satisfaction of liabilities.

The holders of Common Shares are entitled to receive dividends when and as declared by the board of directors, out of funds legally available therefor for the foreseeable future. The Corporation does not anticipate paying any cash dividends with respect to its Common Shares. No Common Share which is fully paid is liable to calls or assessment by the Corporation.

Upon Closing, the Corporation will effect the Name Change. The Corporation plans to change its name to "Castle Peak Mining Ltd.", or such other name as the board of directors of the Corporation deems appropriate and is acceptable to the applicable regulatory authorities. Castle Peak plans to change its name from "Castle Peak Mining Ltd." to "Castle Peak Mining (2006) Ltd.".

Pursuant to the Share Purchase Agreement, the Corporation has agreed to issue to the shareholders of Castle Peak an aggregate of up to 18,000,000 Common Shares in consideration for the acquisition of all outstanding shares of Castle Peak.

Concurrent with the Closing of the Acquisition, the Corporation will complete the Private Placement for aggregate gross proceeds of between $6,000,000 and $8,000,000, through the issuance of Units at a purchase price of $0.35 per Unit. Each Unit will be comprised of one Common Share and one-half of one Share Purchase Warrant. Each whole Share Purchase Warrant will entitle the holder to purchase one Common Share at a purchase price of $0.50 per share for a period of 12 months following the Closing.

Following Closing of the Transactions, the Corporation's capital structure will become the capital structure of the Resulting Issuer. See "Part III - The Resulting Issuer – Pro Forma Consolidated Capitalization".

## STOCK OPTION PLAN

The Corporation has adopted an incentive Stock Option Plan which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Corporation, non-transferable options to purchase Common Shares exercisable for a period of up to 10 years from the date of grant, provided that the number of Common Shares reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued and outstanding Common Shares at the time of the Corporation's IPO while the Corporation remains a CPC, and will not exceed 10% of the Corporation's issued and outstanding Common Shares at the time such options are granted after the Corporation ceases to be a CPC. The number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. Options granted prior to the Completion of the Qualifying Transaction may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Part III - The Resulting Issuer – Escrowed Securities".

As of the date of this Filing Statement, the following stock options, granted on March 9, 2010 pursuant to the Stock Option Plan, are outstanding:

| Name of Optionee | Number of Common Shares Under Option | Exercise Price per Optioned Share | Expiry Date (1) |
|---|---|---|---|
| Luis Goyzueta | 150,000 | $0.101 | Mar. 9, 2020 |
| Brian Lock | 150,000 | $0.101 | Mar. 9, 2020 |
| David W. Smalley | 150,000 | $0.101 | Mar. 9, 2020 |
| Total | 450,000 | | |

(1) The options held by Optionees who do not continue as a director, officer, employee or consultant of the Resulting Issuer, have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, employee or consultant of the Resulting Issuer.

Upon the Completion of the Qualifying Transaction, the Resulting Issuer will cease to be a CPC. As a result, the number of Common Shares available for issuance pursuant to the exercise of stock options under the Stock Option Plan will automatically increase from the current 450,000 to an amount equal to 10% of the issued and outstanding Common Shares from time to time. Upon completion of the Qualifying Transaction, and assuming that an aggregate of 22,857,142 Common Shares are issued pursuant to the completion of the Private Placement, the Resulting Issuer will have an aggregate of 45,357,142 Common Shares issued and outstanding, which will enable the Resulting Issuer to grant stock options to purchase up to an aggregate of 4,535,714 Common Shares.

Following the Completion of the Qualifying Transaction, the Stock Options will be included in the number of issued and outstanding shares under the Resulting Issuer's Stock Option Plan. The Stock Option Plan will be the stock option plan of the Resulting Issuer after Completion of the Qualifying Transaction.

## PRIOR SALES

Since the Corporation's date of incorporation and as at the date of this Filing Statement, 4,500,000 Common Shares have been issued as follows:

| Date of Issuance | Number of Common Shares | Issue Price per Share | Aggregate Issue Price | Nature of Consideration |
|---|---|---|---|---|
| June 3, 2009 | 2,000,000 (1) | $0.05 | $100,000 | cash |
| February 26, 2010 | 2,500,000 (2) | $0.10 | $250,000 | cash |
| Total | 4,500,000 | | $350,000 | |

(1) Held in escrow pursuant to the CPC Escrow Agreement among the Corporation, founding shareholders of the Corporation and Computershare, as escrow agent, dated August 18, 2009. For more information see "Part III - The Resulting Issuer – Escrowed Securities – CPC Escrow Agreement".

(2) Issued pursuant to the Corporation's IPO.

## STOCK EXCHANGE PRICE

The Common Shares of the Corporation are listed on the Exchange under the trading symbol "CQZ.P". The Common Shares became eligible to commence trading on the Exchange on March 9, 2010. The shares were halted voluntarily on March 19, 2010 by the Corporation in connection with the announcement of the proposed Qualifying Transaction. There were no trades while the Common Shares were listed on the Exchange. The Corporation's shares remain halted as of the date of this Filing Statement. It is anticipated that the Common Shares will resume trading on the Exchange after completion of the Qualifying Transaction, under the symbol "CAP".

## ARM'S LENGTH TRANSACTION

The Acquisition does not constitute a Non Arm's Length Qualifying Transaction within the meaning of the CPC Policy.

## LEGAL PROCEEDINGS

There are no legal proceedings to which the Corporation is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Corporation to be contemplated.

## AUDITOR, TRANSFER AGENTS AND REGISTRARS

The auditor of the Corporation is Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, of Suite 1700, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., at its Vancouver office located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

## MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares of the Corporation since incorporation, other than:

1. Stock Option Plan dated August 4, 2009. For more information see “Part I - The Corporation – Stock Option Plan”.

2. CPC Escrow Agreement dated August 18, 2009, between the Corporation, Computershare, as escrow agent, and certain founding shareholders of the Corporation, in connection with seed shares issued by the Corporation before its IPO. For more information see “Part III - The Resulting Issuer – Escrowed Securities – CPC Escrow Agreement.”

3. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated August 19, 2009 between the Corporation and Computershare.

4. Agency Agreement dated November 25, 2009, between the Corporation and Raymond James Ltd., as agent for the Corporation’s IPO.

5. Letter of Intent from Critical to Castle Peak dated March 17, 2010, and accepted by Castle Peak on March 18, 2010, Amendment No. 1 dated September 30, 2010, Amendment No. 2 dated December 30, 2010 and Amendment No. 3 dated January 11, 2011. See “Part II - The Target Company – General Description of the Business”.

6. Engagement Letter dated May 31, 2010, as amended on September 17, 2010 and February 3, 2011, between the Corporation and Raymond James Ltd., as agent for the Brokered Private Placement. See “Part II - The Target Company – General Description of the Business”.

7. QT Escrow Agreement dated December 1, 2010, among the Corporation, Computershare, as escrow agent, and certain security holders of the Corporation in connection with Common Shares to be issued by the Corporation pursuant to the Acquisition. For more information see “Part III - The Resulting Issuer – Escrowed Securities”.

8. Share Purchase Agreement dated January 11, 2011, among Critical, Castle Peak and shareholders of Castle Peak. The Share Purchase Agreement has been signed by Critical, Castle Peak and 99% of the shareholders of Castle Peak, and has been delivered to the remaining shareholders of Castle Peak for execution.

9. Agency Agreement dated November 9, 2010, between the Corporation and Raymond James Ltd., as agent for the Brokered Private Placement. See “Part II - The Target Company – General Description of the Business”.

Copies of these agreements are available for inspection at the registered office of the Corporation at Suite 1200, 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2, during ordinary business hours until the Closing Date and for a period of 30 days thereafter.

## PART II - THE TARGET COMPANY

*Information in this Part II is given as of the date of this Filing Statement, prior to the completion of the Transactions, unless disclosed otherwise.*

## CORPORATE STRUCTURE AND GENERAL DESCRIPTION OF THE BUSINESS

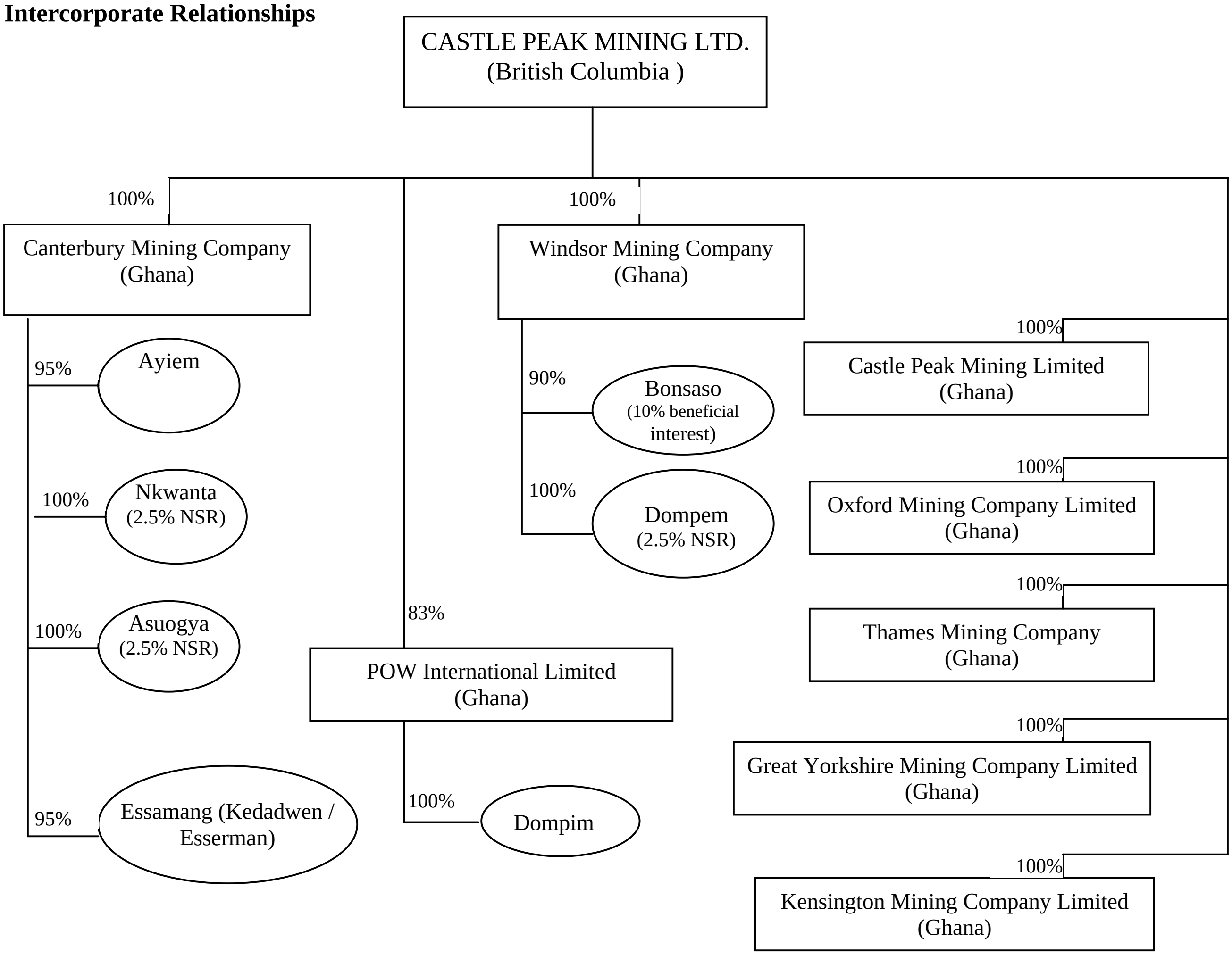
### Name and Incorporation of Castle Peak

Castle Peak Mining Ltd. ("Castle Peak") was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on September 13, 2006.

The executive offices of Castle Peak are located at Suite 1200 – 999 West Hastings Street, Vancouver, British Columbia V6C 2W2. The registered office of Castle Peak is located at Suite 1200 – 999 West Hastings Street, Vancouver, British Columbia V6C 2W2.

Castle Peak has eight subsidiaries: (1) Canterbury Mining Company Limited ("Canterbury"), (2) Windsor Mining Company ("Windsor"), (3) Oxford Mining Company Limited, (4) Thames Mining Company, (5) Great Yorkshire Mining Company Limited, (6) Kensington Mining Company Limited, and (7) Castle Peak Mining Limited (all of which Castle Peak owns 100% of the shares); and (8) POW International Limited ("POW"), of which Castle Peak owns 83% of the shares. All companies were incorporated in Ghana.

### Intercorporate Relationships



## Properties

Castle Peak is a privately held mineral exploration and development company. Castle Peak, directly or indirectly through its subsidiary companies, owns the right to seven prospecting licenses in Ghana. The seven licenses are: (1) Ayiem, (2) Nkwanta, (3) Asuogya, (4) Essamang (Kedadwen / Esserman), (5) Dompim, (6) Bonsaso, and (7) Dompem.

Canterbury owns a 95% interest in Ayiem and Essamang (Kedadwen / Esserman), and a 100% interest in Nkwanta and Asuogya, subject to a 2.5% net smelter royalty ("NSR") to the vendor. The interests in the Nkwanta and Asuogya prospecting licenses are being disputed by the vendor and are subject to arbitration ruling, see below for more information. POW owns a 100% interest in the Dompim prospecting license. Windsor owns a 90% interest in the Bonsaso prospecting license, subject to a 10% beneficial interest to the vendor, and a 100% interest in the Dompem prospecting license, subject to a 2.5% NSR to the vendor. Castle Peak's principal properties are the Ayiem and Nkwanta concessions.

The seven prospecting licenses, described below, cover a total of 168.29 $km^2$ in the Wassa-West District of Western Ghana.

| No | Name of Prospecting License (Properties) | Minerals Commission File No. | Expiry Date of License | Area ($km^2$) | Name License is Registered in | Castle Peak's interest in Properties |
|---|---|---|---|---|---|---|
| 1 | Ayiem | PL2/166 | Nov. 12, 2010 (2) | 25.00 | Canterbury Mining Company Limited | Canterbury has acquired 95% of interest to title from Foremost<br>5% free carried interest retained by Foremost |
| 2 | Essamang (Kedadwen / Esserman) | PL2/420 | Nov. 12, 2010 (2) | 21.63 | Canterbury Mining Company Limited | Canterbury has acquired 95% of interest to title from Foremost<br>5% free carried interest retained by Foremost |
| 3 | Nkwanta | PL2/99 | Sep. 13, 2010 (1) | 18.51 | Netas Mining Company Limited | Canterbury has acquired 100% of interest to title from Netas<br>2.5% NSR to Netas |
| 4 | Asuogya | PL2/321 | Sep. 16, 2010 (1) | 26.75 | Netas Mining Company Limited | Canterbury has acquired 100% of interest to title from Netas<br>2.5% NSR to Netas |
| 5 | Dompim | PL 2/61/Vol.2 | Oct. 7, 2011 | 35.85 | POW International Limited | POW holds 100% legal and beneficial interest |
| 6 | Bonsaso (WD) | PL2/385 | Jun. 9, 2011 | 23.54 | WD Gold Mining Company | Windsor has acquired 90% of interest to title from WD Gold<br>10% beneficial interest retained by WD Gold |
| 7 | Dompem | PL 2/414 | Nov. 29, 2011 | 17.01 | WD Gold Mining Company Limited | Windsor has acquired 100% beneficial interest<br>2.5% NSR to WD Gold |
| | | | Total area | 168.29 | | |

(1) Netas has applied for these two licenses to be renewed.

(2) Canterbury has applied for these two licenses to be renewed.

The principal properties of Castle Peak are the Ayiem and Nkwanta properties.

## General Development

In 2007, Castle Peak acquired rights to six prospecting licenses in Ghana through the acquisition of issued and outstanding shares of seven companies incorporated in Ghana in exchange for 16,055,000 shares of Castle Peak. In addition, the Company agreed to issue 3,410,700 common shares for previous expenditures on mineral properties.

In August 2007, Castle Peak retained Peter Hawley as a consultant to provide management services to Castle Peak for monthly fees of $10,000 per month.

In November 2007, Castle Peak retained Don Gee as a consultant to provide the services of a CFO to Castle Peak for monthly fees of $6,000 per month.

In January 2008, Castle Peak acquired the rights to Dompem concession from WD Gold, owner of the license.

In 2008, Castle Peak raised a total of $742,300 of which $368,500 is from the issuance of 3,685,000 common shares at $0.10 per share; $168,000 from the issuance of 1,120,000 common shares at $0.15 per share; and $205,800 from the issuance of 823,200 common shares at $0.25 per share, all by way of non-brokered private placements. In addition, Castle Peak issued 250,000 common shares at $0.10 per share for settlement of debt totaling $25,000.

In January 2009, Castle Peak entered into a Binding Definitive Agreement with Hidalgo Mining International Inc. ("Hidalgo"), pursuant to which the parties agree to enter into a joint venture on properties owned by Castle Peak and Hidalgo will provide working capital for the joint venture. On February 4, 2010, Castle Peak terminated the Binding Definitive Agreement for failure to provide working capital under the agreement.

In March 2010, Castle Peak entered into the Letter of Intent with the Corporation in respect of the acquisition of Castle Peak by the Corporation, pursuant to which Castle Peak and Critical agreed to enter into a definitive agreement. On September 30, 2010, the Corporation and Castle Peak entered into the Letter of Intent Amendment No. 1, which among other things provides for an additional loan from the Corporation to Castle Peak. On December 30, 2010, the Corporation and Castle Peak entered into the Letter of Intent Amendment No. 2, which extends the deadline to close the transactions to March 31, 2011. On January 11, 2011, the parties entered into the Letter of Intent Amendment No. 3 which increased the concurrent financing to a minimum of $6,000,000 and a maximum of $8,000,000. Effective January 11, 2011, Castle Peak, the Corporation and the shareholders of Castle Peak are entering into the definitive Share Purchase Agreement which will supersede and replace the Letter of Intent. The Share Purchase Agreement has been signed by Critical, Castle Peak and shareholders of Castle Peak representing over 90% of the shares of Castle Peak. Pursuant to the Share Purchase Agreement, the Corporation will acquire at least 76% of the issued and outstanding common shares of Castle Peak in consideration for the issuance to the Castle Peak shareholders of up to 18,000,000 Common Shares of the Corporation. As of the date of this Filing Statement, Castle Peak has 31,017,250 common shares outstanding, resulting in the issuance of 0.5803222 Common Share of the Corporation for each share of Castle Peak outstanding. As of the date of this Filing Statement, the Corporation has loaned a total amount of $135,000 to Castle Peak. The loans do not accrue interest, are repayable on Closing or if the Qualifying Transaction is terminated, and are evidenced by five promissory notes issued by Castle Peak.

In May 2010, Castle Peak entered into shares for debt agreements with seven of its creditors, and in July 2010 issued an aggregate of 4,098,350 common shares at an issue price of $0.20 per share as the repayment of $819,670 of debt owing by Castle Peak to the creditors. The creditors include three major shareholders of Castle Peak who together own 62.5% of the shares of Castle Peak after the debt conversion, who have been providing working capital to Castle Peak, the CEO of Castle Peak Peter Hawley, the previous CFO of Castle Peak Don Gee's corporation, and a law firm providing legal services to Castle Peak, Fraser and Company LLP.

Between April 2010 to January 2011, two directors of Critical, an officer of Castle Peak, a proposed director of the Resulting Issuer and a proposed advisory committee member of the Resulting Issuer loaned a total of $405,000 to Castle Peak. A director of Castle Peak and an arm's length third party loaned an additional US$302,500 to Castle Peak. The loans do not accrue interest, are repayable on closing or if the Qualifying Transaction is terminated, and are evidenced by promissory notes issued by Castle Peak.

In September and October, 2010, Castle Peak retained Darren Lindsay to act as President, Paula Rogers as its CFO and Giovanna Martino as its Corporate Secretary. Castle Peak also retained Marlo Hamer-Jackson to provide investor relations services.

In October 2010, Castle Peak entered into a share sale and purchase agreement to acquire at least 76% of the issued and outstanding shares of Castle Peak Mining Limited, a private company incorporated in Ghana, for an aggregate of US$1.

On January 5, 2011, Castle Peak retained Mine Management LLC as a consultant.

On January 28, 2011, Foremost Mining Company Limited ("Foremost") signed two assignment agreements, each assigning a 95% interest in the Ayiem and Essamang properties to Canterbury respectively, and submitted a letter of recommendation to the CEO of the Minerals Commission seeking their recommendation to the Minister of Lands and Natural Resources to grant the assignments. Under the assignment agreement for the Ayiem property, Canterbury agreed to pay Foremost US$45,000 once the assignment is approved by the Minister, an additional US$30,000 each on the first and second anniversaries of the assignment, and for Foremost to retain a 5% free carried interest in the Ayiem concession. Canterbury has a right of first refusal to purchase the said 5% carried interest from Foremost. The terms to the assignment agreement for the Essamang property are identical to the one for the Ayiem property. During February 2011, the Minister of Land and Natural Resources consented to both assignments of the Ayiem and Essamang properties.

## NARRATIVE DESCRIPTION OF THE BUSINESS

### *Material Properties*

Castle Peak plans to conduct an exploration program on the Ayiem concession as recommended by the technical report described below. Castle Peak may initiate exploration work on the other properties if Castle Peak deems it beneficial to do so.

**Nkwanta and Ayiem properties**

Castle Peak and the Corporation retained independent person Alain-Jean Beauregard, P. Geol., FGAC (Fellow of the Geological Association of Canada), OGQ (Ordre des Géologues du Québec), and Daniel Gaudreault, P. Eng, OIQ (Ordre des Ingénieurs du Québec), AEMQ (Quebec Mining Exploration Association), of Geologica Groupe-Conseil Inc. ("Geologica") to prepare a technical report on the Nkwanta and Ayiem properties in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Their technical report (the "Nkwanta and Ayiem Report") dated February 14, 2011 entitled "NI 43-101 Technical Evaluation Report on Nkwanta & Ayiem Concessions, Wassa-West District, Republic of Ghana, West Africa" provides the basis for the information on the Nkwanta and Ayiem properties, described below. A copy of this report is being filed on SEDAR concurrently with this Filing Statement and is also available on Castle Peak's website www.castlepeakmining.com. Shareholders are urged to read the technical report in its entirety.

*Property Description and Location*

The Nkwanta and Ayiem concessions are located in the Wassa-West District (Tarkwa-Nsuaem municipality) in the Western Region of Republic of Ghana, southeast of Tarkwa. These concessions are located between latitudes 4º58'44" North and 5º06'00" North and longitudes 1º56'35" West and 2º03'03' West, covering an area of 18.51 km² (1851 hectares) and 25.00 km² (2500 hectares) respectively. (Figure 1)


GEOLOGICA INC.

1:3 500 000

Kilometers

ETRF 1989 UTM ZONE 30N

**Critical Capital Corporation**

*Nkwanta & Ayiem Concessions*

**- General Location Map of Ghana -**

*Figure 1*

*Claim numbers or names*

The mineral concessions are identified and presented on Figure 2. The UTM coordinates of center of these concessions are as follows: UTM 613,000 m East and 555,000 m North, Zone 30N. These concessions are owned by the Joint Venture Canterbury – Castle Peak at 100% interest. These concessions were delimited by the Ghanaian government by paper or map staking method.

| Concession | License No. | Owner | Area (km$^2$) | Granted Date | Expiry Date |
|---|---|---|---|---|---|
| Nkwanta | PL2/99 | Castle Peak | 18.51 | 1990-03-07 | 2010-09-14 |
| Ayiem | PL2/166 | Castle Peak | 25.00 | 1996-04-02 | 2010-11-13 |

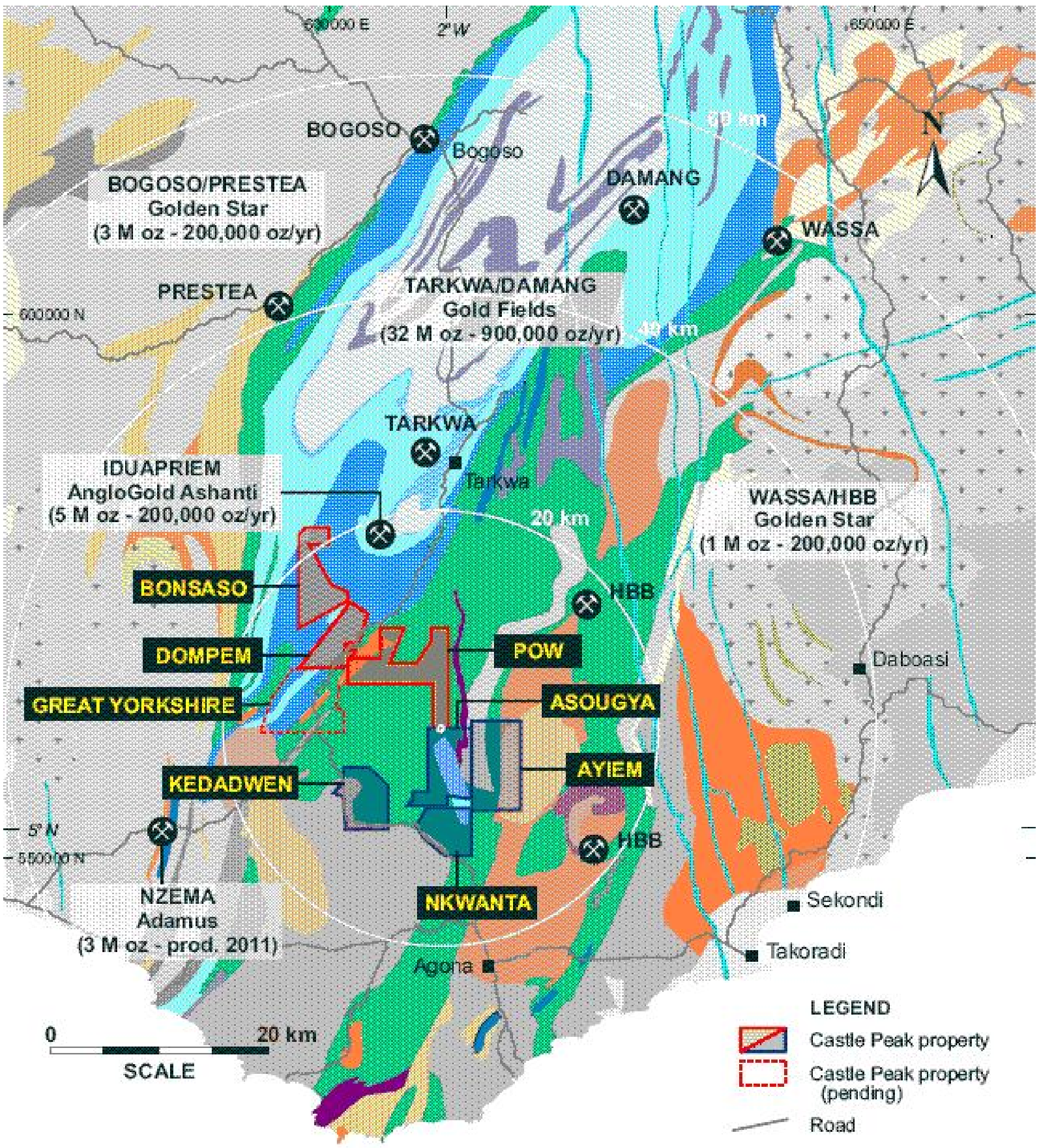



*Figure 2*

*Nature and Extent of Title*

Castle Peak, through Canterbury, holds a 95% interest in the Ayiem concession and has a right to a 100% interest in the Nkwanta concession.

Title to the Nkwanta prospecting license is in the name of Netas. Pursuant to the March 10, 2005 agreement and March 22, 2005 addendum, Netas agreed to transfer and assign 87.5% of the Nkwanta property free of any encumbrance of any nature to Canterbury subject to a 12.5% royalty payment, in consideration for the payment of US$83,000 to be paid over a period of two years. Pursuant to the June 28, 2007 supplemental and amending agreement, Netas confirmed receipt of US$83,000, confirmed that Canterbury has earned and acquired 87.5% interest in the property to Canterbury, agreed to transfer an additional 12.5% of interest in the property to Canterbury, agreed to cancel the 12.5% royalty payment, agreed to retain a 2.5% net smelter royalty ("NSR") in consideration for the payment of an additional US$33,333 on or before July 31, 2007, and agreed to grant Canterbury an exclusive option to acquire the NSR for US$2,000,000. On August 15, 2007 Netas acknowledged receipt of US$75,000.

Title to the Ayiem prospecting license is in the name of Foremost. Pursuant to the March 10, 2005 agreement and March 22, 2005 addendum, Foremost agreed to transfer and assign 87.5% of the Ayiem property free of any encumbrance of any nature to Canterbury subject to a 12.5% royalty payment, in consideration for the payment of US$83,000 to be paid over a period of two years. Pursuant to the June 28, 2007 supplemental and amending agreement, Foremost confirmed receipt of US$83,000, confirmed that Canterbury has earned and acquired 87.5% interest in the property to Canterbury, agreed to transfer an additional 12.5% of interest in the property to Canterbury, agreed to cancel the 12.5% royalty payment, agreed to retain a 2.5% NSR in consideration for the payment of an additional US$33,333 on or before July 31, 2007, and agreed to grant Canterbury an exclusive option to acquire the NSR for US$2,000,000. On August 15, 2007 Foremost acknowledged receipt of US$75,000.

In March 2010, Canterbury requested Netas and Foremost to transfer the title to the Nkwanta, Ayiem, Essamang and Asuogya prospecting licenses to Canterbury. Netas and Foremost refused and alleged that the terms of the joint venture agreements were not observed and challenged the authenticity of the 2007 supplemental and amending agreements. In June 2010, Canterbury initiated the arbitration process to resolve the dispute between the parties. On December 15, 2010, the Minister of Lands and Natural Resources of Ghana instructed all parties to continue with the negotiation process. On February 16, 2011, the High Court of Ghana granted Canterbury an interlocutory injunction restraining Netas from transferring the prospecting licenses to any other parties pending the determination of the dispute between the parties at arbitration.

On January 28, 2011, Foremost signed an assignment agreement assigning a 95% interest in the Ayiem property to Canterbury and submitted a letter of recommendation to the CEO of the Minerals Commission seeking their recommendation to the Minister of Lands and Natural Resources to grant the assignment. Under the assignment agreement, Canterbury agreed to pay Foremost US$45,000 once the assignments are approved by the Minister of Lands and Natural Resources, and an additional US$30,000 each on the first and second anniversaries of the assignments, and for Foremost to retain a 5% free carried interest in the Ayiem concession. Canterbury has a right of first refusal to purchase the said 5% carried interest from Foremost.

The Minister of Lands and Natural Resources requires a number of documents from both Foremost and Canterbury and payment of US$25,000 filing fee prior to approving each of the assignments. Foremost provided Castle Peak the right to provide these documents on behalf of both parties. During February 2011, the Minister of Land and Natural Resources consented to both assignments of the Ayiem and Essamang properties.

According to the joint venture agreements, Canterbury has sole responsibility for and control of the management and operation of the "Project", i.e. the exploration for development and mining of gold and any other minerals which Canterbury may consider might exist in quantities sufficient to enable their commercial exploitation in the properties. Castle Peak, through its subsidiary Canterbury, has authority to carry out exploration work on the properties.

*Survey*

Castle Peak has not had the concession surveyed and bordered for Nkwanta and Ayiem concessions. These concessions were delimited by the Ghanaian government by the paper staking method.

*Environmental Liabilities*

To the best knowledge of the authors of the Nkwanta and Ayiem Report, no environmental liabilities are known to exist from previous work on the area.

*Permits*

Castle Peak will need to obtain necessary work permits and local community approvals to realize future exploration work such as surveying, geophysical, geochemical, geological and sampling surveys, and drilling. A prospecting license can be renewed for two years with a reduction in area if a minimum amount per hectare of exploration work has not been completed on with the license during the preceding period. In the case of a mining lease, the terms have to be negotiated with the Minerals Commission of Ghana. To commence Phase 1, both reconnaissance and prospecting permits are necessary. They are generally easily and readily obtained from the Minerals Commission of Ghana. Note that the reconnaissance permit does not allow for drilling.

*Accessibility, Climate, Local Resources, Infrastructure and Physiography*

The project area is characterized by gently rolling hills incised by an extensive drainage network. The area is relatively wet, with many low lying swampy areas. Extensive subsistence farming occurs throughout the area, with plantain, cassava, pineapple, maize, and cocoyams being the principle crops. Some small scale cultivation of commercial crops is also carried out, with rubber, cocoa, teak, coconuts and oil palm being the most common. With the exception of the forest reserve, there is little primary forest remaining, the area being mainly secondary regrowth. The elevation on these projects is approximately 90 m.a.s.l. (meters above sea level).

*Access*

The Nkwanta and Ayiem Concessions are located in the Tarkwa-Nsuaem municipality in the Western Region of Ghana, southeast of Tarkwa. These projects are located between 4º58’44” North & 5º06’00” North and longitudes 1º56’35” West & 2º03’03” West (ETRF 1989 UTM zone 30 North: 613,000m East and 555,000m North).

These concessions are accessible by network of roads and footpaths. They can be reached by the main Takoradi-Tarkwa road. Sekondi-Takoradi, the Western regional capital is about 40 minutes drive from the project.

*Proximity to population centre*

The nearest population centre to these concessions is Tarkwa, approximately 30 kilometers north, with a population estimated of 33,500 habitants. Takoradi, capital of the west region with population of approximately 335,000 (2005), is located approximately 40 kilometers to the southeast.

*Climate*

The area of these concessions falls within the semi-equatorial climatic zone of Ghana. The climate is characterized by seasonal weather patterns, involving a double wet season from April to June (major) and October to November (minor), and a main dry season between December and March. Average annual rainfall is 2,030 millimeters per annum.

*History and Previous Work*

Several exploration works were realized both the Nkwanta and the Ayiem concessions were explored and locally mined for gold in the past with artisanal working reported as far back as the1930’s.

With 1.8% of the world's total gold production, Ghana is a major western African producing country with six (6) gold mines in production and several others in preparation.

Between 1986 and 1996, Ghana produced 1.29 M oz of gold and in 2005 the production was 2.14 M oz (Mining Journal, 2006). There are a dozen major and mid-size mining companies producing gold, diamonds, bauxite, manganese and industrial minerals. Mining companies such as Anglo-Gold Ashanti, Newmont, Goldfields, Tarkwa Goldfields, Golden Star, Iamgold, Rio Tinto, Pelangio, Etruscan, Volta, Red Back...etc. are actively busy exploring and mining in Ghana. The authors believe that the foregoing information gives a conceptual indication of the potential of the area and that it is pertinent to this report even if the authors are not presently able to corroborate the quantities or accuracy of this information.

Nkwanta Concession. In 1992, Netas contracted an independent firm, Quest Resource Development Consultancy, to carry out a range of exploration activities on the Nkwanta concession. Exploration pits were dug to test for alluvial gold potential with testing done via sluice box to produce a heavy concentrate for further panning. Some small adits and pits were re-examined in the Appankrah Hills area and channel/rock chip samples taken. The team also carried out a VLF-EM survey over an area of 2x2km with lines spaced at 100m. This survey highlighted 5 conductive zones that were followed up by ground visits only.

Ayiem Concession. In 2005, Foremost collected 62 stream sediment samples on the Ayiem concession. The mapping of outcrops was also completed. Best results obtained vary from 50 to 1120 ppb Au (reference: Summary Report December 2005 – Ayiem Prospect – Foremost Mining Co. Ltd.).

Canterbury has completed 378.5 kilometers grid lines and a total of 2,337 soil samples on the Ayiem concession. The soil sampling was realized following a grid of 200 by 50 meters at a depth of about 50 centimeters. This sampling has identified several gold anomalies (200 to 1600 ppb Au) following an oriented axis of NNE-SSW.

*Regional Geology*

The geology of Ghana is comprised predominantly of rocks of the Birimian (2.17-2.18Ga) and to a lesser extent of units of the Tarkwaian (2.12-2.14Ga, after Davis et al. 1994).

The Birimian consists of narrow greenstone (volcanic) belts, which can be traced for hundreds of kilometers along strike but are usually only 20 to 60km wide (Map 1), separated by wider basins of mainly marine clastic sediments. Along the margins of the basins and belts there appears to be considerable interbedding of basin sediments and volcanoclastic and pyroclastic units of the volcanic belts. Thin but laterally extensive chemical sediments (exhalites), consisting of cherts, fine-grained manganese-rich and graphitic sediments, often mark the transitional zones. The margins of the belts commonly exhibit faulting on local and regional scales.

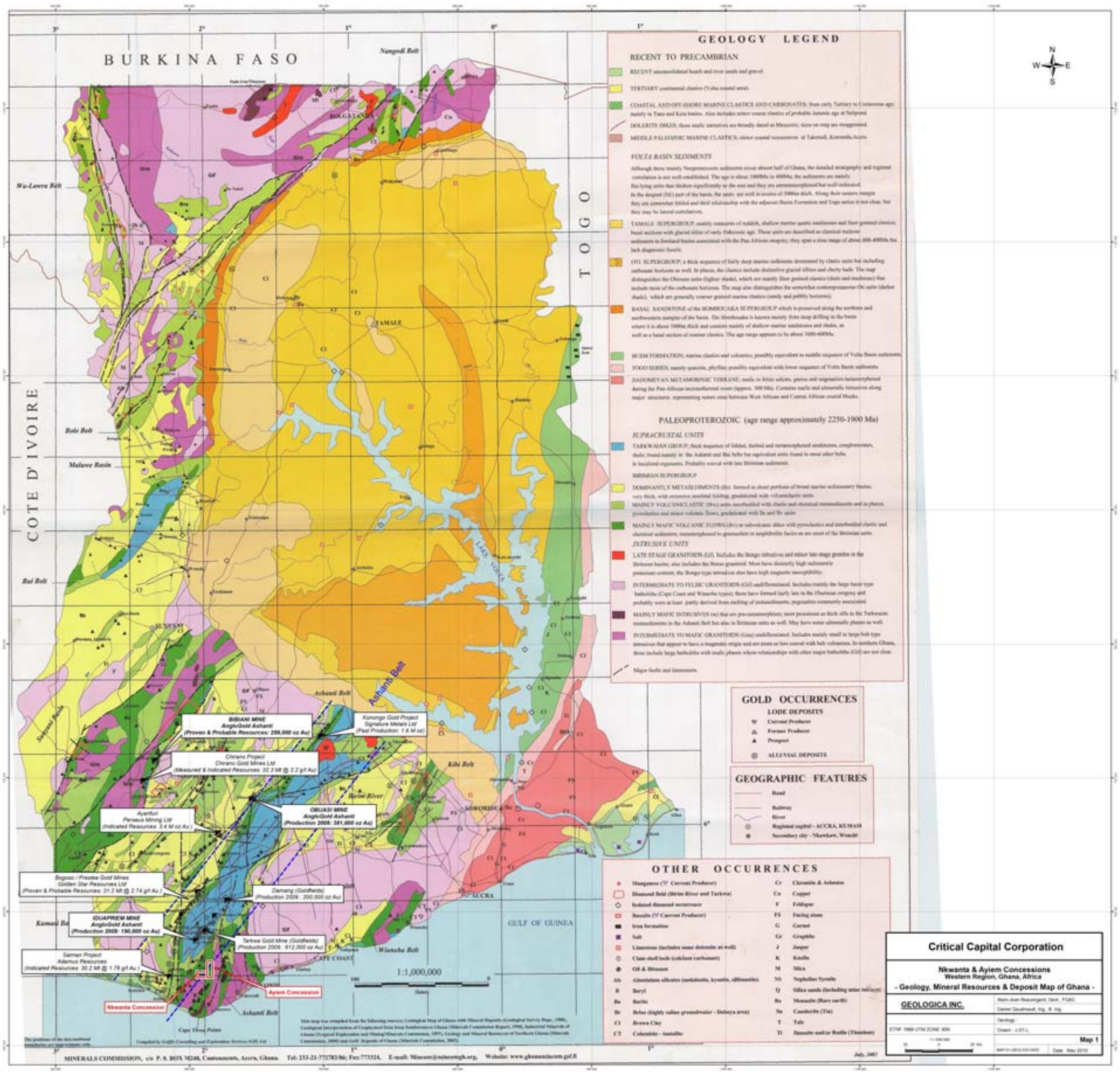
These structures are fundamentally important in the development of gold deposits for which the region is well known. The Tarkwaian rocks, on the other hand, consist of a distinctive sequence of metasediments (quartzite, conglomerate and phyllite) occurring within a broad band along the interior of the Ashanti Belt. They host important paleoplacer gold deposits in the Tarkwa district. Equivalent rock types occur in other belts of the region but in relatively restricted areas. In the type locality at Tarkwa, the sequence is in the order of 2.5km thick, whereas in the Bui belt, comparable units are about 9 kilometer thick sediments that mark a rapid period of erosion and proximal deposition during the late-stage of an orogenic cycle.

All of the Birimian sediments and volcanics have been extensively metamorphosed; the most widespread metamorphic facies appears to be greenschist, although in many areas, higher temperatures and pressures are indicated by amphibolite facies.

Multiple tectonic events have affected virtually all Birimian rocks with the most substantive being a fold-thrust compression event (Eburnean Orogeny) that affected both volcanic and sedimentary belts throughout the region and to a lesser extent, Tarkwaian rocks. For this reason, relative age relations suggest that final deposition of Tarkwaian rocks took place as the underlying and adjacent volcanic and sedimentary rocks were undergoing the initial stages of compression deformation. Studies in the western part of the region (Milesi et al., 1992) have proposed several separate phases of folding and faulting suggesting a change in stress direction from northeast to southwest, to north to south. However, a regional synthesis by Eisenlohr (1989) has concluded that, although there is considerable heterogeneity in the extent and styles of deformation in many areas, most of the structural elements have common features, which are compatible with a single, extended and progressive phase of regional deformation involving substantial northwest-southeast compression.

The mineralization is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age.

The Tarkwa deposits are hosted within Palaeoproterozoic sedimentary rocks of the Tarkwaian Group in the southern part of the Ashanti Belt in southwest Ghana. The Ashanti Belt comprises metavolcanics and metasediments of the Birimian Group which are intruded by at least two chemically distinct granitic suites and unconformably overlain by Tarkwaian Group metasediments. Tight to isoclinal folding of both stratigraphic groups and major thrust faulting occurred during the Eburnian orogeny to produce the strong northeast structural grain of the Ashanti Belt. Metamorphic grades vary locally from lower greenschist facies in the Tarkwa mine area to mid-amphibolite facies at Damang Gold Mine. Goldfields Mining's Damang and Tarkwa operations are located 10-15 kilometers to the north of our project area.



*Local Geology*

The Nkwanta and Ayiem properties are hosted and are underlain by NNE-SSW Birimian Age metavolcanics and Tarkwaian metasediments of the Ashanti Belt of southwestern Ghana (Map 1). These rocks are intruded by two (2) chemically distinct granitic suites which consist of: 1) Belts associated Dixcove and 2) Cape coast Basin associated intrusions.

Deformation and metamorphism of Birimian metavolcanics and Tarkwaian metasediments (conglomerates, arkose, sandstones, siltstones and shales) are related to the Eburnean II orogeny with five distinct successive deformation phases, (D1 to D5) with D2 faults and D5 reactivation for major deformation events such as strike slip, dilatants breccias, quartz veins and lens networks with pinch and swells (boudinage) hosted within faults and shear zones.

The geology of the Ayiem concession consists of Birimian basalts and andesites and Tarkwaian argillites and volcaniclastics. The eastern and central parts of the property are in contact with Dixcove granite where the volcanic and volcaniclastic rock units dip 70° to the west and the south west with a North-South orientation.

The Nkwanta concession is underlain by Birimian metavolcanic rocks with granitoid intrusions (Figure 2). The metavolcanics mostly metabasalts, fine-grained and dark green in color, occupy about 30% of the surface area. The general trend of the metavolcanics is NE-SW with steep dips to the southeast. Shear zones are developed within the metavolcanics. Pyrite occurrences within the metavolcanics are rare to common. At the contact with the intrusives the metavolcanics are massive with no visible primary bedding. The granitoid intrusions have been accompanied by hydrothermal activities evidenced by the numerous lenses of quartz veins and veinlets within the metavolcanics. The most prominent quartz structure, in a shear zone and within the metavolcanics on the Apankrah hills, has a NE-SW orientation and dips steeply to the southeast. The quartz vein, more than 1 m in width and strike length of more than 100 m is shattered and pyritized in few places.

Illegal alluvial gold mining is being carried out within the Nkwanta concession mostly close to the old Apankrah mine. At the old Apankrah mine itself a number of holes were drilled, with the target being quartz veins within the metavolcanics. Some significant intersections were made. One drill hole intersected a mineralized zone with 4 metres at 8.55 g/t between 19 metres and 23 metres mentioned in previous quarterly report. However, DDH logs and core is now unavailable. What is seen at old Apankrah mine now is an old pit that has collapsed in places stretching for more than 100 metres in a northeast direction suggesting that the mined out quartz veins were trending in that direction. Illegal miners still working in the pit estimate that they have mined to a depth exceeding 30 metres. Quartz veins hosting gold mineralization, fractured in places, are milky to smoky in color and pyritized in places. Chip samples (quartz vein) returned gold values exceeding 5 ppm.

*Mineralization*

The gold mineralization is generally associated with quartz veins and reefs within or controlled by structures and/or near North-South deformation corridors as well as gold disseminations within paleo-placer Tarkawain conglomerates. Shear zones are developed within the metavolcanics. Pyrite occurrences within the metavolcanics are rare to common. The most prominent quartz structure, in a shear zone and within the metavolcanics on the Apankrah hills, has a Northeast-Southwest orientation and dips steeply to the southeast. The quartz vein, more than 1 metre in width and strike length of more than 100 metres is shattered and pyritized in few places.

The gold mineralization within the concessions occurs as free gold associated with quartz veins reefs and stockworks in metamorphosed volcanics at the contact with metasediments. The quartz veins are observed as brecciations, stringers and network vertical ductile shear zones. The gold is also associated with pyrite, arsenopyrite, galena, pyrrhotite and sphalerite.

*Exploration*

The Nkwanta and Ayiem concessions are still at the exploration stage. Recent work (2009) was completed on the Nkwanta concession by Netas for Castle Peak and has consisted of stream sediment, soil, auger and rock sampling as well as local geophysics (IP, Mag and EM) on selected geochemical anomalous axis where North-South geochemical anomalies were identified. A total of US$139,000 was spent for these exploration works.

<u>Soil sampling on Nkwanta</u>

Soil samples were collected from the B-horizon on a 200 m × 50 m grid. At each sample location a small pit of a diameter of about 20 cm was dug up to a depth of 50 cm. Soils from the depths ranging from 45 cm to 50 cm were collected, bagged and labeled. The average weight of a sample was 3 kg. Spatial and non-spatial information were recorded for each sample and location. A total of 1,259 samples have so far been collected (reference: Terminal Report – Nkwanta Mining Concession – June 2009).

<u>Results and Interpretation of Soil Anomalies</u>

Two soil anomalies, Apankrah Main (AM) and Apankrah West (AW) trending north-south were identified by the geophysical surveys conducted on the Nkwanta concession. The AM anomaly has assay gold values between less than 0.01 ppm and 7.07 ppm, strike length of about 3.4 km and a width of about 0.40 km. The AW anomaly has assay gold values between less than 0.01 ppm and 0.58 ppm, strike length of about 2.8 km and a width of about 0.30 km. To the northeast of the baseline are some weak and discontinuous anomalies (reference: Terminal Report – Nkwanta Mining Concession – June 2009).

On the Ayiem concession, the exploration work has revealed two parallel soil anomalies varying between <0.01ppm to a maximum of 1.99ppm Au from 1,302 soil samples.

<u>Interpretation of Integrated map of soil and geology on Nkwanta</u>

Superimposing the defined soil anomalies on the geology did not reveal any preferred association of good soil values to any particular rock type as anticipated. Both the metavolcanics and granitoid intrusions have good soil values fairly distributed within them (reference: Terminal Report – Nkwanta Mining Concession – June 2009).

*Drilling*

No diamond drilling was realized on the concessions with the exception of historical drilling completed on the Apankrah mine site. However, no core and core descriptions (logs) are available for this historical drilling.

*Sampling and Analysis*

The sampling method and approach used during the past exploration program by Foremost and Netas is not detailed in their work report. However, the procedure that was used and described to Geologica when the authors discussed with the authors of the past work report shows that, their approach was similar to Geologica's with respect to known modern industry standards using chisel and hammer with channels (1 inch deep) across the mineralized structure. The fallen chips on a tarp was transferred to plastic sample bags numbered, identified with laboratory booklet waterproof ticket closed, sealed and transported from site to laboratory by 4x4 pickup truck.

During the recent visit by Geologica, 24 samples were collected. Eight rock samples were collected over 1 to 1.5 meters across the mineralized structures. The bags were doubled, firmly attached and carried to a small pickup truck by one of the authors (Alain-Jean Beauregard) then securely driven to Tarkwa to S.G.S. Laboratories ("SGS"). The 24 samples (numbers 1095101 to 1095124) were revised with SGS personnel and sent for assay using Au-AA23. Out of the 24 samples, 1 duplicate sample and 1 blank sample were taken.

Quality control measures from the lab (SGS of Tarkwa and Transworld Laboratory) include internal and external standards, duplicates and blanks check assays and sieving tests on pulverized material. These quality control measures permit an assessment of the analytical equipment but do not cover for irregularities in sample preparation of the assaying process.

Geologica has collected a limited number of soil and grab samples during the site visits. Results are within the expected range for vein-type gold mineralization and are adequate to show the existence of gold mineralization on the concessions. In the opinion of the authors, the samples are representative of the mineralization on the concessions.

It is important to note that QAQC protocol (duplicates, blanks and standards) was not followed by past owners on the Nkwanta and Ayiem concessions during past work. The authors recommend adequate QAQC protocol be followed in future exploration work.

*Sample Preparation, Analysis and Security*

The soil and auger samples collected by past owners on the Ayiem concession (Foremost), on the Nkwanta concession (Netas) and more recently by Castle Peak, were recorded, bagged and sent to Transworld Laboratory in Tarkwa. Since October 2008, this laboratory was acquired by Genalysis Laboratory Services, a member of the Intertek Group and accredited by NATA (National Association of Testing Authorities) Australia in accordance with ISO/IEC 17025 including ISO 9001-2000.

The sample preparation and BLEG analysis for the soil and auger samples (on 1.0 kg samples with fraction of -75 µm) were performed by Transworld Laboratory of Tarkwa in Ghana. No employee, director or associate of Castle Peak was involved in the sample preparation.

The sampling preparation procedure was completed following the steps described below:

1. The sample is received and then sorted.
2. It is then dried at 120ºC in a controlled temperature oven.
3. The entire sample is crushed and sieved to 6 mm.
4. It is then pulverised entirely to 0.75 mm (or -200# mesh).
5. The sample is then homogenized by mat rolling and a weight of 1 kg of sample material is transferred into a bottle (BLEG roll bottle). A residual pulp is retained.
6. A solution of 30 g Ca(OH), 1.5/1 g NaCN and 1000 ml of water is mixed with the sample material in the bottle and the bottle is rolled for 24 hours.
7. The bottle is removed from the roller and allowed to settle for 2 hours.
8. The sub-sample is filtered with 50 ml of clear liquor into a flask and the tails are discarded.
9. Extract of 3 ml to 5 ml of digested DIBK.
10. And assayed with atomic absorption spectroscopy finish.

The authors rely on these past samples to complete their data corroboration. Also, this method is a very cost effective grassroots exploration tool to detect low grade gold dispersion as low as 0.1 ppb.

The samples collected by Geologica to complete the data corroboration, were recorded, bagged and sent to S.G.S Laboratory (which is a world renown SGS approved laboratory) in the town of Tarkwa. It is certified ISO 17025 and ISO 9001 with LIMS (Laboratory Information management System) for sample tracking.

Samples collected by Geologica were analyzed for gold only via a 30 grams pulp by FAA for Au. Re-assays by FA gravimetric finish are performed on samples assaying greater than 1.0 g/t Au and re-assays greater than 5.0 g/t Au are checked a second time by FA gravimetric finish. The sample locations and results are presented on Map No. 2 above.

The authors are confident that the sample results are relatively reliable and accurate as assayed in a worldwide recognized laboratory (S.G.S Lab), and that the sample preparation, security and analytical procedures are adequate.

The soil sample size required for BLEG analysis is representative after 90% recovery that is generally observed for this method. At this early stage of exploration, the sampling that was completed would not have any influence on an eventual resource estimate. However it is important to note that QAQC protocol (duplicates, blanks and standards) was not followed by past owners on the Nkwanta and Ayiem concessions during past work. The authors recommend adequate QAQC protocol be followed in future exploration work.

*Data Verification*

Geologica has collected and hand sampled 24 samples on chosen:

- 3 soil (B-Horizon) samples on line L-60 N of the Nkwanta concession;
- 5 soil (B-Horizon) samples on line L-88 N of the Ayiem concession;
- 5 soil (B-Horizon) samples on line L-104 N of the Ayiem concession;
- 3 auger soil samples on line 56 N of the Nkwanta concession;
- 8 rock samples on the Apankrah concession including 1 duplicate and 1 blank sample.

The samples were collected independently of Castle Peak, kept secured and transported to S.G.S Assay laboratory in Tarkwa, for fire assay using aliquot of 30g. For fire assay, all assays were finished by atomic absorption. Samples that returned greater than 1 g/t Au were re-assayed on a second duplicate from the initial reject crushed at 70% less than 2 mm, riffling out 250 g and pulverized to 85% les than 75 µm. Certificates are contained in Appendix III of the Nkwanta and Ayiem Report. One (1) duplicate and one (1) blank sample were also introduced within the 22 samples making a total of 24 samples.

Assay results for the independent samples are listed below compared with original assays obtained by Geologica and Castle Peak.

Sample No. 1095107 was taken as "duplicate" sample. Sample No 1095124 was taken as "blank" sample.

The results (24 samples collected by Geologica) confirm the presence of significant gold (Au) mineralization and corroborate with previous sampling realized by Castle Peak Mining Limited in 2008.

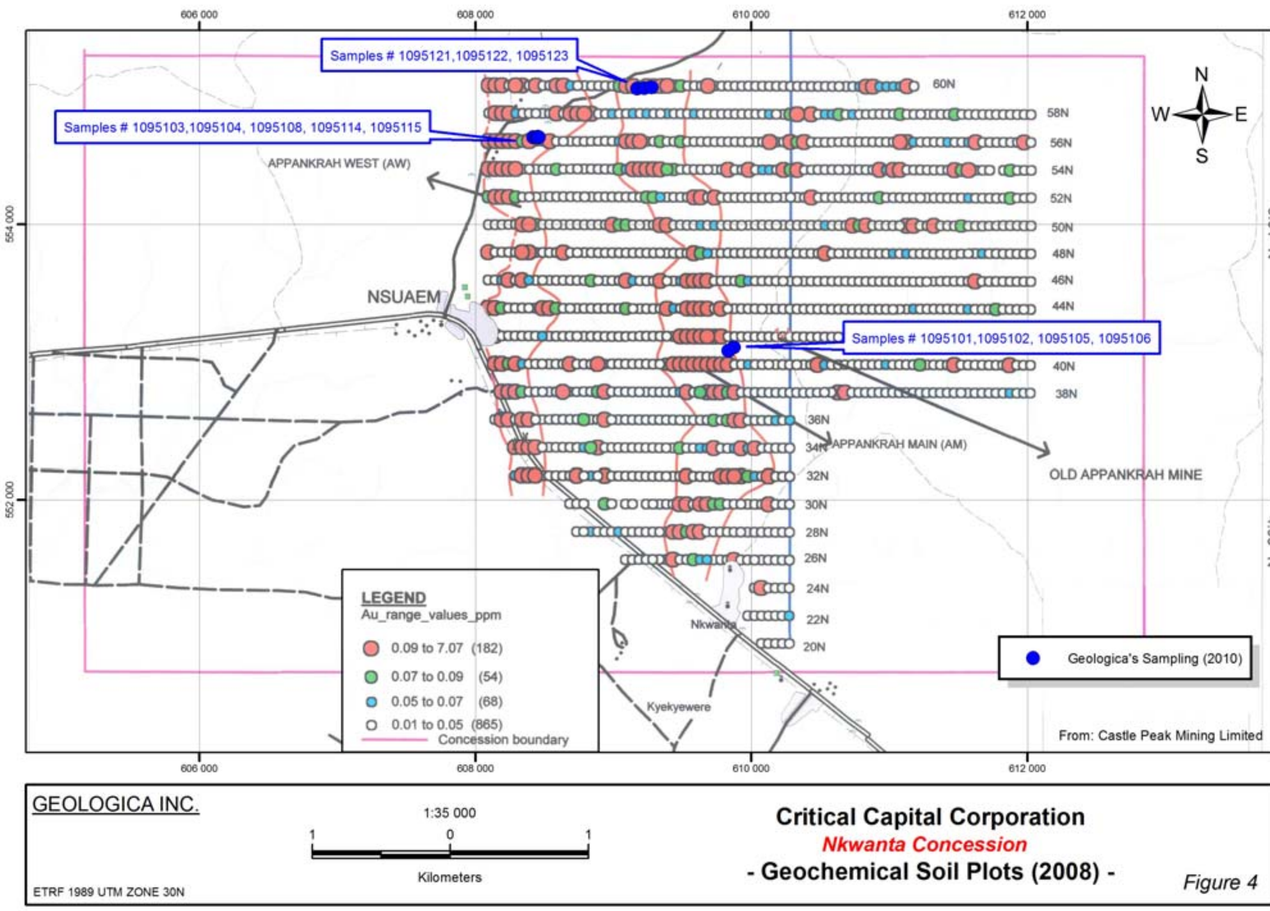
| Project | Sample-type | Sample (Geologica) | Sample (Castle Peak or other) | Au-ppm ( Geologica) | Au-ppm (CastlePeak or other) | Utm-East | Utm-North | Date |
|---|---|---|---|---|---|---|---|---|
| **Nkwanta** | Grab | 1095101 | * | 0.070 | * | 609872 | 553107 | 24-04-2010 |
| **Nkwanta** | Grab | 1095102 | * | 24.600 | * | 609872 | 553107 | 24-04-2010 |
| **Nkwanta** | Grab | 1095103 | * | 0.140 | * | 608419 | 554635 | 24-04-2010 |
| **Nkwanta** | Grab | 1095104 | * | 0.070 | * | 608419 | 554635 | 24-04-2010 |
| **Nkwanta** | Grab | 1095105 | * | 1.720 | * | 609832 | 553084 | 25-04-2010 |
| **Nkwanta** | Grab | 1095106 | * | 0.180 | * | 609832 | 553084 | 25-04-2010 |
| **Duplicate** | NA | 1095107 | NA | 0.140 | NA | Duplicate | Duplicate | 25-04-2010 |
| **Nkwanta** | Auger | 1095108 | CPM13827 | 0.340 | 0.259 | 608441 | 554636 | 25-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095109 | AYM 108/6700 | 0.034 | 0.020 | 614171 | 558132 | 25-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095110 | AYM 108/6650 | 0.062 | 0.490 | 614112 | 558146 | 25-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095111 | AYM 108/6600 | 0.047 | 0.210 | 614089 | 558158 | 25-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095112 | AYM 108/6550 | 0.076 | 0.150 | 614038 | 558164 | 25-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095113 | AYM 108/6500 | 0.011 | 0.110 | 614021 | 558168 | 25-04-2010 |
| **Nkwanta** | Auger | 1095114 | CPM13828 | 0.680 | 0.501 | 608450 | 554640 | 25-04-2010 |
| **Nkwanta** | Auger | 1095115 | CPM13829 | 0.050 | 0.235 | 608457 | 554636 | 25-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095116 | AYM 88/6000 | 0.029 | 0.070 | 613225 | 556529 | 26-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095117 | AYM 88/6050 | 0.054 | 0.090 | 613274 | 556534 | 26-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095118 | AYM 886100 | 0.288 | 0.010 | 613326 | 556533 | 26-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095119 | AYM 88/5950 | 0.289 | 0.020 | 613173 | 556530 | 26-04-2010 |
| **Ayiem** | Soil (B-Horizon) | 1095120 | AYM 88/5900 | 0.175 | 0.150 | 613112 | 556528 | 26-04-2010 |
| **Nkwanta** | Soil (B-Horizon) | 1095121 | NNT 60/2200 | 0.005 | 0.100 | 609170 | 554988 | 26-04-2010 |
| **Nkwanta** | Soil (B-Horizon) | 1095122 | NNT 60/2250 | 0.066 | 0.080 | 609221 | 554992 | 26-04-2010 |
| **Nkwanta** | Soil (B-Horizon) | 1095123 | NNT 60/2300 | 0.730 | 0.140 | 609276 | 554997 | 26-04-2010 |

| Project | Sample-type | Sample (Geologica) | Sample (Castle Peak or other) | Au-ppm ( Geologica) | Au-ppm (CastlePeak or other) | Utm-East | Utm-North | Date |
|---|---|---|---|---|---|---|---|---|
| **Blank** | NA | 1095124 | NA | 0.010 | NA | Blank | Blank | 27-04-2010 |

* Samples taken by Geologica are compared with samples collected by Castle Peak in the Apankrah mine site and around shown on Figure 4. Gold values obtained by Castle Peak are unavailable.

Geologica collected 24 samples: 6 chip rock, 3 auger and 3 soil samples on the Nkwanta property, 10 soil samples were collected on the Ayiem concession, and two control samples.

These samples were collected independently and under the supervision of one of the authors (Alain-Jean Beauregard) with the collaboration of Henry Sowah, Exploration Manager and five technicians of Castle Peak.




*Adjacent Properties*

Several exploration concessions and properties are contiguous north, east, west and south of Nkwanta and Ayiem concessions (Figure 2)

*Mineral Processing and Metallurgical Testing*

No mineral processing and metallurgical testing were realized on the properties.

*Mineral Resource and Mineral Reserve Estimate*

No mineral resource and mineral reserve estimate were calculated on Nkwanta and Ayiem concessions.

*Other Relevant Data and Information*

No historical environment liabilities were found to exist on subject concessions. In terms of permitting, Castle Peak will need to conform to requirements, laws and regulations applied in Ghana using the best work standards and practice generally used in the industry.

*Interpretation and Conclusions*

Castle Peak's objective in conducting its exploration activities, which results are the subject of the Nkwanta and Ayiem Report, was to gain a greater understanding of the Nkwanta and Ayiem concessions and to determine if further exploration is warranted. To that end, Castle Peak's exploration activities have achieved that objective.

- The concessions lie within the Birimian rocks of Ghana, which host significant gold deposits in Ghana and more significantly one of the targets for gold exploration are near the contacts between Birimian greenstones (metabasalts, etc.) and the granitoids.

- The soil survey generated several strong anomalies with North-South trend. The strike length of the Apankrah Main anomaly on the Nkwanta concession is about 3.4 km and the width about 0.40 km. Gold values range from less than 0.01 ppm to 7.07 ppm. The Apankrah West anomaly has a strike length of about 2.8 km and a width of about 0.30 km. Gold values range from less than 0.01 ppm to 0.58 ppm.

- In light of these observations and the results from the exploration work conducted over the years, two types of mineralizations were recognized on Nkwanta and Ayiem concessions:
  - Vein-type vertical shear hosted and networks of quartz veins containing precious metals (Au, Ag).
  - Gold sulphide disseminations, veins and veinlets network of auriferous quartz minerals associated with altered and fractured differentiated intrusions of felsic mafic composition in contact with volcanic and sedimentary rock units.

- It is recommended that further exploration works be undertaken to further evaluate the properties. Auger sampling over the soil anomalies should continue on each concession. Drilling to know the extent of gold mineralization at the old Apankrah mine and North-South trend on each concession are also recommended.

Although both the Nkwanta and Ayiem concessions merit further exploration from a geological point of view, the authors recommend a two-phase exploration program on the Ayiem concession for now due to an ongoing title dispute with the Nkwanta concession.

The existing database needs to be preserved, re-evaluated and set-up in electronic format that can be queried and re-compiled to build an improved understanding of the geology of each concession. The authors recommend that Critical and/or Castle Peak build a digital data file to hold all information for all possible drill holes, auger surveys, soil sampling surveys, mapping surveys on each concession and if possible all assay reports and certificates. Critical and/or Castle Peak should undertake a more rigorous routine approach to sample assay quality assurance/quality control with more use of secondary laboratory check assaying, and to create a written sampling and assay reporting protocol so that reporting of assays is consistent. They should create and maintain an assay database independent of its sampling logs in which is recorded all sample assays, duplicates and blanks, sample locations and certificate numbers.

*Recommendations and Budget*

The authors recommend a two-phase exploration program be conducted on the Ayiem concession.

In Phase 1, a basic surface exploration program of US$200,000 will consist of, topographic surveying, soil and/or alluvial geochemistry sampling and/or pitting and trenching; surface and geological reconnaissance and detail mapping of lithologic units, alterations, structures and mineralizations followed with outcrop and systematic underground workings sampling (channel); data digitization, integration and geological modeling followed by a work report.

If the results of Phase 1 are positive, then it is recommended that the Resulting Issuer proceed with Phase 2A and 2B, complementary wells, trenching, other field investigations and diamond and RAB drilling (NQ-size) program on the best targets and mineralized extensions; a provision of 8,000 meters (4,000 metres on each concession). Data digitization, integration and modelization update and synthesis work report with compilation surface colour maps, sections, longitudinals, and figures. Phases 1, 2A and 2B of work recommendations are budgeted at approximately US$3,396,216 and proposed in the here below listed steps and table:

PHASE 1: COMPLEMENTARY DETAILED AUGER AND SOIL GEOCHEMISTRY

| | | |
|---|---|---|
| <u>Personnel</u> | | |
| 1 Senior geologist, 60 days @ $300/day | US$ | 18,000 |
| 2 Field geologists, 60 days @ $120/day/geologist | | 7,200 |
| 2 Technicians, 60 days @ $30/day/technician | | 3,600 |
| 1 Foremans, 60 days @ $25/day/foreman | | 1,500 |
| 10 Unskilled laborers, 60 days @ $20/day/laborer | | 12,000 |
| Total Personnel: | | 42,300 |
| <u>Expenses</u> | | |
| Laboratory: 3,000 samples @30.00 / sample | | 90,000 |
| Equipment (sample bags, markers, staple machines and pins, flagging tapes, helmet, boots, first aid box) | | 10,000 |
| Accommodation costs (food, consumables, provisions and toiletries) | | 10,000 |
| Transport costs (car rental, driver’s salary, fuel) | | 20,000 |
| Total Expenses: | | 130,000 |
| Sub-total Phase 1: | | 172,300 |
| Supervision and administration (~5%) | | 9,000 |
| Contingencies (10%) | | 18,700 |
| **TOTAL PHASE 1:** | **US$** | **200,000** |

PHASE 2A: COMPLEMENTARY WELLS, TRENCHING AND OTHER FIELD INVESTIGATIONS (if warranted by Phase 1 results)

| | | |
|---|---|---|
| <u>Personnel</u> | | |
| 1 Senior geologist, 120 days @ $300 / day | US$ | 36,000 |
| 2 Field geologists, 120 days @ $120 / day / geologist | | 28,800 |
| 4 Technicians, 120 days @ $30 / day / technician | | 14,400 |
| 2 Foremans, 120 days @ $25 / day / foreman | | 6,000 |
| 20 Unskilled laborers, 120 days @ $20 / day / laborer | | 48,000 |
| Total Personnel: | | 133,200 |
| <u>Expenses</u> | | |
| Laboratory: 10,000 samples @ $30 / sample | | 300,000 |
| Drilling: - 10 core holes of 100 meters @ $120 / meter | | 120,000 |
| - 10 short holes of 100 meters @ $120 / meter | | 120,000 |
| - 400 RC Holes of 50 meters @ $35 / meter | | 700,000 |
| - Site access and mobilization | | 200,000 |
| Equipment (sample bags, markers, staple machines and pins, flagging tapes, helmet, | | 4,000 |

| | |
|---|---|
| boots, first aid box) | |
| Accommodation costs (food, consumables, provisions and toiletries) | 50,000 |
| Transport costs (car rental, driver's salary, fuel) | 60,000 |
| Total Expenses: | 1,554,000 |
| | |
| Sub-total Phase 2A: | 1,687,200 |
| Supervision and administration (5%) | 84,360 |
| Contingencies (10%) | 177,156 |
| **TOTAL PHASE 2A:** | **US$ 1,948,716** |

PHASE 2B: REVERSE CIRCULATION AND/OR DIAMOND DRILLING (if warranted by Phase 2A results)

| | |
|---|---|
| Drilling of known showings | US$ 960,000 |
| 8 000 meters at $120 / m (all inclusive) | |
| Assaying 4 000 samples @ $30 each (including transport) | 120,000 |
| Sub-total Phase 2B: | 1,080,000 |
| Supervision and administration (5%) | 54,000 |
| Contingencies (10%) | 113,400 |
| | |
| **TOTAL PHASE 2B:** | **US$ 1,247,400** |
| | |
| **GRAND TOTAL PHASES 1, 2A and 2B:** | **US$ 3,396,116** |

### *Other Properties*

**Essamang (Kedadwen / Esserman) property**: On April 2, 1996, the Government of the Republic of Ghana granted Foremost a two-year prospecting license for gold and diamonds on the Ayiem and Essamang (Kedadwen / Esserman) concession and was designated file number PL 2/166 by the Ghana Minerals Commission. The Ghana Minerals Commission extended the validity period of this concession covering a reduced area of 25 square kilometers to July 22, 2009. By letter dated November 13, 2009 the Ghana Minerals Commission extended the prospecting license for the Essamang concession to November 12, 2010 and designated the concession file number PL 2/420. This prospecting license, along with the Ayiem prospecting license, expired on November 12, 2010 and Canterbury has applied for them to be renewed. Foremost entered into a joint venture agreement dated March 10, 2005 with Canterbury with respect to the Ayiem and Essamang concessions, such agreement amended by an addendum dated March 22, 2005 and again by a supplemental and amending agreement dated June 28, 2007. Pursuant to the March 10, 2005 agreement and March 22, 2005 addendum, Foremost agreed to transfer and assign 87.5% of the Ayiem and Essamang concession free of any encumbrance of any nature to Canterbury subject to a 12.5% royalty payment, in consideration for the payment of US$83,000 to be paid over a period of two years. Pursuant to the June 28, 2007 supplemental and amending agreement, Foremost confirmed receipt of US$83,000 and the transfer of 87.5% interest in the property to Canterbury and agreed to transfer an additional 12.5% of interest in the property to Canterbury, cancel the 12.5% royalty payment, retain a 2.5% NSR, in consideration for the payment of an additional US$33,333 on or before July 31, 2007, and granted Canterbury an exclusive option to acquire the NSR for US$2,000,000. On August 15, 2007, Foremost acknowledged receipt of US$75,000. On January 28, 2011, Foremost signed an assignment agreement assigning the Essamang property to Canterbury. Under the assignment agreement, Canterbury agreed to pay Foremost US$45,000 once the assignment is approved by the Minister of Lands and Natural Resources, and an additional US$30,000 each on the first and second anniversaries of the assignments, and for Foremost to retain a 5% free carried interest in the Essamang concession. Canterbury has a right of first refusal to purchase the said 5% carried interest from Foremost. Canterbury has also covenanted under the assignment agreement to operate and manage exploration and development activities on the Essamang property, which are estimated to cost US$587,000 for the 2011 work plan. During February 2011, the Minister consented to the assignment of the Essamang concession to Canterbury.

**Asuogya property:** On March 7, 1990, the Government of the Republic of Ghana granted Netas a two-year prospecting license for gold and base metals on the Asuogya concession. The prospecting license was renewed and expired on September 16, 2010. Netas has applied for this license to be renewed. A joint venture agreement was signed between Netas and Canterbury dated March 10, 2005, and amended by an addendum dated March 22, 2005 and again amended by a supplemental and amending agreement dated June 28, 2007. Pursuant to the March 10, 2005 agreement and March 22, 2005 addendum, Netas agreed to transfer and assign 87.5% of the Nkwanta property free of any encumbrance of any nature to Canterbury subject to a 12.5% royalty payment, in consideration for the payment of US$83,000 to be paid over a period of two years. Pursuant to the June 28, 2007 supplemental and amending agreement, Netas confirmed receipt of US$83,000, confirmed that Canterbury has earned and acquired 87.5% interest in the property, agreed to transfer an additional 12.5% of interest in the property to Canterbury, agreed to cancel the 12.5% royalty payment, agreed to retain a 2.5% NSR in consideration for the payment of an additional US$33,333 on or before July 31, 2007, and agreed to grant Canterbury an exclusive option to acquire the NSR for US$2,000,000. On August 15, 2007, Netas acknowledged receipt of US$75,000. Title to the prospecting license is in the name of Netas. In March 2010, Canterbury requested Netas to transfer the title to the prospecting to Canterbury. Netas refused and alleged that the terms of the joint venture agreement were not observed and challenged the authenticity of the 2007 supplemental and amending agreements. The details of this title dispute have been outlined above – please see the section entitled “Nkwanta and Ayiem properties – Nature and Extent of Title”.

**Dompim property:** On September 6, 1994, the Government of the Republic of Ghana granted Klair Star Company Limited (“Klair Star”) a two-year prospecting license for gold on the Dompim concession. The license was renewed and expired on March 22, 2006 and since the said expiry date, POW as the permitted assignee and registered holder of the Dompim concession has remained in possession of the licenced area and applied to the Ghana Minerals Commission for a renewal/extension of the term of the licence and consequently pursuant to Ghana Mining Law the said licence is deemed to continue in force until the said application by POW for renewal/extension has been determined by the Minister. Trimedia Communications Inc. (“Trimedia”) and Klair Star entered into a joint venture agreement (the “Dompim JV Agreement”) dated January 28, 2005 and established a joint venture company named POW International Limited, whereby Klair Star owns 17% of the shares of POW. On March 23, 2005, pursuant to an assignment agreement, Klair Star assigned 100% of the Dompim license to POW. On November 18, 2005, Klair Star commenced an action against Jeffrey Shammah, POW and Trimedia, whereby Klair Star seeks, inter alia, an order of the Trial Court to rescind the Dompim Joint Venture Agreement and set aside the Dompim deed of assignment. On December 15, 2005, the Trial Court issued an Order of Interlocutory Injunction which placed an interim injunction restraining Jeffrey Shammah, POW and Trimedia from dealing in or transferring any shares of POW or any interest in the Dompim licence. In March 2010, the High Court of Ghana in Accra gave judgement in favour of Jeffrey Shammah, POW and Trimedia and dismissed the action filed by Klair Star. The judgment is subject to appeal by Klair Star, however, Castle Peak understands that all avenues of appeal have expired. The license was renewed and expires on October 7, 2011.

**Bonsaso property:** On March 14, 2007, the Government of the Republic of Ghana granted WD Gold Mining Company Limited (“WD Gold”) a two-year prospecting license for the Bonsaso concession for gold exploration. The prospecting license was renewed and expires on June 9, 2011. WD Gold agreed to transfer 90% of its interest in the Bonsaso concession to Windsor under an agreement dated March 31, 2005 in consideration of the aggregate payment of US$12,000 and an annual commission of US$30,000 once drilling begins until the day that the final geological report on drilling is prepared. On April 8, 2009 WD Gold entered into an assignment agreement with Windsor whereby WD Gold agreed to transfer 90% of its interest in the Bonsaso concession to Windsor in consideration of the payment of US$30,000, and on the condition that approval of the assignment is obtained from the Minister no later than July 31, 2009, resulting in Windsor retaining 10% beneficial interest in the license. The prospecting license is currently registered in the name of WD Gold. On September 14, 2009, the Ghana Minerals Commission reviewed the application by WD Gold to assign the Bonsaso prospecting license to Windsor and will make the appropriate recommendation to the Minister upon payment of the filing fee of US$25,000 to the Minerals Commission.

**Dompem property:** On November 30, 2007, the Government of the Republic of Ghana granted WD Gold a one-year reconnaissance license for gold, diamonds and base metals on the Dompem concession. The reconnaissance license has been converted to a prospecting license and expires on November 29, 2011. WD Gold agreed to transfer 100% of its interest in the Dompem concession to Castle Peak pursuant to a joint venture agreement dated January 7, 2008 in consideration of total cash payment of US$22,500, and work obligations to be incurred by CP, on the condition that the joint venture agreement is approved by the Minister by June 30, 2008. At the direction of CP, WD Gold and Windsor entered into an assignment agreement dated October 28, 2010, whereby WD Gold agreed to transfer 100% of the concession to Windsor in consideration for the payment of an additional US$10,000 to be paid as follows: US$1,000 which has been paid, $4,000 due on December 20, 2010 and US$5,000 due on January 4, 2011. Pursuant to the assignment agreement WD Gold transferred 100% of the concession to Windsor, subject to a 2.5% NSR to WD Gold. The assignment agreement is being submitted to the Minerals Commission and requires a recommendation from the Minerals Commission and approval from the Minister and is subject to payment of a US$25,000 filing fee to the Minerals Commission and a US$5,000 filing fee to the land registry. POW has applied to renew its environmental permit on the Dompem property and has submitted all requisite documentation for such renewal.

**Extension of Prospecting Licenses**. Section 34(2) of the Minerals and Mining Act of Ghana allows for the term of prospecting licenses to be no more than three years. License holders are obliged to reduce the area of the prospecting license upon renewal, by section 38(1) of the Act. In practice, however, the term granted has generally been two years. Following complaints from prospecting license holders that the 2-year term granted was not enough for the completion of their exploration programs, a further 1-year extension is granted without requiring a reduction of the size when holders have demonstrated performance but need time to complete their exploration programs to enable them make informed decisions to renew the license.

The Ghana Minerals Commission has realized that a number of companies have been abusing this privilege and keep on requesting for several extensions although they may be in the position to apply for the renewal of the license. This practice creates problems for the Commission and its management of the mineral title system.

In May 2010, Ghana Minerals Commission informed all license holders that extensions will be limited to only prospecting licenses, reconnaissance license and mining leases will not be extended; prospecting license requiring extension will be granted once for a term of one year especially for those companies actively on the ground; and no extensions will be entertained for non-performing companies.

**Renewal of Prospecting Licenses**. A prospecting license may be renewed for a maximum of two times for a period of two years each. At each renewal, half the license area is required to be shed off (relinquished) by the holder. If more than one prospecting license is held, they may be treated as one area for purposes of shed-off.

The Ghana Minerals Commission require the following documents to renew a prospecting license: (1) comprehensive terminal report, with logs of pits, assay results, etc; (2) detailed financial report; (3) site plan indicating areas to be retained and those to be shed; (4) evidence of annual ground rent payments; (5) an environment permit from the Ghana Environmental Protection Agency ("EPA"); and (6) filing fee of US$25,000 per license.

The EPA has issued a permit on the seven properties and the respective owners of the prospecting licenses have been renewing the EPA permits annually. The EPA permit for the Dompem and Bonsaso properties will expire on May 7, 2011. The EPA permit for the Nkwanta, Asuogya, Ayiem and Essamang properties will expire on December 29, 2012.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") includes financial information from, and should be read in conjunction with, the unaudited financial statements of Castle Peak for the nine-month period ended September 30, 2010, the audited financial statements of Castle Peak for the years ended December 31, 2009, 2008 and 2007, and notes thereto accompanying this Filing Statement attached to this Filing Statement as Schedule B. Castle Peak is not a reporting issuer in any jurisdiction and has not published financial statements for any fiscal quarter prior to the date of this Filing Statement. Castle Peak's financial statements are expressed in Canadian dollars and were prepared in conformity with Canadian GAAP which requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Description of Business

Castle Peak is in the business of the evaluation, acquisition and exploration of precious metal mineral properties in Ghana, Africa. Castle Peak was incorporated on September 13, 2006 under the laws of British Columbia, Canada. In December 2007, Castle Peak acquired certain mineral properties in Ghana through the acquisition of issued and outstanding shares of seven companies incorporated in Ghana, and as consideration Castle Peak issued an aggregate of 16,055,000 shares with a value of $1,605,500. Castle Peak issued an additional 3,410,700 common shares with a value of $359,100 for additional acquisition costs of the mineral properties. Castle Peak currently holds interests in seven exploration properties in southwest Ghana which cover a total of 168.29 km$^2$ in the Wassa-West District of Western Ghana. Castle Peak owns 83% of the shares of POW which owns 100% of the Dompim prospecting license. Castle Peak owns 100% of the interest in the Nkwanta, Asuogya, and Dompem prospecting licenses with a 2.5% NSR to the vendor (the vendor for the Nkwanta and Asuogya properties is Netas). Castle Peak owns 95% of the Ayiem and Essamang prospecting licenses with Foremost retaining 5% free carried interest in each license. Castle Peak owns 90% of the interest in the Bonsaso (WD) prospecting license with a 10% beneficial interest to the vendor (WD Gold Mining Company Limited), and a 100% of the interest in the Dompem prospecting license with a 2.5% NSR to the vendor (WD Gold Mining Company Limited).

The principal properties of Castle Peak are the Nkwanta and Ayiem properties. The Nkwanta concession has an area of 18.51 km$^2$ while the Ayiem concession has an area of 25.00 km$^2$ for a total surface area of 43.51 km$^2$. Castle Peak retained independent person Alain-Jean Beauregard, P. Geol., FGAC, OGQ, and Daniel Gaudreault, P. Eng, OIQ, AEMQ, of Geologica Groupe-Conseil Inc. to prepare a technical report on the Nkwanta and Ayiem properties in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Their technical report (the "Nkwanta and Ayiem Report") dated February 14, 2011 entitled "NI 43-101 Technical Evaluation Report on Nkwanta & Ayiem Concessions, Wassa-West District, Republic of Ghana, West Africa" is being filed on SEDAR concurrently with this Filing Statement and is also available on Castle Peak's website www.castlepeakmining.com. Shareholders are urged to read the technical report in its entirety.

### Overall Performance

Castle Peak continued exploration activities on its properties in Ghana during the year. To September 30, 2010, Castle Peak has incurred $3,729,238 of mineral properties costs including $1,997,242 for acquisition costs of the properties, $1,067,463 for mineral properties expenditures and $664,533 for recognition of future income tax liabilities.

Castle Peak's objective in conducting its exploration activities, which results are the subject of the Nkwanta and Ayiem Report, was to gain a greater understanding of the Nkwanta and Ayiem concessions and to determine if further exploration is warranted. To that end, Castle Peak's exploration activities have achieved that objective. The results have shown in summary:

- The concessions lie within the Birimian rocks of Ghana, which host significant gold deposits in Ghana and more significantly one of the targets for gold exploration are near the contacts between Birimian greenstones (metabasalts, etc.) and the granitoids.

- The soil survey generated several strong anomalies with north-south trend. The strike length of the Apankrah Main anomaly on the Nkwanta concession is about 3.4 km and the width about 0.40 km. Gold values range from less than 0.01 ppm to 7.07 ppm. The Apankrah West anomaly has a strike length of about 2.8 km and a width of about 0.30 km. Gold values range from less than 0.01 ppm to 0.58 ppm.

- Two types of mineralizations were recognized on Nkwanta and Ayiem concessions:
  - Vein-type vertical shear hosted and networks of quartz veins containing precious metals (Au, Ag).
  - Gold sulphide disseminations, veins and veinlets network of auriferous quartz minerals associated with altered and fractured differentiated intrusions of felsic mafic composition in contact with volcanic and sedimentary rock units.

The authors of the Nkwanta and Ayiem Report recommend further exploration work should continue. Auger sampling over the soil anomalies should continue on each concession. Drilling to know the extent of gold mineralization at the old Apankrah mine and north-south trend on each concession is also recommended.

The existing database needs to be preserved, re-evaluated and set-up in electronic format that can be queried and re-compiled to build an improved understanding of the geology of each concession. A digital data file should be built to hold all information for all possible drill holes, auger surveys, soil sampling surveys, mapping surveys on each concession and if possible all assay reports and certificates. A more rigorous routine approach should be undertaken to sample assay quality assurance/quality control with more use of secondary laboratory check assaying, and to create a written sampling and assay reporting protocol so that reporting of assays is consistent. An assay database independent of its sampling logs in which is recorded all sample assays, duplicates and blanks, sample locations and certificate numbers should be created and maintained.

Although both the Nkwanta and Ayiem concessions merit further exploration from a geological point of view, the authors recommend a two-phase exploration program on the Ayiem concession for now due to an ongoing title dispute with the Nkwanta concession. In Phase 1, a basic surface exploration program of US$200,000 will consist of: topographic surveying, soil and/or alluvial geochemistry sampling and/or pitting and trenching; surface and geological reconnaissance and detail mapping of lithologic units, alterations, structures and mineralizations followed with outcrop and systematic underground workings sampling (channel); data digitization, integration and modelization followed by work report.

If the results of Phase 1 are positive, the authors recommend to proceed with Phases 2A and 2B, an exploration program that involves complementary wells, trenching, other field investigations and diamond and RAB drilling (NQ-size) program on the best targets and mineralized extensions; a provision of 8,000 meters (4,000 metres on each concession). Data digitization, integration and modelization update and synthesis work report with compilation surface colour maps, sections, longitudinals, and figures. Phases 1, 2A and 2B of work recommendations are budgeted at approximately US$3.4 million.

Castle Peak plans to conduct an exploration program on the Ayiem concession as recommended by the authors of the Nkwanta and Ayiem Report. Castle Peak may initiate exploration work on its other properties if Castle Peak deems it beneficial to do so.

Castle Peak has historically financed its activities through the issuance of common shares and loans from related parties. At September 30, 2010, Castle Peak had amounts owing to related parties of $213,372 and 31,017,250 common shares outstanding with a book value of $3,551,045. Castle Peak has incurred losses and at September 30, 2010 it had a deficit of $998,922 and negative working capital of $269,233. To continue its exploration activities, Castle Peak requires additional financing. Castle Peak has entered into an agreement with Critical in which Critical will acquire at least 76% of Castle Peak's issued and outstanding common shares or otherwise complete a business combination with Castle Peak (the "Acquisition") (see Proposed Transaction). Concurrent with the Acquisition, Critical is completing a brokered and non-brokered private placement for aggregate gross proceeds of between

$6,000,000 to $8,000,000 through the issuance of up to 22,857,142 units at a purchase price of $0.35 per unit. The financing will enable Castle Peak to commence the recommended exploration program for the properties.

**Selected Consolidated Financial Information**

| | Nine months ended September 30, 2010 (unaudited) | Nine months ended September 30, 2009 (unaudited) | Year ended December 31, 2009 (audited) | Year ended December 31, 2008 (audited) | Year ended December 31, 2007 (audited) |
|---|---|---|---|---|---|
| Net loss | (149,033) | (147,269) | (203,287) | (369,275) | (194,710) |
| Net loss per common share basic and diluted | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.03) | $ (0.14) |
| Total assets | 3,803,926 | 3,281,156 | 3,565,254 | 3,281,156 | 2,897,227 |
| Total shareholders' equity | 2,795,472 | 1,937,504 | 1,881,486 | 2,084,773 | 1,948,848 |

**Results of Operations**

*Nine months ended September 30, 2010 and 2009*

Castle Peak reported a net loss of ($149,033) or ($0.01) per share compared to a net loss of ($147,269) or ($0.01) per share for the nine months ended September 30, 2009.

Total expenses were $192,831 for the nine months ended September 30, 2010, compared to $144,703 for the nine months ended September 30, 2009. The majority of the expenses were for consulting fees, management fees and professional fees to related parties (see Related Party Transactions). The increase in expenses was due to professional fees of $106,378 compared to $nil in 2009 mainly for legal fees related to the Acquisition (see Proposed Transaction).

Other items totaled $43,798 net gain compared to a loss of $2,566 for the nine months ended September 30, 2009 and included a gain of $48,514 on the settlement of amounts payable to parties for less than the original amount owing.

*Years ended December 31, 2009, 2008 and 2007*

Castle Peak reported a net loss of ($203,287) or ($0.01) per share for the year ended December 31, 2009, compared to a net loss of ($369,275) or ($0.03) per share for the year ended December 31, 2008 and a net loss of ($194,710) or ($0.14) per share for the year ended December 31, 2007.

Total expenses were $213,648 for the year ended December 31, 2009, compared to $378,056 for the year ended December 31, 2008 and $189,922 for the same period in 2007. The majority of the expenses were for consulting fees, management fees, professional fees and directors fees to related parties (see Related Party Transactions). Expenses were higher in 2008 compared to 2009 and 2007 because of $45,000 of directors fees incurred ($nil in 2009 and $nil in 2007), and higher professional fees for legal services.

**Liquidity and Capital Resources**

Castle Peak has a working capital deficiency of ($269,233) at September 30, 2010, compared to ($968,057) at December 31, 2009, ($489,533) at December 31, 2008 and ($129,653) at December 31, 2007. Working capital includes cash net of current assets and current liabilities.

The improvement in working capital at September 30, 2010 was due to the issuance of 4,098,350 common shares at $0.20 per share in July 2010 for the settlement of related party debt totaling $1,063,019. Amounts owing to related parties decreased to $213,372 at September 30, 2010 from $942,379 at the end of 2009.

Castle Peak has sustained losses from operations since inception and has no current sources of revenue. Castle Peak has historically relied on equity financings and loans from related parties to satisfy its capital requirements. As of September 30, 2010, Castle Peak has utilized all of its available funding. Castle Peak has entered into an agreement which will provide additional cash resources subsequent to the reporting period so Castle Peak can meet its obligations and commence the recommended exploration program with a budgeted cost of approximately US$3.4 million (see Proposed Transaction).

Castle Peak incurred $215,162 of expenditures related to mineral properties for the nine months ended September 30, 2010, compared to $275,237 in the year ended December 31, 2009, $495,805 in the year ended December 31, 2008, and $2,714,034 in the year ended December 31, 2007. The most significant of the expenditures were for contract labour and field costs. Further details of the expenditures can be found in Note 5 of Castle Peak's Consolidated Financial Statements. Minimal exploration activities continue until the Proposed Transaction is closed.

Castle Peak is committed to expend, from time to time, to the Ghana Minerals Commission for an extension of an expiry date of a prospecting license or a mining lease, and the Environmental Protection Agency ("EPA") for prospecting and certificate fees with respect to EPA permits. These commitments are not considered significant on an annual basis. Several of the prospecting licenses are in the name of the vendors and it is Castle Peak's intention to transfer the title into the name of its subsidiary with an interest in the license. Castle Peak estimates US$280,000 in filing fees will be paid when documents to transfer title are filed with the Ghana Minerals Commission. This will be undertaken once the Proposed Transaction is closed.

**Proposed Transaction**

On March 18, 2010, Castle Peak entered into a Letter of Intent with Critical, a Capital Pool Company as that term is defined in the policies of the Exchange, in which Critical will acquire all of Castle Peak's issued and outstanding common shares or otherwise complete a business combination with Castle Peak. The Acquisition, if completed, will constitute a Qualifying Transaction for Critical under the policies of the Exchange. Under the terms of the Letter of Intent, Critical will acquire all of the issued and outstanding common shares of Castle Peak in exchange for the issuance of up to 18,000,000 common shares of Critical. However, the Share Purchase Agreement provides that Critical will only be required to, as a condition of closing, obtain the signatures of at least 76% of the shareholders of Castle Peak to the Share Purchase Agreement. Castle Peak will become Critical's majority-owned, if not wholly-owned, subsidiary. However, the transaction will result in a composition of senior management such that Castle Peak will control Critical. Referred to as a reverse takeover, Castle Peak will be deemed to be the acquirer for accounting purposes.

Critical loaned Castle Peak $25,000 upon signing of the Letter of Intent and subsequently loaned an additional $60,000 during the nine months ended September 30, 2010 and $50,000 in October 2010 with approval from the Exchange. The loans do not accrue interest, are repayable upon closing or if the transaction is terminated and are evidenced by promissory notes.

Concurrent with the Acquisition, Critical is completing a brokered and non-brokered private placement for aggregate gross proceeds of between $6,000,000 to $8,000,000 through the issuance of up to 22,857,142 units at a purchase price of $0.35 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. One full warrant will entitle the holder to acquire one common share at $0.50 per share and the warrants will expire one year from closing. Critical may pay a finders fee in cash and/or warrants. Critical has retained Raymond James Ltd. (the "Agent") as its agent to raise $1,848,350 which forms the brokered part of the private placement. The Letter of Intent as amended requires the transaction to close by March 31, 2011. Completion of this transaction is subject to a number of conditions, including but not limited to Exchange acceptance and satisfactory due diligence review.

**Transactions with Related Parties**

Castle Peak entered into transactions with related parties as follows:

| | September 30, 2010 (Unaudited) | September 30, 2009 (Unaudited) | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|---|---|---|---|---|---|
| Consulting fees – a former director of Castle Peak (1) | $ 60,000 | $ 90,000 | $ 120,000 | $ 120,000 | $ 45,000 |
| Consulting fees – a shareholder of Castle Peak (2) | - | - | - | - | 70,875 |
| Directors fees (3) | - | - | - | 45,000 | - |
| Management fees – a Company controlled by the former CFO of Castle Peak (4) | 18,000 | 54,000 | 72,000 | 72,000 | 12,000 |
| Professional fees – a law firm in which a former director is a partner of (5) | 69,368 | - | - | 39,393 | 41,046 |
| Reimbursements – reimbursements of expenditures – mineral properties (6) | 64,050 | 109,467 | 234,491 | - | - |
| Debt settlement – debt settled through allotment/issuance of common stock (7) | 1,063,019 | - | - | 25,000 | - |
| Amounts owing to related parties | 213,372 | 770,153 | 942,379 | 506,289 | 283,846 |

The transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the parties.

(1) On August 15, 2007, Castle Peak entered into a service agreement with 129043 Canada Inc. for services provided by Peter Hawley, a director and CEO of Castle Peak. Castle Peak agreed to pay 129043 Canada Inc. $10,000 per month and reimbursement for expenses incurred for the benefit of Castle Peak, and to pay a termination fee equal to six months payment if the contract is terminated for any reason other than just cause during the first year. The contract was terminated on June 30, 2010 without payment of any termination fee.

(2) In the year ended December 31, 2007, Castle Peak paid $70,875 in consulting fees to Union Securities, a company employing Bryan Harrold who is a shareholder of Castle Peak.

(3) A director fee of $45,000 is payable to David Smalley. Mr. Smalley was a director of Castle Peak from its incorporation on September 13, 2006 to March 8, 2010, and corporate secretary of Castle Peak from January 31, 2007 to March 8, 2010. Mr. Smalley is also partner and lawyer at Fraser and Company LLP, a law firm providing legal services to Castle Peak.

(4) On November 1, 2007, Castle Peak entered into a management services agreement with Cantech Capital Corporation for services provided by Don Gee, CFO of Castle Peak, for a period of two years. Castle Peak agreed to pay Cantech $6,000 per month, and reimbursement for expenses incurred for the benefit of Castle Peak. On May 20, 2010, Mr. Gee ceased to be CFO for Castle Peak.

(5) Professional fees were accrued or paid to Fraser and Company LLP, a law firm in which David Smalley, a former director and corporate secretary of Castle Peak, is a partner of.

(6) Castle Peak made the following reimbursements of expenditures related to mineral properties (a) Jeff Shammah, a director of Castle Peak, $135,339 in fiscal 2009, (b) Randal Gindi, a director of Castle Peak, $62,040 during the nine months ended September 30, 2010 and $36,530 in 2009 and (c) Shimon Elbaz, a director for Castle Peak, $2,010 during nine months ended September 30, 2010 and $62,622 in 2009.

(7) Castle Peak settled $1,063,019 of debts owing to related parties in the nine months ended September 30, 2010 by issuing 4,098,350 common shares at $0.20 per share for a value of $819,670, and recognized the difference of $243,349 in contributed surplus. The following debts were settled: $64,632 of debt owing to Shimon Elbaz, a director of Castle Peak, $135,340 of debt owing to Jeff Shammah, a director of Castle Peak, $98,570 of debt owing to Randal Gindi, a director of Castle Peak, $358,950 of debt owing to Peter Hawley, a director and CEO of Castle Peak, $144,000 of debt owing to Cantech Capital Corporation, a company owned by Don Gee's wife, the former CFO of Castle Peak, $157,500 of debt owing to Union Securities Ltd., a company employing Bryan Harrold who is a shareholder of Castle Peak, and $104,027 of debt owing to Fraser and Company LLP, a law firm in which David Smalley, a former director of Castle Peak, is a partner of. Castle Peak settled $25,000 of debt owing to Shimon Elbaz, a director of Castle Peak, in the year ended December 31, 2008.

**Financial Instruments**

Castle Peak's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and amounts owing to related parties. The fair value of these financial instruments approximates their carrying value because of the short-term nature of these instruments.

Castle Peak is not exposed to significant credit or interest rate risk arising from these instruments and Castle Peak does not use any derivative financial instruments.

*Currency risk*

For the periods presented, Castle Peak's expenditures are predominantly in Canadian dollars. Future investments and development expenditures are expected to be paid primarily in Ghanaian Cedis and US dollars. Castle Peak is exposed to currency risk fluctuations between the Canadian dollars to the Ghanaian Cedis and US dollars because it will receive funding in Canadian dollars, but expend its funds in Ghanaian Cedis and US dollars.

**Risks and Uncertainties**

**Exploration and Development Risks**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Castle Peak may be affected by numerous factors that are beyond the control of Castle Peak and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in Castle Peak not receiving an adequate return of investment capital. All of the claims to which Castle Peak has a right to acquire an interest or the claims which Castle Peak has an interest in are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Castle Peak's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Castle Peak's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

**Subsequent Events**

In October 2010, Critical loaned an additional $50,000 to Castle Peak. The loans do not accrue interest, are repayable on closing or if the Qualifying Transaction is terminated, and are evidenced by promissory notes issued by Castle Peak.

Between October 2010 to January 2011, two directors of Critical, an officer of Castle Peak, a proposed director of the Resulting Issuer and a proposed advisory committee member of the Resulting Issuer loaned a total of $300,000 to Castle Peak. A director of Castle Peak and an arm's length third party loaned an additional US$287,500 to Castle Peak. The loans do not accrue interest, are repayable on closing or if the Qualifying Transaction is terminated, and are evidenced by promissory notes issued by Castle Peak.

The loans do not accrue interest, are repayable on closing or if the Qualifying Transaction is terminated, and are evidenced by promissory notes issued by Castle Peak.

In September 2010, Castle Peak retained Paula Rogers as its CFO and Giovanna Martino as its Corporate Secretary. See "Executive Compensation" below for more information.

In October 2010, Castle Peak retained Darren Lindsay as its President replacing Peter Hawley as President and also retained Marlo Hamer-Jackson to provide investor relations services. See "Executive Compensation" below for more information.

**Changes in Accounting Policies**

Castle Peak adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

*i) Goodwill and intangible assets*

The CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section did not have a significant impact on the financial statements.

*ii) Financial instruments - disclosures*

In June 2009, the CICA Handbook Section 3862, Financial Instruments – Disclosures ("Section 3862") was amended to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The adoption of this amendment did not result in a material impact on Castle Peak's consolidated financial statements.

## Recent accounting pronouncements

*i) Business Combinations*

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests which replaces CICA Handbook Sections 1591 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for Castle Peak's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 is applicable for Castle Peak's interim and annual financial statements for its fiscal year beginning June 1, 2011. Early adoption of this Section is permitted. If Castle Peak chooses to early adopt any one of these sections, the other two sections must also be adopted at the same time.

*ii) International Financial Reporting Standards ("IFRS")*

In 2006, the Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by Castle Peak for the year ended December 31, 2010.

Castle Peak has completed the diagnostic phase of planning for the implementation of IFRS. It has determined that the principal areas of impact will be IFRS I – first time adoption; presentation of financial statements; asset retirement obligations; impairment of assets; and share-based payments. Castle Peak expects its detailed analysis of relevant IFRS requirements of IFRS I will be complete by the end of its fiscal quarter ending September 30, 2011, along with its determination of changes to accounting policies and choices to be made. Castle Peak has not yet reached the stage where a quantified impact of conversion on its financial statements can be measured. Castle Peak expects to complete its quantification of financial statement impacts by the end of its fiscal quarter ending September 30, 2011.

*Trends*

Mineral exploration is a speculative venture. There is no certainty that the money spent on exploration and development of mineral projects will result in any discoveries of commercial bodies of ore. The long-term profitability of Castle Peak's operations will in part be related to the success of its exploration programs, which may be affected by a number of factors that are beyond the control of Castle Peak.

The mineral industry is intensely competitive in all its phases. Castle Peak competes with many other mineral exploration companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled.

# DESCRIPTION OF SECURITIES

## Description of Share Capital

The authorized capital of Castle Peak consists of an unlimited number of common shares. As at the date of this Filing Statement, Castle Peak has 31,017,250 common shares issued and outstanding.

All of the common shares of Castle Peak are of the same class and, once issued, rank equally as to entitlement to dividends, voting power (one vote per share) and participation in assets upon dissolution or winding-up. No common shares of Castle Peak have been issued subject to call or assessment. The common shares of Castle Peak contain no pre-emptive or conversion rights and have no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds. Provisions as to the modification, amendment or variation of such rights or provisions are contained in Castle Peak's Articles of Incorporation.

## PRINCIPAL SECURITYHOLDERS

As of the date of this Filing Statement, Castle Peak had a total of 31,017,250 common shares issued and outstanding. As at the date of this Filing Statement, to the knowledge of the directors and officers of Castle Peak, no persons beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the votes attached to all of the common shares of Castle Peak, other than as set out below:

| Shareholder Name | Number of common shares | Percentage of issued common shares of Castle Peak |
|---|---|---|
| Randal Gindi | 9,680,445 (1) | 31.2% |
| Jeffrey Shammah | 8,067,837 (1)(2) | 26.0% |

(1) Randal Gindi and Jeffrey Shammah have agreed to each transfer to Brigill Investments Ltd., a company owned by Brian Lock, a director of the Corporation, the number of Common Shares of the Resulting Issuer which is the equivalent of 500,000 common shares of Castle Peak, for a total of 1,000,000 common shares, upon completion of the Qualifying Transaction.

(2) Jeffrey Shammah's shareholdings include 1,000,000 common shares of Castle Peak owned by his wife.

## CONSOLIDATED CAPITALIZATION

The following table sets out the capitalization of Castle Peak as at December 31, 2009 and September 30, 2010. The table should be read in conjunction with the audited consolidated financial statements of Castle Peak for the fiscal year ended December 31, 2009 and the unaudited consolidated financial statements for the nine months ended September 30, 2010, including the notes thereto and the auditor's report thereon, attached as Schedule B to this Filing Statement and the management's discussion and analysis of results of operations and financial condition. See "Part II - The Target Company – Management's Discussion and Analysis".

| Designation of Security | Amount Authorized | Amount Outstanding as of December 31, 2009 | Amount Outstanding as of September 30, 2010 |
|---|---|---|---|
| common shares | unlimited | 26,918,900 | 31,017,250 |
| related party loans | not applicable | $942,379 | $213,372 |

As of September 30, 2010, Castle Peak has a deficit of $998,922.

## PRIOR SALES

On July 8, 2010, Castle Peak issued an aggregate of 4,098,350 common shares at an issue price of $0.20 per share to seven creditors, as repayment of $819,670 of debt owing by Castle Peak to the creditors. The creditors include:

- three major shareholders of Castle Peak who together own 65.7% of the shares of Castle Peak after the debt conversion, who have been providing working capital to Castle Peak (a total of 1,435,712 shares were issued to these three creditors);
- the President of Castle Peak, Peter Hawley (1,172,500 shares were issued to Mr. Hawley);
- the previous CFO of Castle Peak, Don Gee's corporation (720,000 were issued); and
- a law firm providing legal services to Castle Peak, Fraser and Company LLP (520,138 were issued).

The shares of Castle Peak are not listed on any stock exchange.

## EXECUTIVE COMPENSATION

As at December 31, 2009, the end of the most recently completed fiscal year of Castle Peak, Castle Peak had two "Named Executive Officers" as that term is defined for purposes Form 51-102F6 – *Statement of Executive Compensation*. As at September 30, 2010, the date of the most recent financial statements included in the Filing Statement, Castle Peak had three Named Executive Officers. In addition, Castle Peak paid compensation to another executive officer during the same period of time.

### Summary of Compensation

For the nine months ended September 30, 2010 and the years ended December 31, 2009, 2008 and 2007 the salary and bonus of our executive officers or former executive officers did not exceed $150,000. The following table provides a summary of compensation earned by our CEO, CFO and executive officer for the nine-month period ended September 30, 2010 and the financial years ended December 31, 2009, 2008 and 2007:

| | | | | | Non-equity incentive plan compensation | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Name and Principal Position** | **Year** | **Salary ($)** | **Share-based awards ($)** | **Option-based awards ($)** | **Annual incentive plans ($)** | **Long-term incentive plans ($)** | **Pension value ($)** | **All other compensation ($)** | **Total compensation ($)** |
| Peter Hawley (1) CEO | Sept 30, 2010 | $0 | Nil | $0 | Nil | Nil | Nil | $60,000 (2) | $60,000 |
| | 2009 | $0 | Nil | $0 | Nil | Nil | Nil | $120,000 (2) | $120,000 |
| | 2008 | $0 | Nil | $0 | Nil | Nil | Nil | $120,000 (2) | $120,000 |
| | 2007 | $0 | Nil | $0 | Nil | Nil | Nil | $ 45,000 (2) | $ 45,000 |
| Don Gee (3) CFO | Sept. 30, 2010 | $0 | Nil | $0 | Nil | Nil | Nil | $ 18,000 (4) | $ 18,000 |
| | 2009 | $0 | Nil | $0 | Nil | Nil | Nil | $ 72,000 (4) | $ 72,000 |
| | 2008 | $0 | Nil | $0 | Nil | Nil | Nil | $ 72,000 (4) | $ 72,000 |
| | 2007 | $0 | Nil | $0 | Nil | Nil | Nil | $ 12,000 (4) | $ 12,000 |
| Paula Rogers (3) CFO | Sept. 30, 2010 | $3,269 | Nil | $0 | Nil | Nil | Nil | Nil | $3,269 |
| | 2009 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| | 2008 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| | 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| David W. Smalley (5) Corporate Secretary | Sept. 30, 2010 | $0 | Nil | $0 | Nil | Nil | Nil | $ 69,368 (6) | $ 69,368 |
| | 2009 | $0 | Nil | $0 | Nil | Nil | Nil | $ 0 | $ 0 |
| | 2008 | $0 | Nil | $0 | Nil | Nil | Nil | $ 84,393 (7) | $ 84,393 |
| | 2007 | $0 | Nil | $0 | Nil | Nil | Nil | $ 41,046 (6) | $ 41,046 |
| Giovanna Martino (5) Corporate Secretary | Sept. 30, 2010 | $2,115 | Nil | $0 | Nil | Nil | Nil | Nil | $2,115 |
| | 2009 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| | 2008 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| | 2007 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

(1) Mr. Hawley was appointed as President of Castle Peak in February 2007. Mr. Hawley resigned as President on January 18, 2010. On March 11, 2010 Board of Directors of Castle Peak re-appointed Mr. Hawley as President, CEO and director. Mr. Hawley ceased being CEO of Castle Peak on June 30, 2010.

(2) Consulting fees were paid to 129043 Canada Inc., a company controlled by Mr. Hawley.

(3) Mr. Gee was appointed as CFO of Castle Peak in February 2007. On May 20, 2010, Mr. Gee ceased to be CFO of Castle Peak. On September 13, 2010, Paula Rogers was appointed CFO of Castle Peak.

(4) Management fees were paid to Cantech Capital Corporation, a company controlled by Mr. Gee's wife.

(5) Mr. Smalley was appointed Corporate Secretary of Castle Peak in January 2007. Mr. Smalley resigned in March 2010. On September 13, 2010, Giovanna Martino was appointed Corporate Secretary of Castle Peak.

(6) Professional fees were accrued or paid to Fraser and Company LLP, a law firm in which Mr. Smalley is a partner.

(7) The amount of $84,393 is comprised of $45,000 of director fee accrued to Mr. Smalley, and $39,393 of professional fee accrued to Fraser and Company LLP.

**Compensation Discussion and Analysis**

Castle Peak's board of directors performs the duties of a compensation committee, as it does not have a defined compensation committee. The board of directors reviewed and approved the compensation of executive officers. From 2007 to 2009 Castle Peak had three directors, two of whom were independent. In 2010 Castle Peak has five directors, four of whom are independent, as defined in National Instrument 52-110 *Audit Committees*.

For the past three years, Castle Peak has operated as a private company whose objective was to acquire mineral exploration properties in Ghana and to raise funds for the exploration of the acquired properties. In August 2007, Castle Peak entered into a services agreement for the provision of services of Peter Hawley as CEO of Castle Peak, and in November 2007, Castle Peak entered into a services agreement for the provision of services of Don Gee as CFO of Castle Peak. Also in 2007 the board of directors approved of a one-time payment of director fees of $45,000 to David Smalley. The board of directors considered the market rate and competitiveness of the market at that time, balanced with its objective to develop and achieve performance targets.

Castle Peak does not have a stock option plan and has never granted stock options.

**Long-Term Incentive Plans**

Castle Peak does not have any long-term plans.

**Options/SARs Granted During the Most Recently Completed Fiscal Year**

Castle Peak has not granted any stock options or stock appreciation rights during its fiscal year ended December 31, 2009.

**Pension Plans**

Castle Peak does not provide retirement benefits for directors or officers.

**Termination and Change of Control Benefits**

On August 15, 2007, Castle Peak entered into a service agreement with 129043 Canada Inc. for services provided by Peter Hawley. Castle Peak agreed to pay 129043 Canada Inc. $10,000 per month and reimbursement for expenses incurred for the benefit of Castle Peak, and to pay a termination fee equal to six months payment if the contract is terminated for any reason other than just cause during the first year. On June 30, 2010, the contract ended without payment of termination fee.

On November 1, 2007, Castle Peak entered into a management services agreement with Cantech Capital Corporation for services provided by Don Gee for a period of two years. Castle Peak agreed to pay Cantech $6,000 per month, and reimbursement for expenses incurred for the benefit of Castle Peak. In May 2010, the contract ended and Mr. Gee ceased to be CFO for Castle Peak.

On September 13, 2010, Castle Peak entered into an executive employment agreement with Paula Rogers, employing Ms. Rogers to be the CFO of Castle Peak. The agreement continues until it is terminated by Ms. Rogers by giving 30 days notice or terminated by Castle Peak. The agreement may be terminated without cause by Castle Peak by giving three months notice or three months base salary in lieu of notice, an additional one month base salary for each completed year of service, pro-rated bonus based on average bonus paid to Ms. Rogers over the previous two years, and all stock options that have not vested will be vested immediately, except in the event of death or permanent incapacity, in which case none of the benefits are payable. Castle Peak agreed to pay Ms. Rogers an annual salary of $85,000 on a 50% work week basis and, at the discretion of Castle Peak, an annual bonus of up to 50% of the annual salary for exemplary service and high growth performance of Castle Peak. In the event of a change of control of Castle Peak, except for this Qualifying Transaction, Castle Peak will pay Ms. Rogers 24 months salary in lieu of termination package.

Also on September 13, 2010, Castle Peak entered into an executive employment agreement with Giovanna Martino, employing Ms. Martino to be the Corporate Secretary of Castle Peak. The terms of the agreement with Ms. Martino are the same as with Ms. Rogers, except the annual salary for Ms. Martino is $55,000 on a 50% work week basis.

On October 5, 2010, Castle Peak entered into an executive employment agreement with Darren Lindsay, employing Mr. Lindsay to be the President of Castle Peak commencing November 1, 2010. The agreement continues until it is terminated by Mr. Lindsay by giving 30 days notice or terminated by Castle Peak. The agreement may be terminated without cause by Castle Peak by paying six months salary regardless of any notice period, an additional one month base salary for each completed year of service, pro-rated bonus based on average bonus paid to Mr. Lindsay over the previous two years with the first two years set at 25% of gross annual earnings, and all stock options that have not vested will be vested immediately, except in the event of death or permanent incapacity, in which case none of the benefits are payable. Castle Peak agreed to pay Mr. Lindsay an annual salary of $170,000 and, at the discretion of Castle Peak, an annual bonus of up to 50% of the annual salary based on the performance of Mr. Lindsay and Castle Peak. In the event of a change of control of Castle Peak, except for this Qualifying Transaction, Castle Peak will pay Mr. Lindsay 24 months salary in lieu of termination package.

**Compensation of Directors**

Castle Peak has not paid any compensation or granted any stock options to directors of Castle Peak for services provided during the fiscal year ended December 31, 2009.

**Options to Purchase Securities**

As at the date of this Filing Statement, Castle Peak does not have any stock options or warrants outstanding that entitle persons to acquire common shares of Castle Peak.

**Indebtedness of Directors and Executive Officers**

During the financial year ended December 31, 2009, no director, executive officer or associate of any director or executive officer of Castle Peak was indebted to Castle Peak, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by Castle Peak, including under any securities purchase or other program.

**Report on Executive Compensation**

From the date of incorporation of Castle Peak to the date of this Filing Statement, the officers of Castle Peak have not served Castle Peak on a full-time basis, and their compensation from the Castle Peak has been allocated based on the estimated amount of time spent providing services to the Castle Peak.

Castle Peak has not instituted any formal executive compensation policies or programs.

**Management Contracts**

Castle Peak has not entered into any management contract where management functions are to any substantial degree performed by a person other than the directors or senior officers of Castle Peak.

## NON-ARM'S LENGTH PARTY TRANSACTIONS

Other than as described herein, within five years prior to the date hereof, Castle Peak has not acquired any assets or been provided any services from any director, officer, Insider or Promoter of Castle Peak, except in their capacities as directors, officers or employees of Castle Peak.

1. In May 2010, Castle Peak entered into shares for debt agreements with seven of its creditors, and subsequently issued an aggregate of 4,098,350 common shares at an issue price of $0.20 per share as the repayment of $819,670 of debt owing by Castle Peak to the creditors. The creditors include three major shareholders of Castle Peak who together own 65.7% of the shares of Castle Peak after the debt conversion, who have been providing working capital to Castle Peak, the CEO of Castle Peak Peter Hawley, a corporate entity owned by Don Gee's wife, previous CFO of Castle Peak, and a law firm providing legal services to Castle Peak, Fraser and Company LLP.

2. As of the date of this Filing Statement, Brian Lock, a director of the Corporation, has loaned a total of $210,000 to Castle Peak, either directly or through a wholly-owned company, Brigill Investments Ltd. The loans do not accrue interest, are repayable on Closing or if the Qualifying Transaction is terminated, and are evidenced by promissory notes issued by Castle Peak. Upon Completion of the Qualifying Transaction, Castle Peak plans to repay the loans owing to Mr. Lock, and Mr. Lock intends to subscribe for Units under the Private Placement. Mr. Lock was a director of Castle Peak from February 1, 2007 to January 18, 2010.

3. Pursuant to a rental agreement dated September 27, 2010 among Alder Administrative Services Ltd., Critical and Castle Peak, Castle Peak is leasing office space from Alder, an affiliated company of Fraser and Company LLP, a law firm providing legal services to Castle Peak. Castle Peak is to pay rent of $3,300 per month plus applicable taxes. The rental agreement commences on November 1, 2010 and expires on January 31, 2012.

4. David Smalley was a director of Castle Peak from its incorporation on September 13, 2006 to March 8, 2010, and Mr. Smalley was corporate secretary of Castle Peak from January 31, 2007 to March 8, 2010. Mr. Smalley is also partner and lawyer at Fraser and Company LLP, a law firm providing legal services to Castle Peak and the Corporation. Castle Peak has accrued $45,000 of director fees owing to Mr. Smalley since 2007. In November 2010, Mr. Smalley personally loaned $20,000 to Castle Peak. The loan does not accrue interest, is repayable on Closing or if the Qualifying Transaction is terminated, and is evidenced by a promissory note issued by Castle Peak. Upon Completion of the Qualifying Transaction, Castle Peak plans to repay the loans owing (total amount of $65,000) to Mr. Smalley, and Mr. Smalley intends to use the proceeds to subscribe for Units under the Private Placement.

5. Randal Gindi, a director of Castle Peak, loaned US$42,500 to Castle Peak between May to November, 2010. The loans do not accrue interest, are repayable on Closing or if the Qualifying Transaction is terminated, and are evidenced by promissory notes issued by Castle Peak. Upon Completion of the Qualifying Transaction, Castle Peak plans to repay the loans owing to Mr. Gindi, and Mr. Gindi intends to use the proceeds to subscribe for Units under the Private Placement.

6. David Parsons, a proposed advisory committee member of the Resulting Issuer, loaned $60,000 to Castle Peak in November 2010. The loan does not accrue interest, is repayable on Closing or if the Qualifying Transaction is terminated, and is evidenced by promissory notes issued by Castle Peak. Upon Completion of the Qualifying Transaction, Castle Peak plans to repay the loan owing to Mr. Parsons, and Mr. Parsons intends to use the proceeds to subscribe for Units under the Private Placement.

7. Paula Rogers, an officer of Castle Peak, loaned $40,000 to Castle Peak in December 2010. The loan does not accrue interest, is repayable on Closing or if the Qualifying Transaction is terminated, and is evidenced by promissory note issued by Castle Peak. Upon Completion of the Qualifying Transaction, Castle Peak plans to repay the loan owing to Ms. Rogers.

8 Randy Smallwood, a proposed director of the Resulting Issuer, loaned $75,000 to Castle Peak in December 2010. The loan does not accrue interest, are repayable on Closing or if the Qualifying Transaction is terminated, and is evidenced by promissory notes issued by Castle Peak. Upon Completion of the Qualifying Transaction, Castle Peak plans to repay the loan owing to Mr. Smallwood, and Mr. Smallwood intends to use the proceeds to subscribe for Units under the Private Placement.

9. On January 5, 2011, Castle Peak retained Mine Management LLC, whose principal Jeffrey Shammah is a significant shareholder of Castle Peak, as a consultant.

## LEGAL PROCEEDINGS

There are no legal proceedings to which Castle Peak is a party to or to which any of its property is subject and no such proceedings are known to be contemplated, except for the proceedings disclosed elsewhere in this Filing Statement. See "Part II - The Target Company – Narrative Description of the Business".

## RISK FACTORS

Where used in this "Risk Factors" section, "Castle Peak" refers to either Castle Peak Mining Ltd. or the Resulting Issuer as the context may require, and its subsidiaries. The following risk factors should be carefully considered in evaluating the Corporation, Castle Peak and the Resulting Issuer. The risks presented below should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and Castle Peak may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Other sections of this Filing Statement include additional factors that could have an effect on the business and financial performance of the business following the completion of the Transactions. The markets in which Castle Peak currently competes are very competitive and change rapidly. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

The operations of Castle Peak are speculative due to the high-risk nature of its business, which is the identification, acquisition and exploration of mineral properties. The risks below are not the only ones facing Castle Peak. Additional risks not currently known to Castle Peak, or that Castle Peak currently deems immaterial may also impair Castle Peak's operations. The order in which the following risk factors appear does not necessarily reflect management's opinion of their order or priority.

### Limited Operating History

Castle Peak has only recently commenced operations and has no history of earnings. There are no known commercial quantities of mineral reserves on Castle Peak's properties. The likelihood of success of Castle Peak must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Castle Peak has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There can be no assurance that Castle Peak can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

### Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Castle Peak may be affected by numerous factors that are beyond the control of Castle Peak and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in Castle Peak not receiving an adequate return of investment capital. All of the claims to which Castle Peak has a right to acquire an interest or the claims which Castle Peak has an interest in are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Castle Peak's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Castle Peak's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

**Lack of Availability of Resources**

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to Castle Peak on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in the Castle Peak's exploration programs.

**Potential Lack of Adequate Infrastructure in Ghana**

Mineral exploration and development activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Castle Peak's properties are presently accessible by network of roads and footpaths. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Castle Peak's operations, financial condition and results of operations. The present infrastructure may not be adequate for Castle Peak's planned exploration and development activities. If Castle Peak is required to improve or develop the current infrastructure, its planned operations may be delayed and its capital and operating costs will be affected.

**Requirement for Additional Financing**

The further development and exploration of Castle Peak's projects depends upon Castle Peak's ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that Castle Peak will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for Castle Peak to obtain equity financing or debt financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause Castle Peak to postpone its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

**Title Risks**

Castle Peak does not own title to certain of its prospecting licenses. Title to the licenses are in the names of the respective vendors and transfer of title to Castle Peak or its subsidiaries requires filing of appropriate documents and payment of appropriate filing fees with the Ghana Minerals Commission. Until title to the licenses are transferred to Castle Peak, there is no guarantee that Castle Peak's interest in the licenses will not be challenged by the present title holders.

Although Castle Peak holds the surface rights to those concessions, it requires work permits and local community approvals to realize further exploration work such as surveying, geophysical, geochemical, geological and sample surveys and drilling. There can be no assurance that the appropriate permits and approvals will be obtainable on reasonable terms or on a timely basis.

Although Castle Peak has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Castle Peak's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of Castle Peak's mineral properties in accordance with the laws of the jurisdiction in which such properties are situated; therefore, their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, Castle Peak can give no assurance as to the validity of title of Castle Peak to those lands or the size of such mineral lands.

Accordingly, Castle Peak's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

A prospecting license in Ghana entitles the holder to search for specified minerals for three years in an area covering at most 150 $km^2$, but this size limit can be exceeded at the discretion of the Government of Ghana. A prospecting license is renewable for two years with a reduction in area. There is no guarantee that Castle Peak will be able to renew the prospecting licenses upon their expiry and, even if a prospecting license is renewed, there is no guarantee that the prospecting license will cover an area desired by Castle Peak.

In addition, Castle Peak may be unable to explore its properties as permitted or to enforce its rights with respect to its properties.

**Existing Lawsuit on the Dompim Property**

There is currently an ongoing lawsuit relating to Castle Peak's title to the Dompim prospecting license – please see "Part II - The Target Company – Narrative Description of the Business". Although the High Court of Ghana in Accra gave a judgement in favour of Castle Peak's subsidiary company, the judgment is subject to appeal by Klair Star, the plaintiff in the initial action. There is no assurance that on the appeal, if initiated by the plaintiff, that the High Court judge's ruling will be upheld. However, Castle Peak understands that all avenues of appeal have expired.

**Existing Dispute for the Nkwanta and Asuogya Properties**

There is an ongoing dispute relating to Castle Peak's ownership to the Nkwanta, and Asuogya properties with the vendor Netas. Castle Peak has petitioned the Minister of Lands and Natural Resources to rule on the validity of the joint venture agreements with respect to the two concessions, and has filed a Notice of Arbitration with the Ghana Arbitration Centre with respect to the two concessions. Castle Peak has also obtained an interlocutory injunction restraining Netas from assigning their interests and rights to the two concessions pending the determination of the dispute between the parties at arbitration. There is no assurance that Castle Peak will be successful in the petition and there is no guarantee that the Minister of Lands and Natural Resources will rule in favour of Castle Peak.

**Mineral Exploration and Mining Carry Inherent Risks**

Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput. Although it is intended to take adequate precautions to minimize risk, there is a possibility of a material adverse impact on Castle Peak's operations and its financial results.

**Political Risks**

All of Castle Peak's properties are located in Ghana, Africa, and as such, Castle Peak's exploration activities are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect Castle Peak. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Ghana may adversely affect Castle Peak's business, results of operations and financial position. Future operations may be affected in varying degrees by governmental regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to the mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on Castle Peak's consolidated business, results of operations and financial condition.

**Economic Uncertainty of Developing Countries**

Castle Peak's operations in Ghana may be adversely affected by economic uncertainty and related characteristics of developing countries. Ghana has experienced high rates of inflation for many years. There can be no assurance that any governmental action to control inflationary or deflationary situations will be effective in ensuring economic stability, or that future governmental actions will not trigger inflationary or deflationary cycles. Additionally, changes in inflation or deflation rates and governmental actions taken in response to such changes can also affect currency values in such countries. Any such changes could have a material adverse effect on Castle Peak's results of operations and financial condition.

**Uninsurable Risks**

Castle Peak's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Castle Peak's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Castle Peak may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. Castle Peak may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Castle Peak or to other companies in the mining industry on acceptable terms. Castle Peak might also become subject to liability for pollution or other hazards which may not be insured against or which Castle Peak may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Castle Peak to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

**Environmental Regulations, Permits and Licenses**

Castle Peak's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Castle Peak intends to comply fully with all environmental regulations. The current or future operations of Castle Peak, including development activities and commencement of production on its properties, require permits from appropriate governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require Castle Peak to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that Castle Peak may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which Castle Peak might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Castle Peak and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of Castle Peak’s knowledge, it is operating in compliance with all applicable rules and regulations.

**Currency Risk**

Castle Peak uses the United States dollar as its functional currency in Ghana. Fluctuations in the value of the United States dollar relative to the Canadian dollar could have a material impact on the Resulting Issuer’s consolidated financial statements by creating gains or losses. No currency hedge polices are in place or are presently contemplated.

**Difficulty for Investors to Enforce Judgements**

Some of the directors and officers of the Corporation, Castle Peak and the Resulting Issuer reside outside of Canada. Some or all of the assets of those persons may be located outside of Canada. It may not be possible for investors to collect from such directors or officers or enforce judgments obtained in courts in Canada predicated on the civil liability provisions of Canadian securities legislation against such directors and officers. Moreover, it may not be possible for investors to effect service of process within Canada upon such directors and officers.

**Subsidiaries**

Castle Peak conducts certain of its business activities through its subsidiaries, and holds certain of its assets through its subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between Castle Peak and its subsidiaries could restrict Castle Peak’s ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Castle Peak’s valuation and stock price.

**Competition**

The mining industry is intensely competitive in all its phases, and Castle Peak competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect Castle Peak’s ability to acquire additional suitable properties or prospects in the future.

**Metal Prices are Volatile**

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that Castle Peak’s properties can be mined at a profit. Factors beyond the control of Castle Peak may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, Castle Peak's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

**Conflict of Interests**

Certain of the directors and officers of Castle Peak are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which Castle Peak may participate or may wish to participate, the directors of Castle Peak may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with Castle Peak for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of Castle Peak and, if the conflict involves a director, the director will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases, Castle Peak will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the provisions of the *Business Corporations Act* (British Columbia) the directors and officers of Castle Peak are required to act honestly and in good faith, with a view to the best interests of Castle Peak. In determining whether or not Castle Peak will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to Castle Peak, the degree of risk to which Castle Peak may be exposed and its financial position at that time.

**Management**

The success of Castle Peak is currently largely dependent on the performance of its board and senior management. The loss of the services of these persons will have a materially adverse effect on Castle Peak's business and prospects. There is no assurance Castle Peak can maintain the services of its board and management or other qualified personnel required to operate its business. Failure to do so could have material adverse affect on Castle Peak and its prospects.

**Key Personnel**

Recruiting and retaining qualified personnel is critical to Castle Peak's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As Castle Peak's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although Castle Peak believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

**Operations Dependent on Revenues and Financings**

The continued operation of Castle Peak will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If Castle Peak is unable to generate such revenues or obtain such additional financing, any investment in Castle Peak may be lost. In such event, the probability of resale of the shares purchased would be diminished.

**Dividend Record and Policy**

Castle Peak has not paid any dividends since incorporation and does not anticipate declaring any dividends on it common shares in the foreseeable future. The directors of Castle Peak will determine if and when dividends should be declared and paid in the future based on Castle Peak's financial position at the relevant time.

## MATERIAL CONTRACTS

The following summarizes the material contracts, other than contracts entered into in the ordinary course of business that were entered into within the two years before the date of this Filing Statement by Castle Peak:

1. Share Sale and Purchase Agreement among Castle Peak, Jeffrey Shammah, Randal Gindi and Emmanuel Owusu dated July 31, 2007 and Amendment No. 1 dated December 17, 2007, whereby Castle Peak acquired the outstanding shares of seven Ghana private companies.

2. Share Sale and Purchase Agreement between Castle Peak and Seth Vordzorgbe dated July 31, 2007, whereby Castle Peak acquired the outstanding shares of seven Ghana private companies.

3. Binding Definitive Agreement (the "Binding Definitive Agreement") between Hidalgo Mining International Inc. and Castle Peak dated January 6, 2009, whereby Castle Peak and Hidalgo agreed to enter into a joint venture agreement on the properties owned by Castle Peak.

4. Assignment agreement dated April 8, 2009 between WD Gold and Windsor, whereby WD Gold agreed to transfer to Windsor title to the Bonsaso prospecting license and 90% of its interest in the prospecting license.

5. Letter dated February 4, 2010 from Castle Peak to Hidalgo Mining terminating the Binding Definitive Agreement.

6. Letter of Intent from Critical to Castle Peak dated March 17, 2010, and accepted by Castle Peak on March 18, 2010, Amendment No. 1 dated September 30, 2010, Amendment No. 2 dated December 30, 2010, and Amendment No. 3 dated January 11, 2011. See "Part II - The Target Company – General Description of the Business".

7. Seven Shares for Debt Agreements between Castle Peak and seven creditors in May 2010.

8. Rental Agreement dated September 27, 2010 among Alder Administrative Services Ltd., Critical and Castle Peak.

9. Share Purchase Agreement made as of January 11, 2011, among Castle Peak, Critical, and the shareholders of Castle Peak. The Share Purchase Agreement has been signed by Critical, Castle Peak and 99% of the shareholders of Castle Peak, and has been delivered to the remaining shareholders of Castle Peak for execution.

10. Executive Employment Agreement dated September 13, 2010 between Castle Peak and Paula Rogers.

11. Executive Employment Agreement dated September 13, 2010 between Castle Peak and Giovanna Martino.

12. Executive Employment Agreement dated October 5, 2010 between Castle Peak and Darren Lindsay.

13. Share Sale and Purchase Agreement dated October 7, 2010 among Jeff Shammah, Randal Gindi, Mrs. Yvonne Adjei Owusu representing the estate of Emmanuel Owusu, Seth Vordzogbe and Castle Peak, whereby Castle Peak acquired all the issued and outstanding shares of Castle Peak Mining Limited, a private company incorporated in Ghana for US$1.

14. Investor Relations and Promoter Employment Agreement dated October 21, 2010 between Castle Peak and Marlo Hamer-Jackson, to provide promotional services.

15. Assignment agreement dated October 28, 2010 between WD Gold and Windsor, whereby WD Gold agreed to transfer to Windsor 100% interest to the Dompem concession.

16. Consulting Agreement dated January 5, 2011 between Castle Peak and Mine Management LLC (principal Jeff Shammah).

17. Assignment Agreement dated January 28, 2011 between Foremost and Canterbury, whereby Foremost agreed to transfer to Canterbury a 95% interest in the Ayiem concession.

18. Assignment Agreement dated January 28, 2011 between Foremost and Canterbury, whereby Foremost agreed to transfer to Canterbury a 95% interest in the Essamang concession.

Copies of these documents may be inspected during regular business hours at the executive office of Castle Peak, at Suite 1200 – 999 West Hastings Street, Vancouver, British Columbia V6C 2W2.

## PART III - THE RESULTING ISSUER

## CORPORATE STRUCTURE

### Name and Incorporation of the Resulting Issuer

Following the Completion of the Qualifying Transaction, the Corporation will beneficially own 100% of the issued and outstanding shares of Castle Peak. The Corporation, as the Resulting Issuer, will continue to be a corporation governed by the *Business Corporations Act* (British Columbia). The Resulting Issuer's head office will be Suite 1200 – 999 West Hastings Street, Vancouver, British Columbia V6C 2W2. The registered and records office of the Resulting Issuer will be located at the same address, which is Suite 1200 – 999 West Hastings Street, Vancouver, British Columbia V6C 2W2.

It is anticipated that the Resulting Issuer will change its name to "Castle Peak Mining Ltd.", and will trade on the Exchange under new trading symbol "CAP". Upon Completion of the Qualifying Transaction and subject to the approval of the Exchange, the Resulting Issuer will become a Tier 2 Mining Issuer on the Exchange.

### Intercorporate Relationships

As at the date of this Filing Statement, the Corporation has no subsidiaries. Following the Completion of the Qualifying Transaction, Castle Peak will be the wholly owned subsidiary of the Resulting Issuer. For a description of subsidiaries owned by Castle Peak see "Part II - The Target Company – Corporate Structure and General Description of the Business".

## BUSINESS OF THE RESULTING ISSUER

The business of Castle Peak will become the business of the Resulting Issuer. See "Part II - The Target Company – Narrative Description of Business".

The Resulting Issuer will carry on the business of identifying, acquiring and exploring mineral properties in Ghana.

## SECURITIES OF THE RESULTING ISSUER

The capital structure of the Resulting Issuer will be unchanged from that of the Corporation. The Resulting Issuer will be authorized to issue an unlimited number of Common Shares.

Holders of Common Shares are entitled to one vote per share on all matters subject to stockholder vote. The Common Shares have no pre-emptive or other subscription rights. All of the presently outstanding Common Shares are fully paid and non-assessable. If the Resulting Issuer is liquidated or dissolved, holders of Common Shares will be entitled to share ratably in assets remaining after satisfaction of liabilities.

The holders of Common Shares are entitled to receive dividends when and as declared by the board of directors, out of funds legally available therefore for the foreseeable future. The Resulting Issuer does not anticipate paying any cash dividends with respect to its common shares. No Common Share which is fully paid is liable to calls or assessment by the Resulting Issuer.

However the securities of the Resulting Issuer will be affected by the issuance of securities pursuant to the Acquisition and the Private Placement. See "Pro Forma Fully Diluted Share Capital" below on additional securities that may be issued by the Resulting Issuer.

## PRO FORMA CONSOLIDATED CAPITALIZATION

### Pro Forma Consolidated Capitalization

The following table sets out the pro forma share and loan capital of the Resulting Issuer, on a consolidated basis, following the Qualifying Transaction.

| Designation of Security | Amount authorized | Amount outstanding prior to giving effect to the Transactions | Amount outstanding immediately after giving effect to the Qualifying Transaction with Minimum Private Placement (1)(2) | Amount outstanding immediately after giving effect to the Qualifying Transaction with Maximum Private Placement (1)(2) |
|---|---|---|---|---|
| Common Shares | Unlimited | 4,500,000 | 39,642,858 | 45,357,142 |
| Loan capital | not applicable | $nil | $907,680 | $907,680 |

(1) Excludes shares to be issued pursuant to exercise of outstanding stock options and IPO Agent's Warrants, and shares to be issued pursuant to stock options, share purchase warrants, Agent's Warrants, Corporate Finance Warrants, and Finders' Warrants to be granted or issued pursuant to the Transactions. See "Pro Forma Fully Diluted Share Capital" below for more information on the fully diluted share capital of the Resulting Issuer.

(2) Prior to giving effect to the Transactions, the Corporation is estimated to have a deficit of $245,711. Immediately after giving effect to the Qualifying Transaction, the Resulting Issuer is estimated to have a deficit of $1,761,986 with a minimum and maximum Private Placement.

### Pro Forma Fully Diluted Share Capital

The following table shows the expected fully diluted share capital of the Resulting Issuer after giving effect to the Acquisition, assuming the exercise or conversion of all options and convertible securities into Common Shares of the Resulting Issuer:

| | Minimum Private Placement | | | Maximum Private Placement (1) | | |
|---|---|---|---|---|---|---|
| | | Fully Diluted Following Completion of Qualifying Transaction | | | Fully Diluted Following Completion of Qualifying Transaction | |
| Securities | Number | Approx. % per Class | Approx. % of All Classes of Securities | Number | Approx. % per Class | Approx. % of All Classes of Securities |
| Securities – Common Shares | | | | | | |
| Outstanding prior to the Qualifying Transaction | 4,500,000 | 11.4% | 8.6% | 4,500,000 | 9.9% | 7.4% |
| Issuable to shareholders of Castle Peak in exchange for shares of Castle Peak | 18,000,000 | 45.4% | 34.2% | 18,000,000 | 39.7% | 29.4% |
| Issuable to subscribers pursuant to Private Placement | 17,142,858 | 43.2% | 32.6% | 22,857,142 | 50.4% | 37.3% |
| Total Common Shares | 39,642,858 | 100% | | 45,357,142 | 100% | |
| Securities – Warrants | | | | | | |

| | Minimum Private Placement | | | Maximum Private Placement (1) | | |
|---|---|---|---|---|---|---|
| | | Fully Diluted Following Completion of Qualifying Transaction | | | Fully Diluted Following Completion of Qualifying Transaction | |
| Securities | Number | Approx. % per Class | Approx. % of All Classes of Securities | Number | Approx. % per Class | Approx. % of All Classes of Securities |
| Issuable on exercise of IPO Agent's Warrants issued pursuant to the IPO | 200,000 | 2.2% | 0.4% | 200,000 | 1.7% | 0.3% |
| Issuable on exercise of Share Purchase Warrants issuable to subscribers of the Private Placement | 8,571,429 | 93.3% | 16.3% | 11,428,571 | 94.9% | 18.7% |
| Issuable on exercise of Corporate Finance Warrants issued pursuant to Private Placement | 50,000 | 0.5% | 0.1% | 50,000 | 0.4% | 0.1% |
| Issuable on exercise of Agent's Warrants issued pursuant to Private Placement | 369,670 | 4.0% | 0.7% | 369,670 | 3.1% | 0.6% |
| Total Warrants | 9,191,099 | 100% | | 12,048,241 | 100% | |
| Securities – Stock Options | | | | | | |
| Issuable on exercise of stock options issued to directors and officers of the Corporation prior to the date of this Filing Statement | 450,000 | 11.8% | 0.9% | 450,000 | 11.8% | 0.7% |
| Issuable on exercise of new stock options to be granted to directors and officers of Resulting Issuer | 3,350,000 | 88.2% | 6.4% | 3,350,000 | 88.2% | 5.5% |
| Total stock options | 3,800,000 | 100% | | 3,800,000 | 100% | |
| Aggregate Total | 52,633,957 | | 100% | 61,205,383 | | 100% |

(1) The information in this column is based on the assumption that maximum gross proceeds of $8,000,000 are raised in the Private Placement.

## AVAILABLE FUNDS AND PRINCIPAL PURPOSES

### Available Funds

The following table sets forth the estimated total funds available to the Resulting Issuer upon Closing of the Qualifying Transaction:

| | Minimum Private Placement | Maximum Private Placement |
|---|---|---|
| Working capital of the Corporation as at January 31, 2011 (excluding related party amounts) (unaudited) | $ 90,730 | $ 90,730 |
| Working capital of Castle Peak as at January 31, 2011 (excluding related party amounts) (unaudited) | (388,060) | (388,060) |
| Net proceeds from Private Placement | 5,816,620 | 7,816,620 |
| Estimated additional costs to complete the Transaction, not including commissions and fees of agents and finders to complete Private Placement | (122,990) | (122,990) |
| Estimated available funds | $5,396,292 | $7,396,292 |

**Dividends**

The Resulting Issuer is not expected to pay dividends for the foreseeable future. There are no restrictions on the ability of the Resulting Issuer to pay dividends, other than laws of general application relating to insolvency.

**Principal Purposes of Available Funds**

Upon Closing, the estimated available funds will be sufficient to meet the administrative costs and expenditures of the Resulting Issuer for at least 12 months. The Resulting Issuer intends to spend the net funds available to it as set out below. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

| Use of Funds | Minimum Private Placement | Maximum Private Placement |
|---|---|---|
| Exploration programs (on Ayiem property pursuant to recommended exploration program, on Essamang and other properties to various extents) | $3,400,000 | $3,400,000 |
| Filing fees to transfer title for the properties | 280,000 | 280,000 |
| Payment of amounts owing to related parties | 647,680 | 647,680 |
| Management salaries and fixed overhead | 504,660 | 504,660 |
| Working Capital | 563,952 | 2,563,952 |
| Total: | $5,396,292 | $7,396,292 |

## PRINCIPAL SECURITYHOLDERS

Upon completion of the Transactions, the following persons are expected to own of record and beneficially, directly or indirectly, or exercise control or direction over more than 10% of the voting securities of the Resulting Issuer:

| Name of Registered Shareholder and Municipality of Residence | Number of Common Shares | Approx. % with Minimum Private Placement (1) | Approx. % with Maximum Private Placement (2) |
|---|---|---|---|
| Randal Gindi<br>Brooklyn, NY | 5,617,779 (3) | 14.2% (4)<br>(10.7%) | 12.4% (4)<br>(9.2%) |
| Jeffrey Shammah<br>New York, NY | 4,681,946 (3)(5) | 11.8% (6)<br>(8.9%) | 10.3% (6)<br>(7.6%) |

(1) Based on 39,642,858 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; assumes a minimum of 17,142,858 Common Shares are issued under the Private Placement; and excludes the exercise of any stock options, IPO Agent's Warrants, Share Purchase Warrants, Agent's Warrants and Corporate Finance Warrants.

(2) Based on 45,357,142 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; assumes a maximum of 22,857,142 Common Shares are issued under the Private Placement; and excludes the exercise of any stock options, IPO Agent's Warrants, Share Purchase Warrants, Agent's Warrants and Corporate Finance Warrants.

(3) Randal Gindi and Jeffrey Shammah have agreed to each transfer to Brigill Investments Ltd., a company wholly owned by Brian Lock, a director of the Corporation, 290,161 Common Shares of the Resulting Issuer, for a total of 580,322 shares, which is the equivalent of a total of 1,000,000 common shares of Castle Peak upon Completion of the Qualifying Transaction.

(4) On a fully diluted basis, assuming the exercise of all outstanding stock options, share purchase warrants, IPO Agent's Warrants, Agent's Warrants and Corporate Finance Warrants on completion of the Transactions, Randal Gindi would own or control approximately 10.7% of the Common Shares with a minimum Private Placement and 9.2% of the Common Shares with a maximum Private Placement. The information in this column is based on the assumption that maximum gross proceeds of $8,000,000 are raised in the Private Placement and does not include any Common Shares which may be acquired by Mr. Gindi under the Private Placement.

(5) Jeffrey Shammah's shareholdings include 580,322 Common Shares to be issued to his wife.

(6) On a fully diluted basis, assuming the exercise of all outstanding stock options, share purchase warrants, IPO Agent's Warrants, Agent's Warrants and Corporate Finance Warrants on completion of the Transactions, Jeffrey Shammah would, directly or indirectly, own or control approximately 8.9% of the Common Shares with a minimum Private Placement and 7.6% of the Common Shares with a maximum Private Placement. The information in this column is based on the assumption that maximum gross proceeds of $8,000,000 are raised in the Private Placement and does not include any Common Shares which may be acquired by Mr. Shammah under the Private Placement.

Upon completion of the Transactions and after the transfer of 580,322 Common Shares of the Resulting Issuer (290,161 shares each) from Randal Gindi and Jeffrey Shammah to Brigill Investments Ltd., the shareholdings of Messrs. Gindi and Shammah are expected to be as follows:

| Name of Registered Shareholder | Number of Common Shares | Approx. % with Minimum Private Placement (1) | Approx. % with Maximum Private Placement (2) |
|---|---|---|---|
| Randal Gindi | 5,327,618 (3) | 13.4% (4)<br>(10.1%) | 12.5% (4)<br>(9.4%) |
| Jeffrey Shammah | 4,391,785 (3)(5) | 11.1% (6)<br>(8.3%) | 9.7% (6)<br>(7.2%) |

(1) Based on 39,642,858 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; assumes a minimum of 17,142,858 Common Shares are issued under the Private Placement; and excludes the exercise of any stock options, IPO Agent's Warrants, Share Purchase Warrants, Agent's Warrants and Corporate Finance Warrants.

(2) Based on 45,357,142 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; assumes a maximum of 22,857,142 Common Shares are issued under the Private Placement; and excludes the exercise of any stock options, IPO Agent's Warrants, Share Purchase Warrants, Agent's Warrants and Corporate Finance Warrants.

(3) The number of shares owned by Randal Gindi and Jeffrey Shammah assumes Messrs. Gindi and Shammah have each transferred to Brigill Investments Ltd. 290,161 Common Shares of the Resulting Issuer, for a total of 580,322 Common Shares, which is the equivalent of 1,000,000 common shares of Castle Peak upon Completion of the Qualifying Transaction, and does not

include any Common Shares which may be acquired by Messrs. Gindi and Shammah under the Private Placement.

(4) On a fully diluted basis, assuming the exercise of all outstanding stock options, share purchase warrants, IPO Agent's Warrants, Agent's Warrants and Corporate Finance Warrants on completion of the Transactions, Randal Gindi would own or control approximately 10.1% of the Common Shares with a minimum Private Placement and 8.7% of the Common Shares with a maximum Private Placement. The information in this column is based on the assumption that maximum gross proceeds of $8,000,000 are raised in the Private Placement, and does not include any Common Shares which may be acquired by Mr. Gindi under the Private Placement.

(5) Jeffrey Shammah's shareholdings include 580,322 Common Shares to be issued to his wife.

(6) On a fully diluted basis, assuming the exercise of all outstanding stock options, share purchase warrants, IPO Agent's Warrants, Agent's Warrants and Corporate Finance Warrants on completion of the Transactions, Jeffrey Shammah would, directly or indirectly, own or control approximately 8.3% of the Common Shares with a minimum Private Placement and 7.2% of the Common Shares with a maximum Private Placement. The information in this column is based on the assumption that maximum gross proceeds of $8,000,000 are raised in the Private Placement, and does not include any Common Shares which may be acquired by Mr. Shammah under the Private Placement.

**Voting Trust**

On December 17, 2007, Randal Gindi and Jeffrey Shammah granted to Brian Lock and Peter Hawley, both directors of the Resulting Issuer, the right to vote on all of their securities of Castle Peak and the Resulting Issuer. The power to vote may be exercised by any one of Brian Lock and Peter Hawley, as they may decide from time to time, and expires on the later of (a) the second annual shareholders meeting of Castle Peak; and (b) the third anniversary date of the date Castle Peak's shares are listed or quoted for trading on a stock exchange in North America. Since December 17, 2007, Castle Peak has held one shareholders meeting on November 13, 2008.

On December 2, 2010, Randal Gindi and Jeffrey Shammah entered into a voting trust agreement which granted to Brigill Investments Ltd., upon Completion of the Qualifying Transaction, voting right over Common Shares of the Resulting Issuer issued to them as a result of the Acquisition, for as long as the shares are held in escrow pursuant to the QT Escrow Agreement. Subject to the voting right granted under the December 2, 2010 agreement, Brigill will have the right to vote the shares at all shareholders meetings, save and except for matters related to approval of a financing by the Resulting Issuer, and dispositions and acquisitions of assets by the Resulting Issuer. On Completion of the Qualifying Transaction, Brigill and Brian Lock together will have to right to vote over 10,722,516 Common Shares, which represents approximately 27.0% of the Common Shares with a minimum Private Placement and 23.6% of the Common Shares with a maximum Private Placement. Brigill's voting power will reduce by 913,907 Common Shares on Completion of the Qualifying Transaction and an additional 1,370,861 Common Shares every 6 months after Completion of the Qualifying Transaction as the shares are released from escrow to Messrs Gindi and Shammah.

## PROPOSED DIRECTORS, OFFICERS AND PROMOTERS

**Directors and Officers of Resulting Issuer**

The names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, following the successful Completion of the Qualifying Transaction, and the offices to be held by each in the Resulting Issuer and the principal occupation of the proposed directors and senior officers of the Resulting Issuer during the past five years are as follows:

| Name and Municipality of Residence | Proposed Position with Resulting Issuer | Principal Occupation During the Past Five Years | Period during which each proposed director and officer has served as a director of Castle Peak | Percentage and Number of Common Shares Beneficially Owned or Controlled following the Qualifying Transaction with Minimum Private Placement (1)(2) | Percentage and Number of Common Shares Beneficially Owned or Controlled following the Qualifying Transaction with Maximum Private Placement (1)(3) | Proposed Member of Audit Committee of Resulting Issuer | Proposed Member of Compen-sation Committee of Resulting Issuer |
|---|---|---|---|---|---|---|---|
| Brian Lock<br>Maple Ridge, BC | Chairman, CEO & Director | Businessman and principal of Proton Management Corporation, a private company that provides executive management services | Feb. 1, 2007 to Jan. 18, 2010 | 1,003,113(4) 2.5% | 1,003,113(4) 2.2% | ✔* | ✔ |
| Randy Smallwood<br>Delta, BC | Director | President, Executive Vice President, Corporate Development of Silver Wheaton Corp. since Feb. 2007<br>Director, Project Development of Goldcorp from Mar. 2005 to Feb. 2007 | none | nil | nil | ✔ | ✔* |
| Peter Hawley<br>Val D'Or, Quebec | Director | Chairman & CEO of Scorpio Mining Corporation since 1998<br>CEO & President of Scorpio Gold Corporation since Jun. 2009<br>President of Castle Peak from Feb. 2007 to Jan. 2010<br>President and CEO of Castle Peak since Mar. 2010 | Feb. 1, 2007 to Jan. 18, 2010<br>and Mar. 11, 2010 to present | 883,541 2.2% | 883,541 1.9% | ✔ | ✔ |
| Randal Gindi<br>Brooklyn, NY | Director | Principal & Partner of Century Realty Inc. of New York since Jan. 1990 | Jan. 21, 2010 to present | 5,617,779(5) 14.2% | 5,617,779(5) 12.4% | | |
| Darren Lindsay<br>North Vancouver, BC | President | President of Castle Peak since Nov. 2010<br>VP Exploration of Kodiak Exploration Ltd. from Jan. 2010 to Oct. 2010<br>District Geology Manager of Hope Bay Mining Ltd. from Nov. 2007 to Jan. 2010<br>Project Manager of Miramar Hope Bay Ltd. from 2002 to Nov. 2007 | none | nil | nil | | |

| Name and Municipality of Residence | Proposed Position with Resulting Issuer | Principal Occupation During the Past Five Years | Period during which each proposed director and officer has served as a director of Castle Peak | Percentage and Number of Common Shares Beneficially Owned or Controlled following the Qualifying Transaction with Minimum Private Placement (1)(2) | Percentage and Number of Common Shares Beneficially Owned or Controlled following the Qualifying Transaction with Maximum Private Placement (1)(3) | Proposed Member of Audit Committee of Resulting Issuer | Proposed Member of Compen-sation Committee of Resulting Issuer |
|---|---|---|---|---|---|---|---|
| Paula Rogers<br>North Vancouver, BC | CFO | CFO of Castle Peak since Oct. 2010<br><br>VP, Treasurer of Goldcorp Inc. from Jan. 2007 to May 2010<br><br>Treasurer of Goldcorp Inc. from Aug. 2005 to Jan. 2007 | none | nil | nil | | |
| Giovanna Martino<br>Burnaby, BC | Corporate Secretary | Corporate Secretary of Castle Peak since Sep. 2010<br><br>Corporate Secretary of Nortec Ventures Corp. since Oct. 2007<br><br>Corporate Secretary of Frontier Pacific Mining Corporation from Apr. 2006 to Jul. 2008<br><br>Legal Assistant of Minterra Resources Corp. from Jan. 2005 to Apr. 2006 | none | nil | nil | | |
| Directors and Officers as a group (7 persons) | | | | 7,504,433(6) 18.9% | 7,504,433(6) 16.5% | | |

* Denotes chair of committee.

(1) These figures do not include any Common Shares which may be acquired under the Private Placement.

(2) Based on 39,642,858 issued and outstanding shares of the Resulting Issuer following completion of the Transactions, assumes a minimum of 17,142,858 Common Shares are issued under the Private Placement, and excludes the exercise of any stock options, IPO Agent's Warrants, Agent's Warrants and Share Purchase Warrants.

(3) Based on 45,357,142 issued and outstanding shares of the Resulting Issuer following completion of the Transactions, assumes a maximum of 22,857,142 Common Shares are issued under the Private Placement, and excludes the exercise of any stock options, IPO Agent's Warrants, Agent's Warrants and Share Purchase Warrants.

(4) Brian Lock's shareholdings include 800,000 shares held by Brigill Investments Ltd., a British Columbia corporation wholly owned by Mr. Lock. Randal Gindi and Jeffrey Shammah have agreed to each transfer to Brigill Investments Ltd. 290,161 Common Shares of the Resulting Issuer, for a total of 580,322 Common Shares upon Completion of the Qualifying Transaction. After these transfers of shares, Mr. Lock will hold a total of 1,583,435 Common Shares representing approximately 4.0% of the Common Shares with a minimum Private Placement and 3.5% of the Common Shares with a maximum Private Placement.

(5) Randal Gindi has agreed to transfer to Brigill Investments Ltd. 290,161 Common Shares of the Resulting Issuer upon Completion of the Qualifying Transaction. After this transfer of shares, Mr. Gindi will hold a total of 5,327,618 Common Shares representing approximately 13.4% of the Common Shares with a minimum Private Placement and 11.7% of the Common Shares with a maximum Private Placement.

(6) After the transfer of 580,322 Common Shares from Randal Gindi and Jeffrey Shammah to Brigill Investments Ltd., it is expected that the directors and officers of the Resulting Issuer as a group will own a total of 7,794,594 Common Shares representing approximately 19.6% of the Common Shares with a minimum Private Placement and 17.1% of the Common Shares with a maximum Private Placement

The term of each proposed director of the Resulting Issuer will expire on the date of the next annual meeting of shareholders of the Resulting Issuer.

**Other Reporting Issuer Experience**

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers and promoters of any other reporting issuer:

| Name | Name of Reporting Issuer | Market | Position | From | To |
|---|---|---|---|---|---|
| Brian Lock | Scorpio Gold Corporation | Exchange | Director | Jun. 2009 | Present |
| | Silver Sun Resource Corp. | Exchange | Director | Mar. 2007 | Mar. 2010 |
| | Canaco Resources Inc. | Exchange | Director | Dec. 2006 | Present |
| | Biomax Technologies Inc. | NEX (1) | Director & President | Mar. 1999 | Present |
| | Brainium Technologies Inc. | TSX (2) | Director & President | Jun. 1994 | Oct. 2007 (3) |
| | Frontier Pacific Mining Corp. | Exchange | Executive Vice President | Mar. 2006 | Jun. 2008 |
| | Lakota Resources Inc. | Exchange | Director | Jan. 2006 | Jun. 2006 |
| Randy Smallwood | Silver Wheaton Corp. | TSX | President | Jan. 2010 | Present |
| | Geologix Explorations Inc. | TSX | Director | May 2005 | Present |
| | Canaco Resources Inc. | Exchange | Director | Jul. 2005 | Present |
| | Ventana Gold Corp. | TSX | Director | Dec. 2008 | Present |
| Peter Hawley | Scorpio Mining Corporation | TSX | Chairman, CEO & Director | Feb. 2000 | Present |
| | Scorpio Gold Corporation | Exchange | CEO, President & Director | Jun. 2009 | Present |
| | Abitex Resources Ltd. | Exchange | Director | Feb. 2009 | Present |
| | Maxtech Ventures Inc. | Exchange | Director | Sept. 2008 | Present |
| | Silver Shield Resources Corp. | Exchange | Director | Dec. 2007 | Aug. 2010 |
| | Robex Resources Inc. | Exchange | Director | Oct. 2008 | Jan. 2010 |
| | Centric Energy Corp. | Exchange | Director | Nov. 2006 | Sep. 2009 |
| Randal Gindi | None | | | | |
| Darren Lindsay | Kodiak Exploration Limited | Exchange | Vice President Exploration | Jan. 2010 | Present |
| | Garnet Point Resources | Exchange | Director | Nov. 2004 | Nov. 2005 |
| Paula Rogers | Goldcorp. Inc. | TSX | VP, Treasurer | Aug. 2005 | May 2010 |
| | Wheaton River Minerals Ltd. | TSX | Corporate Treasurer | Oct. 2004 | Aug. 2005 |
| Giovanna Martino | Nortec Minerals Corp. | Exchange | Corporate Secretary | Oct. 2007 | Present |

| Name | Name of Reporting Issuer | Market | Position | From | To |
|---|---|---|---|---|---|
| | Frontier Pacific Mining Corporation | Exchange | Corporate Secretary | Jul. 2006 | Jul. 2008 |

(1) In December 2005, Biomax Technologies Inc. was delisted from the NEX for failure to pay the required fees.

(2) In September 2003, Brainium Technologies Inc. was delisted from the Toronto Stock Exchange for failure to pay the required fees.

(3) In October 2007, Brainium Technologies was dissolved by the British Columbia Registrar of Companies for failure to file annual reports.

**Management**

The following is a brief description of the proposed key management of the Resulting Issuer. Castle Peak has entered into employment agreements with Darren Lindsay, Paula Rogers and Giovanna Martino which contain standard non-disclosure clauses. The agreements do not contain a non-competition clause. The Resulting Issuer expects to enter into employment agreements that are similar to the existing employment agreements with Mr. Lindsay, Ms. Rogers and Mrs. Martino.

*Brian Lock (age 62), Chairman, CEO & Director*

Brian Lock is presently the CEO, President, CFO and Corporate Secretary of Critical. Brian has over 30 years of experience in the operations, feasibility, design engineering and construction of numerous precious metals and base metal mining projects around the world. Earlier in his career, Mr. Lock held senior positions with a major international mining consortium and two major engineering companies. In 1985, he founded Proton International Engineering Corporation, a Canadian engineering and construction company devoted to the development of small and medium sized mining projects. Additionally, Mr. Lock has managed and/or served as a director of several Canadian public and private companies, and is presently a director of Canaco Resources Inc. and Scorpio Gold Corporation. Mr. Lock expects to devote approximately 50% of his time to the affairs of the Resulting Issuer. Mr. Lock will be providing his services as an independent contractor to the Resulting Issuer.

*Randy Smallwood, P.Eng (age 46), Director*

Mr. Smallwood, P.Eng., is currently President of Silver Wheaton Corp. and Director of Canaco Resources Inc., Geologix Explorations Inc. and Ventana Gold Corp. He is one of the founding members of Silver Wheaton, and in 2007 joined Silver Wheaton full time as Executive Vice President of Corporate Development, primarily focusing on growing the company through the evaluation and acquisition of silver stream opportunities. In January 2010 he was appointed President of Silver Wheaton, with a continued focus on corporate growth opportunities.

Randy originally started as an exploration geologist in 1993 with Wheaton River Minerals Ltd., and in 2001 was promoted to Director of Project Development, his role through its 2005 merger with Goldcorp.

Mr. Smallwood holds a geological engineering degree from the University of British Columbia and a Mine Engineering Diploma from the British Columbia Institute of Technology. Mr. Smallwood expects to devote approximately 20 hours per month to the affairs of the Resulting Issuer or on an “as needed” basis. Mr. Smallwood will be providing his services as an independent contractor to the Resulting Issuer.

*Peter J. Hawley, B.Sc., P.Geo (age 53), Director*

Peter Hawley is currently the CEO and a director of Castle Peak. From 1998 until September 2006 he has served as the CEO of Scorpio Mining and has served as the Executive Chairman and CEO since September 2006. Since May 2008 Mr. Hawley also serves as Chief Executive Officer and president of Scorpio Gold Corporation. Mr. Hawley has 25 years of mining-industry experience that spans grassroots exploration through to development and production. Mr. Hawley has worked extensively as a consulting geologist to a large number of intermediate and senior mining companies. Mr. Hawley is also experienced in private and public company financing and corporate administration. Mr. Hawley expects to devote approximately 20 hours per month to the affairs of the Resulting Issuer or on an “as needed” basis. Mr. Hawley will be providing his services as an independent contractor to the Resulting Issuer.

*Randal Gindi (age 43), Director*

Randal Gindi is a founder of Castle Peak and has been involved in the business of mining since 2001. Mr. Gindi is also a principal in multiple real estate corporations focused on property development and management and has been involved as a principal in the management and merchandising of several retail department stores. Mr. Gindi expects to devote approximately 20 hours per month to the affairs of the Resulting Issuer or on an “as needed” basis. Mr. Gindi will be providing his services as an independent contractor to the Resulting Issuer.

*Darren Lindsay, B.Sc (Hons.), P.Geo. (age 42), President*

Darren Lindsay is presently the President of Castle Peak. Mr. Lindsay is a professional geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC) and has 15 years experience in exploration geology for precious and base metals in North and South America. He has worked for both junior and senior companies, including Miramar Mining Corporation and Kodiak Exploration Limited, undertaking management roles of increasing responsibility including supervision of large scale exploration and feasibility level projects. Recently, Mr. Lindsay has played a role as the team involved with the expansion and feasibility level studies of the multi-million ounce Madrid and Doris gold deposits in Hope Bay, Nunavut. Mr. Lindsay holds Bachelor of Science (Hon. Geology) and Bachelor of Science (Hon. Biochemistry) Degrees and is a member of the Society of Economic Geologists, Prospectors and Developers Association of Canada, Association for Mineral Exploration British Columbia, and the Geological Association of Canada. Mr. Lindsay will be a full time employee of the Resulting Issuer.

*Paula Rogers (age 42), CFO*

Paula Rogers is presently the CFO of Castle Peak. Paula is a Chartered Accountant who has 15 years of experience working for Canadian-based international public companies in the areas of Treasury, Mergers and Acquisitions, Financial Reporting, and Tax. Prior to joining Castle Peak as CFO in September 2010, she was Vice-President, Treasurer of Goldcorp Inc. and previously Corporate Treasurer of Wheaton River Minerals Ltd. from 2004 until its 2005 merger with Goldcorp. Paula was responsible for financing the growth of both Goldcorp and Wheaton during her 6 year tenor and raised over $4 billion in bank credit facilities, convertible notes and project financing for the companies. Paula holds a Bachelor of Commerce from the University of British Columbia and completed her Chartered Accountant articling at Deloitte and Touche. Ms. Rogers will be an employee of the Resulting Issuer on a 50% work week basis.

*Giovanna Martino (age 40), Corporate Secretary*

Giovanna Martino is presently the Corporate Secretary of Castle Peak. She has worked for public companies as Corporate Secretary for the past 4 years. She currently holds the position as Corporate Secretary for Nortec Minerals Corp. (TSX-V: NVT) since October 2007. She has held the position of Corporate Secretary for Frontier Pacific Mining since August 2006 until July 2008. Mrs. Martino has fifteen years experience as a legal secretary, and is responsible for all aspects of Castle Peak’s corporate administration, documentation and regulatory filings. Mrs. Martino will be an employee of the Resulting Issuer on a 50% work week basis.

*Advisory Committee*

Andrew Lee Smith, David Groves, David Parsons and David Smalley have agreed to be on the Advisory Committee of the Resulting Issuer. Messrs. Smith, Groves, Parsons and Smalley will be providing their services on an “as needed” basis as an independent contractor to the Resulting Issuer.

*Andrew Lee Smith, B.Sc., P.Geo., Member of Advisory Committee*

Andrew Lee Smith is currently President and CEO of Canaco Resources Inc. Mr. Smith has over 20 years of experience in successfully exploring, developing and operating North American base and precious metal mining and gem projects. Mr. Smith joined Aurizon Mines Ltd. in 1985 and resigned in 1998 from the position of vice-president of exploration.

Mr. Smith is the co-founder of True North Gems, the company that is exploring and developing the emerald and sapphire deposits in the Yukon. Mr. Smith holds a BSc and is a professional geologist as well as a member of the Association of Professional Engineers and Geoscientists of British Columbia.

*David Groves, Member of Advisory Committee*

Dr. David Groves is currently Director of Project Development for Canaco Resources Inc., and was previously a Professor of Economic Geology and Director of University Western Australia's Centre for Global Metallogeny. He is now Emeritus Professor attached to the Centre for Exploration Targeting. Dr. Groves' major expertise lies in economic geology, the formation of mineral deposits, particularly gold, and conceptual targeting of mineral deposits.

*David Parsons, C.G.A., Member of Advisory Committee*

David Parsons is currently Vice-President, Insurance of Goldcorp Inc. Mr. Parsons is a Certified General Accountant with over 20 years experience in the mining industry, having served in the roles of Controller, CFO and Director of mining companies. Since 2001 Mr. Parsons worked with Wheaton River Minerals Ltd. and was directly involved in the acquisition of Wheaton and the merger with Goldcorp.

*David Smalley, LL.B., Member of Advisory Committee*

David Smalley is presently a director of Critical. On completion of the Acquisition, Mr. Smalley will resign as director. Mr. Smalley is a partner at Fraser and Company LLP in Vancouver, where he has practiced corporate and securities law since 1990. He has been a director and officer of public companies for over 16 years. Mr. Smalley holds a Bachelor of Laws from the University of British Columbia and is a member of the Law Society of British Columbia.

**Promoter Consideration**

Castle Peak has no promoters other than the persons who serve as its directors and officers.

**Corporate Cease Trade Orders or Bankruptcies**

To the best of knowledge of the management of the Corporation, except as described below, no proposed director of the Resulting Issuer is, or within the 10 years before the date of this Filing Statement has been, a director, officer or promoter of any company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied that company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Brian Lock is a director of Biomax Technologies Inc. and Brainium Technologies Inc. (formerly known as NTS Computer Systems Ltd.) which are the subject of a cease trade issued in 2002 due to failure to file financial statements, and both cease trade orders are still in effect.

**Penalties or Sanctions**

None of the proposed directors, officers or promoters of the Resulting Issuer or a shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, or a self-regulatory body, that would likely be considered important to a reasonable securityholder in making a decision about the Transactions.

**Personal Bankruptcies**

None of the proposed directors, officers or promoters of the Resulting Issuer, nor a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, nor a personal holding company of any such persons has, within the past 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

**Conflicts of Interest**

There are potential conflicts of interest to which the directors and officers of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of businesses and corporations, with a view to potential acquisition of interests, on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia).

**Indebtedness of Directors and Officers**

No director or officer, or any individual who as a director or officer during the most recently completed financial year, or any Associate of such director or officer, of Castle Peak, or any individual who is proposed to be a director or officer of the Resulting Issuer, is, or has been, at any time during the most recently completed financial year of Castle Peak indebted to Castle Peak or its subsidiaries.

No director or officer, or any Associate of such director or officer, of the Corporation, or any individual who is proposed to be a director or officer of the Resulting Issuer, is, or has been, at any time during the most recently completed financial year of the Corporation indebted to the Corporation.

## ANTICIPATED EXECUTIVE COMPENSATION

**Compensation Committee**

Upon Completion of the Qualifying Transaction, it is anticipated that the Resulting Issuer will establish a compensation committee (the “Compensation Committee”) to assist the Board in fulfilling its responsibilities relating to the compensation practices of the executive officers of the Resulting Issuer.

**Compensation of Executive Officers**

Following Completion of the Qualifying Transaction, the Resulting Issuer will have four Executive Officers as listed out below. Subject to recommendations from the Compensation Committee, the following table sets forth the compensation anticipated to be paid to the Executive Officers by the Resulting Issuer in the twelve months following the Qualifying Transaction.

| Name and Principal Position | Salary ($) | Annual Bonus ($) | Option-based awards [(1)] (#) | Share based awards (#) |
|---|---|---|---|---|
| Brian Lock<br>CEO | Nil | Nil | 350,000 | Nil |
| Darren Lindsay<br>President | $170,000 | up to 50% of base salary | 500,000 | Nil |
| Paula Rogers<br>CFO | $85,000 [(2)] | up to 50% of base salary | 300,000 | Nil |
| Giovanna Martino<br>Corporate Secretary | $55,000 [(3)] | up to 50% of base salary | 200,000 | Nil |

(1) Options to be granted on Completion of Qualifying Transaction.

(2) Based on 50% work week.

(3) Based on 50% work week.

**Compensation Discussion and Analysis**

*Compensation Discussion and Analysis*

Upon Completion of the Qualifying Transaction, the Resulting Issuer expects to appoint a compensation committee to administer the Resulting Issuer's executive compensation program. The compensation committee will have, as part of its mandate, the responsibility for reviewing recommendations from management for subsequent approval by the board of directors with respect to the appointment and remuneration of executive officers of the Resulting Issuer. The committee will also monitor the performance of the Resulting Issuer's executive officers and reviews the design and competitiveness of the Resulting Company's executive compensation plans.

*Composition of Compensation Committee*

The compensation committee is expected to comprise of Peter Hawley, Brian Lock and Randy Smallwood. Only Mr. Smallwood is an independent director of the board. Messrs. Hawley and Lock are not independent because they have been or are executive officers of the Resulting Issuer or its subsidiary within the past three years.

The Resulting Issuer will be relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Resulting Issuer, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) of NI 52-110.

*Executive Compensation Program*

The board of directors of the Resulting Issuer has not adopted a written program concerning the compensation of executive officers, however it expects to develop a consistent approach relating to executive compensation. The objective in the determination of executive compensation is the need to provide total compensation packages that will:

- ensure external competitiveness by developing and maintaining compensation levels that reflect current market rates of pay;
- promote pay-for-performance levels that rewards consistently high performance levels;
- provide the Corporation with the resources to recruit and retain a highly capable work force; and

- establish incentives to develop and achieve performance targets that maximize the success and value of the Resulting Issuer to the benefit of the shareholders and other stakeholders.

The Resulting Issuer's executive compensation program will be based on a pay for performance philosophy. It is designed to retain, encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term. The compensation committee will review and recommend to the board of directors base salaries based on a number of factors enabling the Resulting Issuer to compete for and retain executives critical to the Resulting Issuer's long term success. Incentive compensation in the form of cash bonuses is directly tied to corporate and individual performance. Share ownership opportunities through stock options are provided to align the interests of executive officers with the longer term interests of shareholders. Independent consultants may be retained on an as needed basis by the Resulting Issuer to assess the executive compensation program.

Compensation for the executive officers will consist of employment or consulting fees, along with annual incentive compensation in the form of a discretionary annual bonus, and a longer term incentive in the form of stock options. The compensation committee will attempt to pay competitively in the aggregate as well as deliver an appropriate balance between annual compensation (base salary and cash bonuses) and long-term compensation (stock options). The relative portions of annual compensation and long-term incentives for the CEO and CFO are intended to provide a significant portion of the executive's compensation through long-term incentives.

In determining specific compensation amounts for the executive officers, the Compensation Committee will consider factors such as experience, individual performance, length of service, role in achieving corporate objectives, positive production, exploration and development results, stock price, and compensation compared to other employment opportunities for executives. As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) and the mix of total compensation shifts towards annual bonuses and in particular stock options, thereby increasing the mutuality of interest between executive officers and shareholders. The Resulting Issuer does not have precise criteria or formulas to determine global remuneration of executive officers and uses its senior officers and board of director's experience and knowledge of the market to do so. The Resulting Issuer's compensation program is expected to be designed to reward the success of the Resulting Issuer in achieving its technical and financial objectives. The Resulting Issuer operates in a volatile market and the following elements of the compensation package are required to provide the motivation to executive officers and other employees and achieve retention of the Resulting Issuer's skilled people in such market.

*Base Salary / Consulting Fees*

The Compensation Committee expects to review available market data for other mining companies of a similar size and makes recommendations on compensations of executive officers and directors, for approval by the board of directors. The CEO, Brian Lock, is not expected to be compensated for his services as a CEO. Castle Peak has entered into an executive employment agreement with Darren Lindsay to be the President of Castle Peak. Mr. Lindsay is paid an annual salary of $170,000 and, at the discretion of Castle Peak, an annual bonus of up to 50% of the annual salary based on the performance of Mr. Lindsay and Castle Peak. The agreement continues until it is terminated by Mr. Lindsay by giving 30 days notice or terminated by Castle Peak. The agreement may be terminated without cause by Castle Peak by paying six months salary regardless of any notice period, an additional one month base salary for each completed year of service, pro-rated bonus based on average bonus paid to Mr. Lindsay over the previous two years with the first two years set at 25% of gross annual earnings, and all stock options that have not vested will be vested immediately, except in the event of death or permanent incapacity, in which case none of the benefits are payable.

Castle Peak has entered into an executive employment agreement with Paula Rogers to be the CFO of Castle Peak. Mrs. Rogers is paid an annual salary of $85,000 on a 50% work week basis. The agreement continues until it is terminated by Ms. Rogers by giving 30 days notice or terminated by Castle Peak. The agreement may be terminated without cause by Castle Peak by giving three months notice or three months base salary in lieu of notice, an additional one month base salary for each completed year of service, pro-rated bonus based on average bonus paid to Ms. Rogers over the previous two years, and all stock options that have not vested will be vested immediately, except in the event of death or permanent incapacity, in which case none of the benefits are payable. In the event of a change of control of Castle Peak, except for this Qualifying Transaction, Castle Peak will pay Mrs. Rogers 24 months salary in lieu of termination package.

Castle Peak will reimburse Mr. Lindsay and Mrs. Rogers for actual expenses reasonably incurred in connection with the performance of their duties. The Resulting Issuer expects to enter into similar agreements with Mr. Lindsay and Mrs. Rogers upon Completion of Qualifying Transaction.

*Annual Bonus*

The Board of Directors determines on a discretionary basis, incentive awards or bonuses to be paid by the Resulting Issuer to the executive officers, other eligible employees and consultants of the Resulting Issuer, in respect of a fiscal year, following advice from the Compensation Committee. Corporate performance is assessed by reference to a number of factors including the Resulting Issuer's progress towards budgeted milestones, corporate efficiency and success in enhancing shareholder value relative to peer companies. Individual performance is measured by reviewing personal performance and other significant factors, such as level of responsibility and importance of the position to the Resulting Issuer. The individual performance factor allows the Resulting Issuer to recognize and reward those individuals whose efforts have particularly assisted the Resulting Issuer to attain its corporate performance objectives.

*Stock Options*

The Corporation's Stock Option Plan will become the Resulting Issuer's Stock Option Plan. The Stock Option Plan will be a "rolling" stock option plan whereby a maximum of 10% of the issued shares of the Resulting Issuer, from time to time, may be reserved for issuance pursuant to the exercise of options, see "Part III - The Resulting Issuer – Stock Option Plan". The Compensation Committee recommends the number of options to be granted to executive officers, subject to approval by the board of directors. Upon Completion of Qualifying Transaction, the Resulting Issuer will grant 500,000 stock options to Mr. Lindsay and 300,000 stock options to Mrs. Rogers. These options have an exercise price of $0.35, a 10 year term and a vesting schedule of 20% of the options vest immediately, with an additional 20% to be vested every 3 months thereafter.

**Compensation of Directors**

Upon Completion of the Qualifying Transaction, the Compensation Committee will recommend the compensation, if any, to be paid to directors for services rendered in that capacity. Directors will be entitled to participate in the stock option plan of the Resulting Issuer.

## INVESTOR RELATIONS ARRANGEMENTS

On October 21, 2010, Castle Peak entered into an investor relations and promoter employment agreement with Marlo Hamer-Jackson to provide promotional and investor relations services for Castle Peak and the Resulting Issuer. Marlo is employed by Castle Peak on a 4-day work week basis, works out of Castle Peak's office, and has an annual salary of $75,000 based on a 4-day work week basis. Marlo is entitled to reimbursement of business expense, 15 vacation days per year, and participate in the stock option plan of the Resulting Issuer, and reports to the President and CEO of Castle Peak. Marlo has worked in the mining industry for more than 10 years. Before joining Castle Peak, she served as Manager, Investor Relations and Corporate Communications with the Augusta Group of Companies, which included Augusta Resource Corporation, Riva Gold Corporation, Ventana Gold Corporation, and Wildcat Silver Corporation. Marlo holds a Bachelor of Business Administration from Simon Fraser University, is a member of the Canadian Institute of Investor Relations, and has completed the Canadian Securities Course with honours.

Mrs. Hamer-Jackson does not presently own shares of Castle Peak or the Corporation. Upon Completion of the Qualifying Transaction, the Corporation expects to grant Mrs. Hamer-Jackson 100,000 stock options that have an exercise price of $0.35 per share and expiry date of 10 years from date of grant. The stock options will have a vesting schedule of 0% on Completion of Qualifying Transaction, with an additional 25% to be vested every 3 months thereafter.

## OPTIONS TO PURCHASE SECURITIES

### Stock Options

The following are the outstanding options under the Stock Option Plan and options the Resulting Issuer proposes to grant following completion of the Transactions pursuant to the Stock Option Plan:

| Option holders | Number of Common Shares reserved for issuance upon exercise of outstanding stock options as at the date of the Filing Statement (1) | Number of Common Shares to be reserved for stock options granted upon Completion of Qualifying Transaction (2) | Exercise Price | Expiry Date |
|---|---|---|---|---|
| Proposed officers of Resulting Issuer as a group (4 persons)<br>Brian Lock<br>Darren Lindsay<br>Paula Rogers<br>Giovanna Martino | 150,000 | | $0.101 | Mar. 9, 2020 |
| | | 1,350,000 | $0.35 | 10 years from date of grant |
| Proposed directors of Resulting Issuer who are not officers as a group (3 persons)<br>Randal Gindi<br>Peter Hawley<br>Randy Smallwood | Nil | 900,000 | $0.35 | 10 years from date of grant |
| All other employees of the Resulting Issuer as a group (3 persons) | Nil | 250,000 | $0.35 | 10 years from date of grant |
| All other consultants of Resulting Issuer as a group (6 persons) | 150,000 | | $0.101 | Mar. 9, 2020 |
| | | 850,000 | $0.35 | 10 years from date of grant |
| Director of Corporation who will not continue as director of the Resulting Issuer (1 person)<br>Luis Goyzueta | 150,000 | N/A | $0.101 | Mar. 9, 2020 |
| Total | 450,000 | 3,350,000 | | |

(1) The options held by Optionees who do not continue as a director, officer, employee or consultant of the Resulting Issuer, have an early expiry date that is the later of: (a) 12 months after the Completion of the Qualifying Transaction; and (b) 90 days after the optionee ceases to be a director, officer, employee or consultant of the Resulting Issuer.

(2) The options to be granted on Completion of Qualifying Transaction have a vesting schedule of 20% of the options vest immediately, with an additional 20% to be vested every 3 months thereafter, save and except for 100,000 options granted to an employee who provides investor relations and promotion services, whose options will have a vesting schedule of 0% on Completion of Qualifying Transaction, with an additional 25% to be vested every 3 months thereafter.

The following is a breakdown of the number of stock options outstanding following completion of the Transactions, grouped according to the relationship of the optionholders with the Corporation and Castle Peak:

| Option holders | Number of Common Shares reserved for issuance upon exercise of outstanding stock options as at the date of the Filing Statement | Number of Common Shares to be reserved for stock options granted upon Completion of Qualifying Transaction | Exercise Price | Expiry Date |
|---|---|---|---|---|
| All officers of the Corporation (1 person)<br>Brian Lock | 150,000 | | $0.101 | Mar. 9, 2020 |
| | | 350,000 | $0.35 | 10 years from date of grant |
| All directors of the Corporation who are not also officers as a group (2 persons)<br>David Smalley<br>Luis Goyzueta | 300,000 | | $0.101 | Mar. 9, 2020 |
| | | 250,000 | $0.35 | 10 years from date of grant |
| All officers and past officers of Castle Peak as a group (5 persons)<br>Peter Hawley<br>Darren Lindsay<br>Paula Rogers<br>Giovanna Martino<br>David Smalley | 150,000 | | $0.101 | Mar. 9, 2020 |
| | | 1,550,000 | $0.35 | 10 years from date of grant |
| All directors and past directors of Castle Peak who are not also officers as a group (3 persons)<br>Brian Lock<br>Randal Gindi<br>Jeffrey Shammah | 150,000 | | $0.101 | Mar. 9, 2020 |
| | | 900,000 | $0.35 | 10 years from date of grant |
| All other employees and past employees of Castle Peak as a group (1 person) | Nil | 100,000 | $0.35 | 10 years from date of grant |
| All other employees and past employees of subsidiaries of Castle Peak as a group (2 persons) | Nil | 150,000 | $0.35 | 10 years from date of grant |

**Stock Option Plan**

Upon the Completion of the Qualifying Transaction, the Resulting Issuer will cease to be a CPC. As a result, the number of Common Shares available for the issuance under the Stock Option Plan will automatically increase from the current 450,000 Common Shares to the amount equal to 10% of the issued and outstanding Common Shares from time to time which, upon the Completion of the Acquisition, is expected to be between 39,642,858 and 45,357,142 Common Shares (assuming a minimum of 17,142,858 Common Shares and a maximum of 22,857,142 Common Shares, respectively, are issued under the Private Placement), allowing for the reservation of between 3,964,286 and 4,535,714 Common Shares for issuance under the Stock Option Plan.

The Corporation's Stock Option Plan provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares on the day the options are granted.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan which will be available for review by Shareholders at the Corporation's records office:

1. The exercise price of stock options granted under the Plan will be set by the Board of Directors in its sole discretion, at the time of grant and will not be less than the closing price of the Corporation's shares traded through the facilities of the TSX Venture Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the TSX Venture Exchange or, if the shares are no longer listed for trading on the TSX Venture Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.

2. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, without having been exercised in full, the number of shares in respect of the expired or terminated option shall again be available for the purpose of the Plan.

3. All options granted under the Plan may not have an expiry date exceeding ten years from the date on which the option is granted.

4. Options to acquire no more than 5% of the issued shares of the Corporation may be granted to any one individual in any 12 month period, except as described in items 5 and 6 below.

5. Options to acquire no more than 2% of the issued shares of the Corporation may be granted to any one consultant in any 12 month period.

6. Options to acquire no more than an aggregate of 2% of the issued shares of the Corporation may be granted to all employees or consultants, in aggregate, conducting investor relations activities in any 12 month period.

7. If the option holder ceases to be a director, officer, employee or other service providers of the Corporation (other then by reason of death), as the case may be, then the option granted must expire within 90 days following the date that the option holder ceases to be a director, officer, employee or service provider of the Corporation, subject to the terms and conditions set out in the Plan, save and except for options granted by the Corporation while it was a CPC and the Optionees do not continue as a director, officer, employee or consultant of the Resulting Issuer, in which case the options have an early expiry date that is the later of: (a) 12 months after the Completion of the Qualifying Transaction; and (b) 90 days after the optionee ceases to be a director, officer, employee or consultant of the Resulting Issuer.

8. Options held by an option holder who is engaged in investor relations activities must expire within 30 days after the option holder ceases to be employed by the Corporation to provide investor relations activities subject to the terms and conditions set out in the Plan.

9. Notwithstanding items 7 and 8, an optionee's heirs or administrators shall have until the earlier of:

   (a) one year from the death of the optionee; and

   (b) the expiry date of the options,

   in which to exercise any portion of options outstanding at the time of death of the optionee.

10. Stock options granted to directors, senior officers, employees or consultants will vest when granted unless determined by the Board of Directors on a case by case basis, other than options granted to consultants performing investor relations activities, which will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.

11. The Plan will be administered by the Board of Directors of the Corporation who will have the full authority and sole discretion to grant options under the Plan to any eligible party, including themselves.

12. The options shall not be assignable or transferable by an optionee.

13. The Board of Directors may from time to time, subject to regulatory approval, amend or revise the terms of the Plan.

The Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board of Directors.

The Plan is subject to receipt of annual shareholder and Exchange acceptance.

## ESCROWED SECURITIES

Pursuant to the CPC Policy, all Common Shares acquired on exercise of stock options prior to the Completion of the Qualifying Transaction must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued in respect of the Qualifying Transaction.

In addition, all Common Shares of the Corporation acquired by a Control Person in the secondary market prior to Completion of the Qualifying Transaction are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Resulting Issuer held by Principals of the Resulting Issuer will be subject to escrow.

Any Common Shares of the Resulting Issuer issued pursuant to the Private Placement to Principals of the Resulting Issuer will generally be exempt from escrow requirements if:

(a) the Private Placement is announced at least five trading days after the news release announcing the proposed Qualifying Transaction and the pricing for the financing is at not less than the Discounted Market Price (as defined in the Exchange's policies); or

(b) the Private Placement is announced concurrently with the proposed Qualifying Transaction and:

  (i) at least 75% of the proceeds from the Private Placement are not from Principals of the Corporation or Resulting Issuer;

  (ii) if subscribers, other than Principals of the Corporation or Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period and the securities certificates legended accordingly; and

  (iii) none of the proceeds of the Private Placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

In addition, the Exchange's policies require that shares issued at a price of less than $0.05 per share by Castle Peak to shareholders who are not Principals of the Resulting Issuer are required to escrowed. Shares issued by the Corporation prior to the IPO are subject to the CPC Escrow Agreement. Shares to be issued by the Resulting Issuer upon Closing will be deposited into the QT Escrow Agreement.

To the knowledge of the Corporation and Castle Peak, the following table is a summary of Common Shares which are expected to be subject to the CPC Escrow Agreement and QT Escrow Agreement following Closing:

| Name and Municipality of Residence of Shareholder | Prior to Giving Effect to the Transaction: Number of Common Shares held in Escrow | Prior to Giving Effect to the Transaction: Percentage of Common Shares | After Giving Effect to the Transaction: Number of Common Shares to be held in escrow [(1)] | After Giving Effect to the Transaction: Percentage of Common Shares with Minimum Private Placement [(2)] | After Giving Effect to the Transaction: Percentage of Common Shares with Maximum Private Placement [(3)] |
|---|---|---|---|---|---|
| Brian Lock<br>Maple Ridge, BC, Canada | 800,000[(4)] | 17.8% | 1,003,113[(4)] | 2.5% | 2.2% |
| Randal Gindi<br>New York, NY, U.S.A. | – | – | 5,617,779[(5)] | 14.2% | 12.4% |
| Peter Hawley<br>Val D'Or, Quebec, Canada | – | – | 883,541 | 2.2% | 1.9% |
| Jeffrey Shammah,<br>New York, NY, U.S.A | – | – | 4,681,946[(6)] | 11.8% | 10.3% |
| Luis Goyzueta<br>Lima, Peru | 800,000 | 17.8% | 800,000 | 2.0% | 1.8% |
| David W. Smalley<br>Mission, BC, Canada | 400,000[(6)] | 8.9% | 603,113[(7)] | 1.5% | 1.3% |
| Cantech Capital Corporation<br>Burnaby, BC, Canada | – | – | 116,064 | 0.3% | 0.3% |
| Bryan Harrold<br>Coquitlam, BC, Canada | – | – | 217,621 | 0.5% | 0.5% |
| Carl Swensson<br>Bermagui, New South Wales, Australia | – | – | 87,048 | 0.2% | 0.2% |
| Total | 2,000,000 | 44.5% | 14,010,225 | 35.2% | 30.9% |

(1) These figures do not include any Common Shares which may be acquired under the Private Placement. Any securities acquired by Messrs. Lock and Gindi under the Private Placement may be escrowed under the QT Escrow Agreement.

(2) Based on 39,642,858 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; assumes a minimum of 17,142,858 Common Shares are issued under the Private Placement; and excludes the exercise of any stock options, IPO Agent's Warrants, Share Purchase Warrants, Agent's Warrants and Corporate Finance Warrants.

(3) Based on 45,357,142 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; assumes a maximum of 22,857,142 Common Shares are issued under the Private Placement; and excludes the exercise of any stock options, IPO Agent's Warrants, Share Purchase Warrants, Agent's Warrants and Corporate Finance Warrants.

(4) Brian Lock's shareholdings include 800,000 shares held by Brigill Investments Ltd., a British Columbia corporation wholly owned by Mr. Lock. Randal Gindi and Jeffrey Shammah have agreed to each transfer to Brigill Investments Ltd. 290,161 Common Shares of the Resulting Issuer, for a total of 580,322 Common Shares upon Completion of the Qualifying Transaction. After these transfers of shares, Mr. Lock will hold a total of 1,583,435 Common Shares, which will all be escrowed pursuant to the CPC Policy, representing approximately 4.0% of the Common Shares with a minimum Private Placement and 3.4% of the Common Shares with a maximum Private Placement.

(5) Randal Gindi has agreed to transfer to Brigill Investments Ltd. 290,161 Common Shares of the Resulting Issuer upon Completion of the Qualifying Transaction. After this transfer of shares, Mr. Gindi will hold a total of 5,327,618 Common Shares representing approximately 13.4% of the Common Shares with a minimum Private Placement and 11.7% of the Common Shares with a maximum Private Placement.

(6) Jeffrey Shammah's shareholdings include 580,322 Common Shares to be issued to his wife. Mr. Shammah has agreed to transfer to Brigill Investments Ltd. 290,161 Common Shares of the Resulting Issuer upon Completion of the Qualifying Transaction. After this transfer of shares, Mr. Shammah will hold a total of 4,391,785 Common Shares representing approximately 11.1% of the Common Shares with a minimum Private Placement and 9.7% of the Common Shares with a maximum Private Placement.

(7) David Smalley's shareholdings include 400,000 shares held by Abundantia Ventures Inc., a British Columbia corporation wholly owned by Mr. Smalley.

(8) The sole beneficial owner and shareholder of Cantech Capital Corporation is Launi Gee.

Randal Gindi and Jeffrey Shammah have agreed to each transfer to Brigill Investments Ltd. 290,161 Common Shares of the Resulting Issuer, for a total of 580,322 Common Shares, upon Completion of the Qualifying Transaction. The following table lists the number of Common Shares which are expected to be subject to the CPC Escrow Agreement and QT Escrow Agreement following Closing held by Messrs. Lock, Gindi and Shammah subsequent to the transfer of shares:

| | Prior to Giving Effect to the Transaction | | After Giving Effect to the Transaction | | |
|---|---|---|---|---|---|
| Name and Municipality of Residence of Shareholder | Number of Common Shares held in Escrow | Percentage of Common Shares | Number of Common Shares to be held in escrow (1) | Percentage of Common Shares with Minimum Private Placement (2) | Percentage of Common Shares with Maximum Private Placement (3) |
| Brian Lock<br>Maple Ridge, BC, Canada | 800,000(4) | 17.8% | 1,583,435 (4) | 4.0% | 3.4% |
| Randal Gindi<br>New York, NY, U.S.A. | – | – | 5,327,618 | 13.4% | 11.7% |
| Jeffrey Shammah,<br>New York, NY, U.S.A | – | – | 4,391,785 (5) | 11.1% | 9.7% |
| Total | 2,000,000 | 44.5% | 14,010,225 | 35.2% | 30.9% |

(1) These figures do not include any Common Shares which may be acquired under the Private Placement. Any securities acquired by Messrs. Lock and Gindi under the Private Placement may be escrowed under the QT Escrow Agreement.

(2) Based on 39,642,858 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; assumes a minimum of 17,142,858 Common Shares are issued under the Private Placement; and excludes the exercise of any stock options, IPO Agent's Warrants, Share Purchase Warrants, Agent's Warrants and Corporate Finance Warrants.

(3) Based on 45,357,142 issued and outstanding shares of the Resulting Issuer following completion of the Transactions; assumes a maximum of 22,857,142 Common Shares are issued under the Private Placement; and excludes the exercise of any stock options, IPO Agent's Warrants, Share Purchase Warrants, Agent's Warrants and Corporate Finance Warrants.

(4) Brian Lock's shareholdings include 800,000 shares held by Brigill Investments Ltd., a British Columbia corporation wholly owned by Mr. Lock. Subsequent to the transfer of shares from Randal Gindi and Jeffrey Shammah, Brigill Investments Ltd. will own 1,380,322 Common Shares of the Resulting Issuer.

(6) Jeffrey Shammah's shareholdings include 580,322 Common Shares to be issued to his wife.

The Common Shares set out in the table above are held in escrow by Computershare pursuant to CPC Escrow Agreement entered into in connection with the Corporation's IPO and will be held in escrow by Computershare pursuant to the QT Escrow Agreement to be entered into on or before the Closing Date. Upon Completion of the Qualifying Transaction, the escrowed securities will be released over a 36-month period in accordance with the following timeline:

| Release Dates | Common Shares Released from Escrow |
|---|---|
| Date of Final Exchange Bulletin | 10% |
| 6 months from Final Exchange Bulletin | 15% |
| 12 months from Final Exchange Bulletin | 15% |
| 18 months from Final Exchange Bulletin | 15% |
| 24 months from Final Exchange Bulletin | 15% |
| 30 months from Final Exchange Bulletin | 15% |
| 36 months from Final Exchange Bulletin | 15% |

The release of securities held pursuant to the CPC Escrow Agreement and the QT Escrow Agreement may be accelerated in certain circumstances, including if the Resulting Issuer becomes a Tier 1 Issuer under the policies of the Exchange or if it becomes listed on the Toronto Stock Exchange.

While in escrow, none of the escrowed shares can be transferred, either directly or indirectly through a change in control of a holding company without the consent of the Exchange. If a Final Exchange Bulletin is not issued, the 2,000,000 escrowed Common Shares held in escrow as of the date of this Filing Statement will not be released. If the Corporation fails to complete a Qualifying Transaction or is delisted by the Exchange for any other reason, all of the escrow shares remaining in escrow will be cancelled.

While in escrow, none of the escrowed shares can be transferred, either directly or indirectly through a change in control of a holding company, without the consent of the Exchange.

## AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of Castle Peak, Davidson & Company LLP, will be the auditors of the Resulting Issuer.

The registrar and transfer agent for the Common Shares of the Resulting Issuer will be Computershare.

## SPONSORSHIP AND AGENT RELATIONSHIP

### Sponsor

Should the Exchange require the Corporation to retain a sponsor, the Agent has agreed to act as sponsor subject to the Agent successfully completing its due diligence. The Corporation has obtained from the Exchange an exemption from the requirement to retain a sponsor. The Agent owns the IPO Agent's Warrants, and will receive the Agent's Commission, the Agent's Warrants and Corporate Finance Warrants under the Brokered Private Placement. In addition members of the Pro Group and employees of the Agent collectively have subscribed for 1,648,400 Units under the non-brokered portion of the Private Placement, while no Units will be sold to members of the Pro Group and employees of the Agent under the brokered portion of the Private Placement.

### Relationships

Pursuant to the Agency Agreement dated November 25, 2009, between the Corporation and the Agent, as agent for the Corporation's IPO, the Corporation granted the Agent a right of first refusal on all brokered financings, change of business transactions and reverse take-over transactions involving the Corporation for a period of 24 months from the date the Common Shares are listed for trading on the Exchange and terminating on the date of closing of the Corporation's Qualifying Transaction.

Pursuant to an engagement letter dated May 31, 2010, and amended on September 17, 2010, and subsequent Agency Agreement, the Corporation granted the Agent a right of first refusal on all brokered financings involving the Corporation for a period of 12 months from Closing.

## EXPERTS

### Opinions

There are no persons or companies whose professional business gives authority to a statement made by the person or company who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described in this Filing Statement, except for Alain-Jean Beauregard, P. Geol., FGAC, OGQ, and Daniel Gaudreault, P. Eng, OIQ, AEMQ, who are the authors of the Nkwanta and Ayiem Report.

### Interest of Experts

As at the date hereof, principals and employees of Geologica Groupe-Conseil Inc. do not own directly or indirectly any securities of either the Corporation or Castle Peak.

As at the date hereof, partners and associates of Davidson & Company LLP, the auditor of Castle Peak, that are directly involved in services provided to Castle Peak do not own directly or indirectly any securities of either the Corporation or Castle Peak. No partner or associate of Davidson & Company LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

As at the date hereof, partners and associates of Dale Matheson Carr-Hilton LaBonte LLP, the auditor of the Corporation, that are directly involved in services provided to the Corporation do not own directly or indirectly any securities of either the Corporation or Castle Peak. No partner or associate of Dale Matheson Carr-Hilton LaBonte LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

At the date hereof, partners and associates of Fraser and Company LLP, counsel to the Corporation and Castle Peak, own, directly or indirectly, in the aggregate, 400,000 Common Shares of the Corporation; and an additional 1,126,138 of the common shares of Castle Peak. Upon Closing, the Resulting Issuer will issue 653,523 Common Shares of Resulting Issuer in exchange for the 1,126,138 common shares of Castle Peak. The shares together represents an aggregate of 2.7% of the outstanding shares of the Resulting Issuer with a minimum Private Placement and 2.5% of the outstanding shares with a maximum Private Placement, excluding any securities acquired under the Private Placement. No lawyer with Fraser and Company LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

## OTHER MATERIAL FACTS

There are no other material facts about the Corporation, Castle Peak, the Resulting Issuer or the proposed Qualifying Transaction that are not elsewhere disclosed herein and which are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to the Corporation, Castle Peak and the Resulting Issuer, assuming Completion of the Qualifying Transaction.

## BOARD APPROVAL

The board of directors of the Corporation has approved this Filing Statement.

**CERTIFICATE OF CRITICAL CAPITAL CORPORATION**

Dated: February 23, 2011

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Critical Capital Corporation assuming Completion of the Qualifying Transaction.

"Brian Lock"
Brian Lock,
President, Chief Executive Officer
& Chief Financial Officer

**ON BEHALF OF THE BOARD**

"Luis Goyzueta"
Luis Goyzueta,
Director

"David Smalley"
David Smalley,
Director

**CERTIFICATE OF CASTLE PEAK MINING LTD.**

Dated: February 23, 2011

The foregoing as it relates to Castle Peak Mining Ltd. constitutes full, true and plain disclosure of all material facts relating to the securities of Castle Peak Mining Ltd.

| | |
|---|---|
| "Darren Lindsay" | "Paula Rogers" |
| Darren Lindsay,<br>President | Paula Rogers,<br>Chief Financial Officer |

**ON BEHALF OF THE BOARD**

| | |
|---|---|
| "Randal Gindi" | "Jeffrey Shammah" |
| Randal Gindi,<br>Director | Jeffrey Shammah,<br>Director |

**SCHEDULE A-1**
**MANAGEMENT'S DISCUSSION & ANALYSIS OF CRITICAL CAPITAL CORPORATION**
**FOR THE PERIOD FROM THE DATE OF INCEPTION ON**
**JUNE 3, 2009 TO AUGUST 31, 2010**

**CRITICAL CAPITAL CORPORATION**
(a Capital Pool Company)
**Form 51-102F1 – Management's Discussion & Analysis**
**For the Year Ended August 31, 2010**

## 1.1 Date December 24, 2010

## Introduction

The following management's discussion and analysis, prepared as of December 24, 2010, is a review of operations, current financial position and outlook for Critical Capital Corporation (the "Company") and should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2010, the period from June 3, 2009 (inception) to August 31, 2009, and the notes thereto. Amounts are reported in Canadian dollars based upon the financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

## Forward-Looking Statements

Certain statements contained in the following Management's Discussion and Analysis (MD&A) constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

## Risks and Uncertainties

To date, the Company has not completed its Qualifying Transaction as defined under the policies of the Exchange. The Company is required to receive final acceptance of a Qualifying Transaction by March 9, 2012. The Company has identified a business to acquire with respect to the Qualifying Transaction; however, there can be no assurance that the Company will be able to complete a suitable Qualifying Transaction within the time period permitted. Prospective investors should refer to all the risk factors disclosed in the Company's prospectus dated November 25, 2009 filed on SEDAR at www.sedar.com.

## 1.2 Overall Performance

## Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on June 3, 2009. On February 26, 2010, the Company completed its Initial Public Offering ("IPO") through Raymond James Ltd. as its agent and raised $250,000 through the issuance of 2,500,000 common shares at a price of $0.10 per share. On March 9, 2010, the Company's common shares were listed on the TSX Venture Exchange (the "Exchange") under the symbol "CQZ.P" as a Capital Pool Company, as that term is classified by the Exchange. The Company issued to the agent 200,000 share purchase warrants which have an exercise price of $0.10 per share and expiry date of March 9, 2012. On March 9, 2010, the Company granted 450,000 stock options to its directors, which have an exercise price of $0.101 per share and an expiry date of March 9, 2020.

The Exchange requires the Company to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and to complete its Qualifying Transaction by March 9, 2012 (24 months from listing on the Exchange). If the Company does not complete its Qualifying Transaction by March 9, 2012, the Exchange may suspend from trading or delist the Company's common shares.

Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm's length Qualifying Transaction is also subject to "majority of the minority approval" in accordance with Policy 2.4 of the Exchange. The Company has not conducted any commercial operations.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. The Company will use the proceeds to be raised pursuant to the Company's IPO and any subsequent financing for the identification and evaluation of potential Qualifying Transactions, including as a deposit or loan in a potential acquisition.

On March 18, 2010 the Company entered into a letter of intent with Castle Peak Mining Ltd., as described in section 1.11, which transaction is intended to be the Company's Qualifying Transaction.

### 1.3 Selected Annual Information

| | | Year ended August 31, 2010 | | Period from June 3, 2009 (inception) to August 31, 2009 |
|---|---|---|---|---|
| **Operations:** | | | | |
| Consulting fees | $ | 47,936 | $ | – |
| Office and miscellaneous | | 114 | | 26 |
| Professional fees | | 110,344 | | 1,177 |
| Stock-based compensation | | 27,752 | | – |
| Transfer agent, listing and filing fees | | 24,604 | | – |
| Subtotal | $ | 210,750 | $ | 1,203 |
| Income | $ | – | $ | – |
| Loss for the period | $ | 210,750 | $ | 1,203 |
| Basic and diluted loss per share | $ | (0.17) | $ | – |

| | | As at August 31, 2010 | | As at August 31, 2009 |
|---|---|---|---|---|
| **Balance Sheet:** | | | | |
| Working capital | $ | 2,321,973 | $ | 81,947 |
| Total assets | $ | 2,492,112 | $ | 98,797 |
| Total long-term liabilities | $ | – | $ | – |

### 1.4 Results of Operations

The Company incurred a net loss of $210,750 for the year ended August 31, 2010 compared to a net loss of $1,203 for the period from June 3, 2009 (inception) to August 31, 2009.

Expenses for the year ended August 31, 2010 included professional fees of $110,344, and transfer agent, listing and filing fees of $24,604 incurred in connection with the IPO and proposed Qualifying Transaction. In addition, consulting fees of $47,936 were incurred for the preparation of a geological report in connection with the proposed Qualifying Transaction. Stock-based compensation related to the granting of directors' options was $27,752 for the year.

During the year ended August 31, 2010, the Company reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

The Company is a CPC and has no business operations. The Company had no income and no sales revenue during the ended August 31, 2010. Until such time as the Company completes a Qualifying Transaction as required by the Exchange, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential business opportunities.

## 1.5 Summary of Quarterly Results

| | Q4 2010<br>Aug. 31, 2010 | Q3 2010<br>May 31, 2010 | Q2 2010<br>Feb. 28, 2010 | Q1 2010<br>Nov. 30, 2009 | Q4 2009<br>Aug. 31, 2009 |
|---|---|---|---|---|---|
| Income | $ – | $ – | $ – | $ – | $ – |
| Expenses | $ 74,006 | $ 129,985 | $ 6,700 | $ 59 | $ 1,203 |
| Net loss | $ 74,006 | $ 129,985 | $ 6,700 | $ 59 | $ 1,203 |
| Basic and diluted loss per share | $ (0.03) | $ (0.05) | $ (0.12) | $ (0.00) | $ (0.00) |

## 1.6 Liquidity

The Company had $2,321,973 of working capital as at August 31, 2010 compared to $81,947 as at August 31, 2009. The increase in working capital is due to funds received in trust for the Company for share subscriptions proceeds related to the private placement financing (section 1.11).

Management is aware that significant material uncertainties may exist related to the current economic conditions that could cast significant doubt on the Company's ability to finance the completion of the acquisition and any future business opportunities identified. Management believes the Company has sufficient working capital to meet its ongoing financial obligations for the coming year.

The 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to identify, evaluate, negotiate and complete a Qualifying Transaction. The 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

## 1.7 Capital Resources

As at August 31, 2010, the Company had cash of $2,370,499 which includes $2,286,544 received in trust for the Company for share subscriptions proceeds related to the private placement financing (section 1.11).

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company has sufficient working capital at this time to meet its ongoing financial obligations.

## 1.8 Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

**1.9 Transactions with Related Parties**

The Company incurred legal fees of $121,002 during the year ended August 31, 2010 ($1,177 – period from June 3, 2009 (inception) to August 31, 2009) to a law firm of which a director is a partner, of which $88,355 was recorded as professional fees ($1,177 - 2009) and $32,647 was recorded as share issuance costs at August 31, 2010 ($Nil - 2009). The amount due to the law firm was $88,503 at August 31, 2010 ($Nil – 2009) and recorded as due to related party.

**1.10 Fourth Quarter**

During the three months ended August 31, 2010, the Company incurred a net loss of $74,006.

Expenses for the three months ended August 31, 2010 included professional fees of $64,077, and transfer agent, listing and filing fees of $3,380 incurred in connection with the IPO and proposed Qualifying Transaction. In addition, consulting fees of $6,522 were incurred for the preparation of a geological report in connection with the proposed Qualifying Transaction.

During the three months ended August 31, 2010, the Company reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

The Company is a CPC and has no business operations. The Company had no income and no sales revenue during the three months ended August 31, 2010. Until such time as the Company completes a Qualifying Transaction as required by the Exchange, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential business opportunities.

**1.11 Proposed Transactions**

The Company entered into a letter of intent (“LOI”) on March 18, 2010 with Castle Peak Mining Ltd. and amendment no. 1 dated September 30, 2010 to purchase all of the issued and outstanding common shares of Castle Peak or otherwise complete a business combination with Castle Peak (the “Acquisition”). The Acquisition, if completed, will constitute the Company’s “Qualifying Transaction” under the policies of the Exchange.

Castle Peak was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on September 13, 2006.

Castle Peak is a privately held company in the business of exploration and development of mineral properties in Ghana, Africa. Castle Peak, directly or indirectly through its subsidiary companies, owns the right to seven prospecting licenses in Ghana. The seven licenses are: (1) Nkwanta, (2) Ayiem, (3) Asuogya, (4) Essamang (Kedadwen / Esserman), (5) Bonsaso (WD), (6) Dompem (WD II), and (7) Dompim.

Under the terms of the LOI, the Company will acquire all of the issued and outstanding common shares of Castle Peak in exchange for the issuance of 18,000,000 common shares of the Company. Castle Peak will become the Company’s wholly-owned subsidiary. However, the transaction will result in a composition of senior management such that Castle Peak will control the Company. Referred to as a reverse takeover, Castle Peak will be deemed to be the acquirer for accounting purposes.

The Company loaned Castle Peak $25,000 upon signing of the LOI and, subsequently, loaned an additional $60,000 with approval from the Exchange. Subsequent to August 31, 2010, the Company loaned an additional $50,000 to Castle Peak with approval from the Exchange. The loans do not accrue interest, are repayable upon closing or if the transaction is terminated and evidenced by promissory notes.

All shares of the Company to be issued to shareholders of Castle Peak upon completion of the Acquisition may be subject to resale restrictions under applicable securities laws and the policies of the

Exchange, as applicable. In addition, all shares issued to the Principals of Castle Peak will be held in escrow in accordance with the policies of the Exchange.

As a condition of the Acquisition, the Company is required to complete a private placement to raise between $6,000,000 to $7,000,000 through the sale of units at $0.35 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. One full warrant will entitle the holder to acquire one common share at $0.50 per share and the warrants will expire one year from closing. The Company may pay a finder's fee of up to 5% of gross proceeds in cash to parties at arm's length to the Company and Castle Peak who introduce the purchasers in connection with the non-brokered portion of the private placement. The Company has retained Raymond James Ltd. (the "Agent") as its agent to raise $1,848,350 of the private placement, on a commercially reasonable efforts basis.

The Agent will be paid a commission of 7% of gross proceeds in cash and 7% in Agent's warrants. Each Agent's warrant entitles the Agent to acquire one common share of the Company for a period of 12 months at a price of $0.50 per share. In addition, the Company has agreed to issue to the Agent corporate finance warrants to purchase up to 50,000 common shares at a price of $0.50 per common share for a period of 12 months from the date of closing and pay to the Agent a corporate finance fee of $25,000 plus applicable taxes. A deposit toward the corporate finance fee and estimated legal fees and expenses has been paid by the Company to the Agent in the amount of $26,000, of which $14,000 is non-refundable.

The LOI requires the transaction to close by September 30, 2010. Both the Company and Castle Peak have agreed to extend the closing date to December 31, 2010. Completion of this transaction is subject to a number of conditions, including but not limited to Exchange acceptance and satisfactory due diligence review.

Subsequent to August 31, 2010, the Company received $787,968 in share subscriptions proceeds for 2,251,337 units at $0.35 per unit and commitments of $1,772,260 for 5,063,600 units at $0.35 per unit pursuant to a non-brokered private placement. This private placement will be completed concurrently with the Qualifying Transaction. On closing the private placement, the Company will pay an Agent's commission of $129,385, the balance of the corporate finance fee owing of $14,000, and issue 419,670 Agent's warrants in relation to this private placement. (Note 3)

Subject to all necessary approvals, the Company intends to change its name to "Castle Peak Mining Ltd." or a similar name and change its year end from August 31 to December 31, effective upon the closing of the Acquisition.

## 1.12 Critical Accounting Estimates

Significant areas requiring the use of management estimates relate to going concern assessments, the future tax rates used to determine future income taxes and the fair values of financial instruments and stock based payments. Where estimates have been used financial results as determined by actual events could differ from those estimates.

## 1.13 Changes in Accounting Policies including Initial Adoption

See Note 2 to the Company's audited financial statements for the year ended August 31, 2010.

<u>International Financial Reporting Standards (IFRS)</u>

In 2006, the Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for fiscal 2011.

The Company is currently assessing the financial reporting impact of the transition to IFRS and the changeover date. This assessment includes a review of the impact of the conversion to IFRS on the Company's:

- reported financial position and results of operations;
- systems of internal controls and procedures over financial reporting, including related business processes;
- information technology and data systems;
- disclosure controls and procedures;
- current financial reporting training curriculum; and
- downstream business activities such as joint venture agreements and other contractual arrangements, compensation programs and tax planning arrangements.

The Company is in the process of completing a detailed technical analysis of Canadian GAAP-IFRS accounting differences. Furthermore, IFRS accounting standards, and the interpretation thereof, are constantly evolving and therefore are subject to change through the end of 2011. Consequently, the Company will continuously monitor IFRS accounting developments and update its conversion plan and public disclosure as necessary.

"Business Combinations" – Section 1582, "Consolidated Financial Statements" – Section 1601 and "Non-Controlling Interests" – Section 1602

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-Controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company's interim and annual financial statements for its fiscal year beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. Management expects that the adoption of these new standards will impact its financial statements once the Company completes a Qualifying Transaction.

## 1.14 Financial Instruments and Other Instruments

See Note 2 to the Company's audited financial statements for the year ended August 31, 2010.

## 1.15 Additional Information

**Outstanding Share Data as at August 31, 2010 and as of December 24, 2010**

| Common shares | Number |
|---|---|
| - Issued | 4,500,000 |
| - Issuable on the exercise of stock options | 450,000 |
| - Issuable on the exercise of warrants | 200,000 |

**SCHEDULE A-2**
**UNAUDITED FINANCIAL STATEMENTS OF CRITICAL CAPITAL CORPORATION**
**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2010 and**
**AUDITED FINANCIAL STATEMENTS OF CRITICAL CAPITAL CORPORATION**
**FOR THE PERIOD FROM THE DATE OF INCEPTION ON**
**JUNE 3, 2009 TO AUGUST 31, 2010**

# CRITICAL CAPITAL CORPORATION

(A Capital Pool Company)

FINANCIAL STATEMENTS
(Unaudited)

NOVEMBER 30, 2010

**CRITICAL CAPITAL CORPORATION**
Balance Sheets
As at

| | | November 30, 2010 (Unaudited) | | August 31, 2010 (Audited) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current:** | | | | |
| Cash | $ | 3,099,208 | $ | 2,370,499 |
| Receivables | | 12,704 | | 10,613 |
| Loan receivable (Note 3) | | 135,000 | | 85,000 |
| | | 3,246,912 | | 2,466,112 |
| Deferred finance costs (Note 3) | | 26,000 | | 26,000 |
| | $ | 3,272,912 | $ | 2,492,112 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **Current:** | | | | |
| Accounts payable and accrued liabilities | $ | 71,365 | $ | 55,636 |
| Due to related party (Note 5) | | 106,288 | | 88,503 |
| | | 177,653 | | 144,139 |
| Shareholders' equity: | | | | |
| Share capital (Note 4) | | 239,682 | | 239,682 |
| Contributed surplus (Note 4) | | 33,700 | | 33,700 |
| Share subscriptions (Note 4) | | 3,067,588 | | 2,286,544 |
| Deficit | | (245,711) | | (211,953) |
| | | 3,095,259 | | 2,347,973 |
| | $ | 3,272,912 | $ | 2,492,112 |

Nature of operations and going concern (Note 1)
Subsequent event (Note 3 and 8)

**APPROVED ON BEHALF OF THE BOARD**

*"Brian Lock"*
Brian Lock, President, CFO and Director

*"David W. Smalley"*
David W. Smalley, Director

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

**CRITICAL CAPITAL CORPORATION**
Statements of Loss, Comprehensive Loss and Deficit
(Unaudited)

| | | Three months ended November 30, 2010 | | Three months ended November 30, 2009 |
|---|---|---|---|---|
| **EXPENSES** | | | | |
| Consulting fees | $ | 3,904 | $ | – |
| Office and miscellaneous | | 20 | | 59 |
| Professional fees (Note 5) | | 28,248 | | – |
| Transfer agent and filing fees | | 1,586 | | – |
| **Net loss and comprehensive loss** | | 33,758 | | 59 |
| **Deficit, beginning** | | 211,953 | | 1,203 |
| **Deficit, ending** | $ | 245,711 | $ | 1,262 |
| **Loss per common share – basic and diluted** | $ | (0.01) | $ | – |
| **Weighted average number of common shares outstanding – basic and diluted** | | 2,500,000 | | – |

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

**CRITICAL CAPITAL CORPORATION**
Statements of Cash Flows
(Unaudited)

| | | Three months ended November 30, 2010 | | Three months ended November 30, 2009 |
|---|---|---|---|---|
| **Cash provided by (used in):** | | | | |
| **Operating Activities:** | | | | |
| Net loss | $ | (33,758) | $ | (59) |
| Changes in non-cash working capital: | | | | |
| Receivables | | (2,091) | | (946) |
| Accounts payable and accrued liabilities | | 15,729 | | 4,288 |
| Due to related party | | 17,785 | | – |
| Cash flows used in operating activities | | (2,335) | | (3,283) |
| **Investing activities:** | | | | |
| Loans receivable | | (50,000) | | – |
| Cash flows used in investing activities | | (50,000) | | – |
| **Financing activities:** | | | | |
| Share subscriptions proceeds | | 781,044 | | – |
| Deferred financing costs | | – | | (16,668) |
| Cash provided by financing activities | | 781,044 | | (16,668) |
| **Change in cash** | | 728,709 | | (13,385) |
| **Cash, beginning of period** | | 2,370,499 | | 81,881 |
| **Cash, end of period** | $ | 3,099,208 | $ | 68,496 |
| **Supplementary cash flow information:** | | | | |
| Cash amounts paid for: | | | | |
| Interest | $ | – | $ | – |
| Income taxes | $ | – | $ | – |

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

**CRITICAL CAPITAL CORPORATION**
Notes to the Interim Financial Statements
November 30, 2010
(Unaudited)

**1. Nature and continuance of operations**

Critical Capital Corporation (the "Company") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on June 3, 2009. The Company applied to the TSX Venture Exchange (the "Exchange") and became a Capital Pool Company as that term is defined in the policies of the Exchange. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

On February 26, 2010, the Company completed its Initial Public Offering ("IPO") and raised $250,000 through the issuance of 2,500,000 common shares at a price of $0.10 per share. On March 9, 2010, the Company's common shares were listed on the Exchange under the symbol CQZ.P.

On March 18, 2010, the Company entered into a letter of intent ("LOI") with Castle Peak Mining Ltd. ("Castle Peak") to purchase all of the issued and outstanding common shares of Castle Peak or otherwise complete a business combination with Castle Peak (the "Acquisition"). The Acquisition, if completed, will constitute the Company's "Qualifying Transaction" under the policies of the Exchange. The transaction will be completed by way of share exchange and Castle Peak will become the Company's wholly-owned subsidiary. However, the transaction will result in a composition of senior management such that Castle Peak will control the Company. Referred to as a reverse takeover, Castle Peak will be deemed to be the acquirer for accounting purposes. (Note 3)

Management is aware that significant material uncertainties may exist related to the current economic conditions that could cast significant doubt on the Company's ability to finance the completion of the acquisition and any future business opportunities identified. (Note 3)

These 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to identify, evaluate, negotiate and complete a Qualifying Transaction. These 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. Further discussion of liquidity risk has been disclosed in Notes 6 and 7.

**2. Significant accounting policies**

**a) Basis of presentation**
These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP") and are presented in Canadian dollars.

**b) Use of estimates**
The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to going concern assessments, the future tax rates used to determine future income taxes and the fair values of financial instruments and stock based payments. Where estimates have been used financial results as determined by actual events could differ from those estimates.

**2. Significant accounting policies** (cont'd.)

**c) Financial instruments**

The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, "Financial Instruments – Recognition and Measurement". Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost.

The Company's financial instruments consist of cash, receivables, accounts payable and due to related party. The Company has made the following classifications for the financial instruments:

(i) Cash – held-for-trading; measured at fair value;
(ii) Receivables – loans and receivables; measured at amortized cost;
(iii) Accounts payable – other financial liabilities; recorded at amortized cost;
(iv) Due to related party – other financial liabilities; recorded at exchange amount.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company has determined that it does not have any derivatives or embedded derivatives.

**d) Future income taxes**

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

**e) Loss per share**

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period presented, dilutive loss per share is equal to basic loss per share. Basic and diluted loss per common share is calculated using the weighted-average number of common shares outstanding during the period.

**CRITICAL CAPITAL CORPORATION**
Notes to the Interim Financial Statements
November 30, 2010
(Unaudited)

**2. Significant accounting policies** (cont'd.)

**f) Stock-based compensation**
The Company follows the accounting standards issued by the CICA Handbook Section 3870, "Stock-based compensation and other stock-based payments", which recommends the fair-value based method for measuring compensation costs. The Company determines the fair-value of the stock-based compensation using the Black-Scholes option pricing model. Any consideration paid on the exercise of stock options is credited to share capital.

**g) Comprehensive income (loss)**
The Company adopted CICA Handbook Section 1530, "Comprehensive Income". Section 1530 establishes standards for the reporting and presenting of comprehensive income which is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net loss. At November 30, 2010, the Company had no items that caused other comprehensive loss to be different from net loss.

**h) Accounting changes**
CICA Handbook Section 1056, "Accounting Changes," establishes criteria for changes in accounting policies, accounting treatment and disclosure regarding changes in accounting policies, estimates and corrections of errors. In particular, this section allows for voluntary changes in accounting policies only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policies to be applied retrospectively unless doing so is impracticable.

**j) Credit risk and the fair value of financial assets and financial liabilities**
In January 2009, the CICA approved EIC 173, Credit Risk and the Fair Value of Financial Assets and Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The implementation of the recommendations of this section has not had a material impact on the Company's financial statements.

**k) Recent Accounting Pronouncements**

**International Financial Reporting Standards** ("IFRS")
In 2006, the Canadian Accounting Standards Board ("AcSB") published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for fiscal 2011. Management continues to monitor and assess the impact of Canadian GAAP and IFRS.

**CRITICAL CAPITAL CORPORATION**
Notes to the Interim Financial Statements
November 30, 2010
(Unaudited)

**2. Significant accounting policies** (cont'd.)

**k) Recent Accounting Pronouncements** (cont'd.)

**"Business Combinations" – Section 1582, "Consolidated Financial Statements" – Section 1601 and "Non-Controlling Interests" – Section 1602**
In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-Controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company's annual financial statements for its fiscal year beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. Management expects that the adoption of these new standards will impact its financial statements once the Company completes a Qualifying Transaction.

**3. Acquisition**

Pursuant to the LOI (Note 1), the Company will acquire all of the issued and outstanding common shares of Castle Peak in exchange for the issuance of 18,000,000 common shares of the Company.

As a condition of the Acquisition, the Company is required to complete a private placement to raise between $6,000,000 to $8,000,000 through the sale of units at $0.35 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. One full warrant will entitle the holder to acquire one common share at $0.50 per share and the warrants will expire one year from closing.

The Company has retained Raymond James Ltd. (the "Agent") as its agent to raise $1,848,350 of the private placement, on a commercially reasonable efforts basis. The Agent will be paid a commission of 7% of gross proceeds in cash and 7% in Agent's warrants. Each Agent's warrant entitles the Agent to acquire one common share of the Company for a period of 12 months at a price of $0.50 per share. In addition, the Company has agreed to issue to the Agent corporate finance warrants to purchase up to 50,000 common shares at a price of $0.50 per common share for a period of 12 months from the date of closing and pay to the Agent a corporate finance fee of $25,000 plus applicable taxes.

A deposit toward the corporate finance fee and estimated legal fees and expenses has been paid by the Company to the Agent in the amount of $26,000, which has been recorded as a deferred financing cost, of which $14,000 is non-refundable. Upon successful completion of the Acquisition, these costs will be recorded as a reduction of share capital. If the LOI is not successfully executed, these costs will be charged to the statement of loss, comprehensive loss and deficit.

The Company loaned Castle Peak $25,000 upon signing of the LOI and, subsequently, loaned an additional $110,000 with approval from the Exchange, which have been recorded as a loan receivable at November 30, 2010 ($85,000 - August 31, 2010). The loans do not accrue interest, are repayable upon closing or if the transaction is terminated and are evidenced by promissory notes.

**CRITICAL CAPITAL CORPORATION**
Notes to the Interim Financial Statements
November 30, 2010
(Unaudited)

**3. Acquisition** (cont'd.)

The LOI required the transaction to close by September 30, 2010, which was subsequently extended to March 31, 2011. Completion of this transaction is subject to a number of conditions, including but not limited to Exchange acceptance and satisfactory due diligence**.**

**4. Share capital**

**(a) Authorized**

Unlimited number of common shares without par value.

**(b) Issued and outstanding common shares**

| | Number of Shares | Share Capital | Contributed Surplus | Total |
|---|---|---|---|---|
| Balance as at June 3, 2009 | - | $ - | $ - | $ - |
| Issued for cash | 2,000,000 | 100,000 | - | 100,000 |
| Balance at August 31, 2009 | 2,000,000 | 100,000 | - | 100,000 |
| Issue of shares for cash in IPO | 2,500,000 | 250,000 | - | 250,000 |
| Share issue costs | - | (104,370) | - | (104,370) |
| Agent's warrants | - | (5,948) | 5,948 | - |
| Stock-based compensation | - | - | 27,752 | 27,752 |
| Balance at August 31, 2010 and November 30, 2010 (Unaudited) | 4,500,000 | $ 239,682 | $ 33,700 | $ 273,382 |

During the period ended August 31, 2009, the Company issued 2,000,000 common shares at a price of $0.05 per common share for total proceeds of $100,000. These common shares will be held in escrow and will be released pro-rata to the shareholders as to 10% upon issuance of notice of final acceptance of a Qualifying Transaction by the Exchange and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If the Company does not receive final acceptance of Qualifying Transaction by March 9, 2012 (within 24 months from the date of listing) and is delisted, the escrow shares may be cancelled.

On February 26, 2010, the Company completed its IPO of 2,500,000 common shares at $0.10 per share for gross proceeds of $250,000. The Company had entered into an agency agreement with the Agent to distribute the IPO. The Agent received a cash commission of 10% of the gross proceeds and a corporate finance fee of $10,000 which are both included in share issuance costs of $104,370. The Company also issued 200,000 Agent's warrants which have an exercise price of $0.10 per share and an expiry date of March 9, 2012 and was recorded as share issuance costs at a fair value of $5,948.

**CRITICAL CAPITAL CORPORATION**
Notes to the Interim Financial Statements
November 30, 2010
(Unaudited)

**4. Share capital** (cont'd.)

**(b) Issued and outstanding common shares** (cont'd.)

As at November 30, 2010, the Company received $3,067,588 in subscription proceeds for 8,764,537 units at $0.35 per unit towards a private placement. Each unit consists of one common share and one-half of one common share purchase warrant (Note 3).

**(c) Warrants**

Each warrant entitles the holder to purchase one common share of the Company. At November 30, 2010, the Company has 200,000 share purchase warrants outstanding, at an exercise price of $0.10 and an expiry date of March 9, 2012.

**(d) Stock options**

The Company has adopted a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time.

On March 9, 2010, the Company granted 450,000 stock options to its directors, which have an exercise price of $0.101 per share and expiry date of March 9, 2020. The options had a fair value of $27,752 which had been recognized as stock-based compensation during the year ended August 31, 2010.

The fair value of the agent's warrants and stock options has been estimated using the Black-Scholes option pricing model. Assumptions used in the pricing model were as follows:

| | |
|---|---|
| Risk free interest rate | 1.46% |
| Annual dividends | – |
| Expected stock price volatility | 52.02% |
| Expected life of options | 2-5 years |

At November 30, 2010, the Company has 450,000 stock options outstanding, at an exercise price of $0.101 and an expiry date of March 9, 2020.

**5. Related Party Transactions**

The Company incurred legal fees of $18,748 during the three months ended November 30, 2010 ($Nil - November 30, 2009) to a law firm of which a director is a partner. The legal fees were included in professional fees. The amount due to the law firm was $106,288 at November 30, 2010 ($88,503 - August 31, 2010) and recorded as due to related party. This amount is non-interest bearing and has no fixed terms of repayment.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 6. Financial Instruments

### Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

*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 primary exposure to credit risk is on its cash account, which at November 30, 2010 was $3,099,208. As all of the Company's cash is held by a Canadian bank and in trust with the Company's legal counsel, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

*Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

*Interest Rate Risk*

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as bank account earns interest income at variable rates. The income earned on the bank account is subject to the movements in interest rates. Management considers the risk to be minimal. Loan receivable and due to related party balances are non-interest bearing and not subject to interest rate risk.

*Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. 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. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

## 7. Capital Disclosure

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, Management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company has no long-term debt and is not subject to externally imposed capital requirements.

**8. Subsequent Event**

Subsequent to November 30, 2010, the Company received an additional $5,250 in share subscriptions proceeds for 15,000 units at $0.35 per unit pursuant to a private placement. This private placement will be completed concurrently with the Qualifying Transaction. On closing of the private placement, the Company will pay the Agent commissions of up to $129,385, the balance of the corporate finance fee owing of $14,000, and issue 419,670 Agent's warrants in relation to this private placement (Note 3).

**CRITICAL CAPITAL CORPORATION**

(A Capital Pool Company)

FINANCIAL STATEMENTS

AUGUST 31, 2010

DALE MATHESON
CARR-HILTON LABONTE LLP
DMCL CHARTERED ACCOUNTANTS

Partnership of:

Vancouver: Robert J. Burkart, Inc. · James F. Carr-Hilton Ltd. · Kenneth P. Chong Inc. · Alvin F. Dale Ltd. · Barry S. Hartley, Inc. · Reginald J. LaBonte Ltd. · Robert J. Matheson, Inc. · Rakesh I. Patel Inc. · F.M. Yada FCA Inc.
South Surrey: Michael K. Braun Inc. · Peter J. Donaldson, Inc.
Port Coquitlam: Wilfred A. Jacobson Inc. · G.D. Lee Inc. · Fraser G. Ross, Ltd. · Brian A. Shaw Inc.

**AUDITORS' CONSENT**

We have read the filing statement of Critical Capital Corporation (the "Company") dated February 23, 2011 relating to the purchase of at least 76% of the issued and outstanding shares of Castle Peak Mining Ltd. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned filing statement of our report to the shareholders of the Company on the balance sheets of the Company as at August 31, 2010 and 2009, and the statements of loss, comprehensive loss and deficit and cash flows for the year ended August 31, 2010 and for the period from June 3, 2009 (date of inception) to August 31, 2009. Our report is dated December 15, 2010.

*"DMCL"*

**DALE MATHESON CARR-HILTON LABONTE** LLP
Chartered Accountants

Vancouver, Canada
February 23, 2011

Vancouver (Head Office) Suite 1500 - 1140 West Pender Street, Vancouver, B.C., Canada V6E 4G1, Tel: 604 687 4747 • Fax: 604 689 2778 - Main Reception
South Surrey Suite 301 - 1656 Martin Drive, White Rock, B.C., Canada V4A 6E7, Tel: 604 531 1154 • Fax: 604 538 2613
Port Coquitlam Suite 700 - 2755 Lougheed Highway, Port Coquitlam, B.C., Canada V3B 5Y9, Tel: 604 941 8266 • Fax: 604 941 0971

DALE MATHESON
CARR-HILTON LABONTE LLP
DMCL CHARTERED ACCOUNTANTS

Partnership of:

Vancouver: Robert J. Burkart, Inc.; James F. Carr-Hilton Ltd.; Kenneth P. Chong Inc.; Alvin F. Dale Ltd.; Barry S. Hartley, Inc.; Reginald J. LaBonte Ltd.; Robert J. Matheson, Inc.; Rakesh I. Patel Inc.; F.M. Yada FCA Inc.
South Surrey: Michael K. Braun Inc.; Peter J. Donaldson, Inc.
Port Coquitlam: Wilfred A. Jacobson Inc.; G.D. Lee Inc.; Fraser G. Ross, Ltd.; Brian A. Shaw Inc.

# AUDITORS' REPORT

To the Shareholders of Critical Capital Corporation:

We have audited the balance sheets of Critical Capital Corporation as at August 31, 2010 and 2009 and the statements of loss, comprehensive loss and deficit and cash flows for the year ended August 31, 2010 and for period from June 3, 2009 (date of inception) to August 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2010 and 2009 and the results of its operations and its cash flows for the year ended August 31, 2010 and for the period from June 3, 2009 (date of inception) to August 31, 2009 in accordance with Canadian generally accepted accounting principles.

DMCL

**DALE MATHESON CARR-HILTON LABONTE LLP**
**Chartered Accountants**

Vancouver, Canada
December 20, 2010

Vancouver (Head Office) Suite 1500 - 1140 West Pender Street, Vancouver, B.C., Canada V6E 4G1, Tel: 604 687 4747 • Fax: 604 689 2778 - Main Reception
South Surrey Suite 301 - 1656 Martin Drive, White Rock, B.C., Canada V4A 6E7, Tel: 604 531 1154 • Fax: 604 538 2613
Port Coquitlam Suite 700 - 2755 Lougheed Highway, Port Coquitlam, B.C., Canada V3B 5Y9, Tel: 604 941 8266 • Fax: 604 941 0971

**CRITICAL CAPITAL CORPORATION**
Balance Sheets
As at

| | | August 31, 2010 | | August 31, 2009 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current:** | | | | |
| Cash | $ | 2,370,499 | $ | 81,881 |
| Receivables | | 10,613 | | 66 |
| Loan receivable (Note 3) | | 85,000 | | - |
| | | 2,466,112 | | 81,947 |
| Deferred finance costs (Note 3) | | 26,000 | | 16,850 |
| | $ | 2,492,112 | $ | 98,797 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **Current:** | | | | |
| Accounts payable and accrued liabilities (Note 5) | $ | 55,636 | $ | - |
| Due to related party (Note 5) | | 88,503 | | - |
| | | 144,139 | | - |
| Shareholders' equity: | | | | |
| Share capital (Note 4) | | 239,682 | | 100,000 |
| Contributed surplus (Note 4) | | 33,700 | | - |
| Share subscriptions (Note 4) | | 2,286,544 | | - |
| Deficit | | (211,953) | | (1,203) |
| | | 2,347,973 | | 98,797 |
| | $ | 2,492,112 | $ | 98,797 |

Nature of operations and going concern (Note 1)
Subsequent event (Note 3 and 9)

**APPROVED ON BEHALF OF THE BOARD**

*"Brian Lock"*
Brian Lock, President, CFO and Director

*"David W. Smalley"*
David W. Smalley, Director

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

**CRITICAL CAPITAL CORPORATION**
Statements of Loss, Comprehensive Loss and Deficit

| | | Year ended August 31, 2010 | | Period from June 3, 2009 (inception) to August 31, 2009 |
|---|---|---|---|---|
| **EXPENSES** | | | | |
| Consulting fees | $ | 47,936 | $ | - |
| Office and miscellaneous | | 114 | | 26 |
| Professional fees (Note 5) | | 110,344 | | 1,177 |
| Stock-based compensation (Note 4) | | 27,752 | | - |
| Transfer agent and filing fees | | 24,604 | | - |
| **Net loss and comprehensive loss** | | 210,750 | | 1,203 |
| **Deficit, beginning** | | 1,203 | | - |
| **Deficit, ending** | $ | 211,953 | $ | 1,203 |
| **Loss per common share – basic and diluted** | $ | (0.17) | | - |
| **Weighted average number of common shares outstanding – basic and diluted** | | 1,280,822 | | - |

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

**CRITICAL CAPITAL CORPORATION**
Statements of Cash Flows

| | | Year ended August 31, 2010 | | Period from June 3, 2009 (inception) to August 31, 2009 |
|---|---|---|---|---|
| **Cash provided by (used in):** | | | | |
| **Operating Activities:** | | | | |
| Net loss | $ | (210,750) | $ | (1,203) |
| Item not involving cash: | | | | |
| Stock-based compensation | | 27,752 | | – |
| Changes in non-cash working capital: | | | | |
| Receivables | | (10,547) | | (66) |
| Accounts payable and accrued liabilities | | 55,636 | | – |
| Due to related party | | 88,503 | | |
| Cash flows used in operating activities | | (49,406) | | (1,269) |
| **Investing activities:** | | | | |
| Loans receivable | | (85,000) | | – |
| Cash flows used in investing | | (85,000) | | – |
| **Financing activities:** | | | | |
| Shares issued, net of costs | | 145,630 | | 100,000 |
| Share subscriptions proceeds | | 2,286,544 | | – |
| Deferred financing costs | | (9,150) | | (16,850) |
| Cash provided by financing activities | | 2,423,024 | | 83,150 |
| **Increase in cash** | | 2,288,618 | | 81,881 |
| **Cash, beginning of period** | | 81,881 | | – |
| **Cash, end of period** | $ | 2,370,499 | $ | 81,881 |

Supplementary cash flow information:
Recorded $5,948 (2009 - $Nil) as the fair value of warrants (Note 4).

| | | | | |
|---|---|---|---|---|
| Cash amounts paid for: | | | | |
| Interest | $ | – | $ | – |
| Income taxes | $ | – | $ | – |

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

## 1. Nature and continuance of operations

Critical Capital Corporation (the "Company") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on June 3, 2009. The Company applied to the TSX Venture Exchange (the "Exchange") and became a Capital Pool Company as that term is defined in the policies of the Exchange. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

On February 26, 2010, the Company completed its Initial Public Offering ("IPO") and raised $250,000 through the issuance of 2,500,000 common shares at a price of $0.10 per share. On March 9, 2010, the Company's common shares were listed on the Exchange under the symbol CQZ.P.

On March 18, 2010, the Company entered into a letter of intent ("LOI") with Castle Peak Mining Ltd. ("Castle Peak") to purchase all of the issued and outstanding common shares of Castle Peak or otherwise complete a business combination with Castle Peak (the "Acquisition"). The Acquisition, if completed, will constitute the Company's "Qualifying Transaction" under the policies of the Exchange. The transaction will be completed by way of share exchange and Castle Peak will become the Company's wholly-owned subsidiary. However, the transaction will result in a composition of senior management such that Castle Peak will control the Company. Referred to as a reverse takeover, Castle Peak will be deemed to be the acquirer for accounting purposes. (Note 3)

Management is aware that significant material uncertainties may exist related to the current economic conditions that could cast significant doubt on the Company's ability to finance the completion of the acquisition and any future business opportunities identified. (Note 3)

These 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 for the foreseeable future. The continuing operations of the Company are dependent upon its ability to identify, evaluate, negotiate and complete a Qualifying Transaction. These 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. Further discussion of liquidity risk has been disclosed in Notes 6 and 7.

## 2. Significant accounting policies

### a) Basis of presentation

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and are presented in Canadian dollars.

### b) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to going concern assessments, the future tax rates used to determine future income taxes and the fair values of financial instruments and stock based payments. Where estimates have been used financial results as determined by actual events could differ from those estimates.

**2. Significant accounting policies** (cont'd.)

**c) Financial instruments**

The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, "Financial Instruments – Recognition and Measurement". Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost.

The Company's financial instruments consist of cash, receivables, accounts payable and due to related party. The Company has made the following classifications for the financial instruments:

(i) Cash – held-for-trading; measured at fair value;
(ii) Receivables – loans and receivables; measured at amortized cost;
(iii) Accounts payable – other financial liabilities; recorded at amortized cost;
(iv) Due to related party – other financial liabilities; recorded at exchange amount.

Unless otherwise noted, it is management's opinion the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company has determined that it does not have any derivatives or embedded derivatives.

**d) Future income taxes**

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

**e) Loss per share**

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period presented, dilutive loss per share is equal to basic loss per share. Basic and diluted loss per common share is calculated using the weighted-average number of common shares outstanding during the period.

**f) Stock-based compensation**

The Company follows the accounting standards issued by the CICA Handbook Section 3870, "Stock-based compensation and other stock-based payments", which recommends the fair-value based method for measuring compensation costs. The Company determines the fair-value of the

**CRITICAL CAPITAL CORPORATION**
Notes to the Financial Statements
August 31, 2010

**2. Significant accounting policies** (cont'd.)

**f) Stock-based compensation** (cont'd.)
stock-based compensation using the Black-Scholes option pricing model. Any consideration paid on the exercise of stock options is credited to share capital.

**g) Comprehensive income (loss)**
The Company adopted CICA Handbook Section 1530, "Comprehensive Income". Section 1530 establishes standards for the reporting and presenting of comprehensive income which is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net loss. At August 31, 2010, the Company had no items that caused other comprehensive loss to be different from net loss.

**h) Accounting changes**
CICA Handbook Section 1056, "Accounting Changes," establishes criteria for changes in accounting policies, accounting treatment and disclosure regarding changes in accounting policies, estimates and corrections of errors. In particular, this section allows for voluntary changes in accounting policies only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policies to be applied retrospectively unless doing so is impracticable.

**j) Credit risk and the fair value of financial assets and financial liabilities**
In January 2009, the CICA approved EIC 173, Credit Risk and the Fair Value of Financial Assets and Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The implementation of the recommendations of this section has not had a material impact on the Company's financial statements.

**k) Recent Accounting Pronouncements**

**International Financial Reporting Standards** ("IFRS")
In 2006, the Canadian Accounting Standards Board ("AcSB") published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for fiscal 2011. Management continues to monitor and assess the impact of Canadian GAAP and IFRS.

**"Business Combinations" – Section 1582, "Consolidated Financial Statements" – Section 1601 and "Non-Controlling Interests" – Section 1602**
In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-Controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company's annual financial statements for its fiscal year

**2. Significant accounting policies** (cont'd.)

**k) Recent Accounting Pronouncements** (cont'd.)

**"Business Combinations" – Section 1582, "Consolidated Financial Statements" – Section 1601 and "Non-Controlling Interests" – Section 1602** (cont'd.)
beginning on or after January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. Management expects that the adoption of these new standards will impact its financial statements once the Company completes a Qualifying Transaction.

**3. Acquisition**

Pursuant to the LOI (Note 1), the Company will acquire all of the issued and outstanding common shares of Castle Peak in exchange for the issuance of 18,000,000 common shares of the Company.

As a condition of the Acquisition, the Company is required to complete a private placement to raise between $6,000,000 to $7,000,000 through the sale of units at $0.35 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. One full warrant will entitle the holder to acquire one common share at $0.50 per share and the warrants will expire one year from closing.

The Company has retained Raymond James Ltd. (the "Agent") as its agent to raise $1,848,350 of the private placement, on a commercially reasonable efforts basis. The Agent will be paid a commission of 7% of gross proceeds in cash and 7% in Agent's warrants. Each Agent's warrant entitles the Agent to acquire one common share of the Company for a period of 12 months at a price of $0.50 per share. In addition, the Company has agreed to issue to the Agent corporate finance warrants to purchase up to 50,000 common shares at a price of $0.50 per common share for a period of 12 months from the date of closing and pay to the Agent a corporate finance fee of $25,000 plus applicable taxes.

A deposit toward the corporate finance fee and estimated legal fees and expenses has been paid by the Company to the Agent in the amount of $26,000, which has been recorded as a deferred financing cost, of which $14,000 is non-refundable. Upon successful completion of the Acquisition, these costs will be recorded as a reduction of share capital. If the LOI is not successfully executed, these costs will be charged to the statement of loss, comprehensive loss and deficit.

The Company loaned Castle Peak $25,000 upon signing of the LOI and, subsequently, loaned an additional $60,000 with approval from the Exchange, which have been recorded as a loan receivable at August 31, 2010 ($Nil - August 31, 2009). Subsequent to August 31, 2010, the Company loaned an additional $50,000 to Castle Peak with approval from the Exchange. The loans do not accrue interest, are repayable upon closing or if the transaction is terminated and are evidenced by promissory notes.

**CRITICAL CAPITAL CORPORATION**
Notes to the Financial Statements
August 31, 2010

**3. Acquisition** (cont'd.)

The LOI required the transaction to close by September 30, 2010. Both the Company and Castle Peak have agreed to extend the closing date to December 31, 2010. Completion of this transaction is subject to a number of conditions, including but not limited to Exchange acceptance and satisfactory due diligence.

At August 31, 2009, deferred finance costs of $16,850 included costs relating to the listing of the Company on the Exchange and undertaking an IPO. Upon successful completion of the IPO, these costs were recorded as a reduction of share capital. (Note 4)

**4. Share capital**

**(a) Authorized**

Unlimited number of common shares without par value.

**(b) Issued and outstanding common shares**

| | Number of Shares | Share Capital | Contributed Surplus | Total |
|---|---|---|---|---|
| Balance as at June 3, 2009 | - | $ - | $ - | $ - |
| Issued for cash | 2,000,000 | 100,000 | - | 100,000 |
| Balance at August 31, 2009 | 2,000,000 | 100,000 | - | 100,000 |
| Issue of shares for cash in IPO | 2,500,000 | 250,000 | - | 250,000 |
| Share issue costs | - | (104,370) | - | (104,370) |
| Agent's warrants | - | (5,948) | 5,948 | - |
| Stock-based compensation | - | - | 27,752 | 27,752 |
| Balance at August 31, 2010 | 4,500,000 | $ 239,682 | $ 33,700 | $ 273,382 |

During the period ended August 31, 2009, the Company issued 2,000,000 common shares at a price of $0.05 per common share for total proceeds of $100,000. These common shares will be held in escrow and will be released pro-rata to the shareholders as to 10% upon issuance of notice of final acceptance of a Qualifying Transaction by the Exchange and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities. If the Company does not receive final acceptance of Qualifying Transaction by March 9, 2012 (within 24 months from the date of listing) and is delisted, the escrow shares may be cancelled.

On February 26, 2010, the Company completed its IPO of 2,500,000 common shares at $0.10 per share for gross proceeds of $250,000. The Company had entered into an agency agreement with the Agent to distribute the IPO. The Agent received a cash commission of 10% of the gross proceeds and a corporate finance fee of $10,000 which are both included in share issuance costs of $104,370. At August 31, 2009, the Company had recorded $16,850 in deferred financing costs which has been reclassified to share issuance costs. The Company also issued 200,000 Agent's warrants which have an exercise price of $0.10 per share and an expiry date of March 9, 2012 and was recorded as share issuance costs at a fair value of $5,948.

**4. Share capital** (cont'd.)

**(b) Issued and outstanding common shares** (cont'd.)

As at August 31, 2010, the Company received $2,286,544 in subscription proceeds for 6,532,983 units at $0.35 per unit towards a private placement. Each unit consists of one common share and one-half of one common share purchase warrant. (Note 3)

**(c) Warrants**

Each warrant entitles the holder to purchase one common share of the Company. At August 31, 2010, the Company has 200,000 share purchase warrants outstanding, at an exercise price of $0.10 and an expiry date of March 9, 2012.

**(d) Stock options**

The Company has adopted a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time.

On March 9, 2010, the Company granted 450,000 stock options to its directors, which have an exercise price of $0.101 per share and expiry date of March 9, 2020. The options had a fair value of $27,752 which has been recognized as stock-based compensation during the year ended August 31, 2010.

The fair value of the agent's warrants and stock options has been estimated using the Black-Scholes option pricing model. Assumptions used in the pricing model were as follows:

| | |
|---|---|
| Risk free interest rate | 1.46% |
| Annual dividends | – |
| Expected stock price volatility | 52.02% |
| Expected life of options | 2-5 years |

At August 31, 2010, the Company has 450,000 stock options outstanding, at an exercise price of $0.101 and an expiry date of March 9, 2020. The weighted average fair value of stock options outstanding and exercisable as of August 31, 2010 is $0.101.

**5. Related Party Transactions**

The Company incurred legal fees of $121,002 during the year ended August 31, 2010 ($1,177 – 2009) to a law firm of which a director is a partner, of which $88,355 was recorded as professional fees ($1,177 - 2009) and $32,647 was recorded as share issuance costs at August 31, 2010 ($Nil - 2009). The amount due to the law firm was $88,503 at August 31, 2010 ($Nil – August 31, 2009) and recorded as due to related party. This amount is non-interest bearing and has no fixed terms of repayment.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**CRITICAL CAPITAL CORPORATION**
Notes to the Financial Statements
August 31, 2010

## 6. Financial Instruments

### Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

*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 primary exposure to credit risk is on its cash account, which at August 31, 2010 was $2,370,499. As all of the Company's cash is held by a Canadian bank and in trust with the Company's legal counsel, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

*Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

*Interest Rate Risk*

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as bank account earns interest income at variable rates. The income earned on the bank account is subject to the movements in interest rates. Management considers the risk to be minimal. Loans receivables and due to related party balances are non-interest bearing and not subject to interest rate risk.

*Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. 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. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

## 7. Capital Disclosure

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, Management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company has no long-term debt and is not subject to externally imposed capital requirements.

**CRITICAL CAPITAL CORPORATION**
Notes to the Financial Statements
August 31, 2010

**8. Income Taxes**

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

| | | 2010 | | 2009 |
|---|---|---|---|---|
| Loss for the period | $ | (210,750) | $ | (1,203) |
| Corporate tax rate | | 29.5% | | 31% |
| Potential income tax recovery | | (62,171) | | 373 |
| Share issuance costs | | (6,158) | | - |
| Impact of tax rate changes | | (6,386) | | - |
| Non-deductible expenses | | 8,188 | | - |
| Change in valuation allowance | | 66,527 | | (373) |
| Future income tax recovery | $ | - | $ | - |

The significant components of the Company's future income tax assets are as follows:

| | | 2010 | | 2009 |
|---|---|---|---|---|
| Future income tax assets: | | | | |
| Non-capital losses | $ | 46,000 | $ | 373 |
| Share issuance costs | | 20,900 | | - |
| | | 66,900 | | 373 |
| Valuation allowance | | (66,900) | | (373) |
| Net future income tax assets | $ | - | $ | - |

The Company has accumulated non-capital losses of approximately $184,000 which may be deducted in the calculation of taxable income in future years. The losses commence expiring in 2029.

Due to the uncertainty surrounding the realization of income tax assets in future years, the Company has provided a 100% valuation allowance against its potential future income tax assets. The valuation allowance reflects the Company's estimate that the tax assets more likely than not, will not be realized.

**9. Subsequent Event**

Subsequent to August 31, 2010, the Company received $787,968 in share subscriptions proceeds for 2,251,337 units at $0.35 per unit and commitments of $1,772,260 for 5,063,600 units at $0.35 per unit pursuant to a non-brokered private placement. This private placement will be completed concurrently with the Qualifying Transaction. On closing the private placement, the Company will pay an Agent's commission of $129,385, the balance of the corporate finance fee owing of $14,000, and issue 419,670 Agent's warrants in relation to this private placement. (Note 3)

**SCHEDULE B**
**UNAUDITED FINANCIAL STATEMENTS OF CASTLE PEAK MINING LTD.**
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 and**
**AUDITED FINANCIAL STATEMENTS OF CASTLE PEAK MINING LTD.**
**FOR THE PERIODS ENDING DECEMBER 31, 2007, DECEMBER 31, 2008 AND DECEMBER 31, 2009**

# CASTLE PEAK MINING LTD.

## CONSOLIDATED FINANCIAL STATEMENTS
**(Expressed in Canadian dollars)**

**SEPTEMBER 30, 2010 (Unaudited)**
**DECEMBER 31, 2009, DECEMBER 31, 2008 AND DECEMBER 31, 2007**

# AUDITORS' CONSENT

We have read the filing statement of Critical Capital Corporation dated February 23, 2011 relating to the qualifying transaction of Critical Capital Corporation involving the purchase of all of the issued and outstanding shares of Castle Peak Mining Ltd. (the "Company"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned filing statement of our report to the directors of the Company on the consolidated balance sheets of the Company as at December 31, 2009, 2008 and 2007 and the consolidated statements of operations, deficit and comprehensive loss, statements of changes in equity and cash flows for the years ended December 31, 2009, 2008 and 2007. Our report is dated February 22, 2011.

**"DAVIDSON & COMPANY LLP"**

Vancouver, Canada Chartered Accountants

February 23, 2011



1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

**CASTLE PEAK MINING LTD.**
**Index to Consolidated Financial Statements**

**September 30, 2010 (Unaudited), December 31, 2009, 2008 and 2007**
**(Expressed in Canadian Dollars)**

# AUDITORS' REPORT

To the Directors of
Castle Peak Mining Ltd.

We have audited the consolidated balance sheets of Castle Peak Mining Ltd. as at December 31, 2009, 2008 and 2007 and the consolidated statements of operations, deficit and comprehensive loss, statements of changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**"DAVIDSON & COMPANY LLP"**

Vancouver, Canada Chartered Accountants

February 22, 2011

**CASTLE PEAK MINING LTD.**
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)
AS AT

| | September 30, 2010 (Unaudited) | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current** | | | | |
| Cash | $ 28,167 | $ 15,961 | $ 14,712 | $ 137,833 |
| Receivables | 39,791 | 35,217 | 25,467 | 13,860 |
| Prepaid expenses | 6,730 | - | 2,138 | 2,500 |
| | 74,688 | 51,178 | 42,317 | 154,193 |
| **Mineral properties** (Note 5) | 3,729,238 | 3,514,076 | 3,238,839 | 2,743,034 |
| | $ 3,803,926 | $ 3,565,254 | $ 3,281,156 | $ 2,897,227 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **Current** | | | | |
| Accounts payable and accrued liabilities | $ 45,549 | $ 76,856 | $ 25,561 | $ - |
| Loans payable (Note 1) | 85,000 | - | - | - |
| Due to related parties (Note 7) | 213,372 | 942,379 | 506,289 | 283,846 |
| | 343,921 | 1,019,235 | 531,850 | 283,846 |
| **Future income tax liability** (Note 8) | 664,533 | 664,533 | 664,533 | 664,533 |
| **Shareholders' Equity** | | | | |
| Shares allotted/subscribed for (Note 6) | - | - | - | 2,224,600 |
| Capital stock (Note 6) | 3,551,045 | 2,731,375 | 2,731,375 | 1,575 |
| Contributed surplus (Note 6) | 243,349 | - | - | - |
| Deficit | (998,922) | (849,889) | (646,602) | (277,327) |
| | 2,795,472 | 1,881,486 | 2,084,773 | 1,948,848 |
| | $ 3,803,926 | $ 3,565,254 | $ 3,281,156 | $ 2,897,227 |

**Nature and continuance of operations** (Note 1)
**Existing dispute for the Nkwanta and Asuogya Licenses** (Note 11)
**Subsequent events** (Note 12)

**On behalf of the Board:**

*"Jeffrey Shammah"* Director *"Randal Gindi"* Director

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

**CASTLE PEAK MINING LTD.**
CONSOLIDATED STATEMENTS OF OPERATIONS, DEFICIT AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

| | Nine Months Ended September 30, 2010 | Nine Months Ended September 30, 2009 | Year Ended December 31, 2009 | Year Ended December 31, 2008 | Year Ended December 31, 2007 |
|---|---|---|---|---|---|
| | (Unaudited) | (Unaudited) | | | |
| **EXPENSES** | | | | | |
| Consulting fees (Note 7) | $ 60,000 | $ 90,000 | $ 120,000 | $ 135,199 | $ 115,875 |
| Directors fees (Note 7) | - | - | - | 45,000 | - |
| Management fees (Note 7) | 18,000 | 54,000 | 72,000 | 72,000 | 12,000 |
| Office, supplies and miscellaneous | 2,356 | 703 | 3,648 | 22,201 | 1,662 |
| Professional fees (Note 7) | 106,378 | - | 18,000 | 103,656 | 60,385 |
| Salaries | 6,097 | - | - | - | - |
| **Loss before other items** | (192,831) | (144,703) | (213,648) | (378,056) | (189,922) |
| **OTHER ITEMS** | | | | | |
| Foreign exchange gain (loss) | (4,716) | (2,568) | 10,359 | 8,711 | (4,807) |
| Interest income | - | 2 | 2 | 70 | 19 |
| Gain on forgiveness of debt | 48,514 | - | - | - | - |
| **Net loss and comprehensive income loss for the period** | (149,033) | (147,269) | (203,287) | (369,275) | (194,710) |
| **Deficit, beginning of period** | (849,889) | (646,602) | (646,602) | (277,327) | (82,617) |
| **Deficit, end of period** | $ (998,922) | $ (793,871) | $ (849,889) | $ (646,602) | $ (277,327) |
| **Basic and diluted loss per common share** | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.03) | $ (0.14) |
| **Weighted average number of common shares outstanding** | 28,179,931 | 26,918,900 | 26,918,900 | 12,617,777 | 1,428,288 |

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

**CASTLE PEAK MINING LTD.**
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

| | *Capital Stock* | | | | | |
|---|---|---|---|---|---|---|
| | *Number of Shares* | *Amount* | *Shares allotted/ subscribed for* | *Contributed Surplus* | *Deficit* | *Shareholders' Equity* |
| Balance, December 31, 2006 | 1 | $ 1 | $ 8,000 | $ - | $ (82,617) | $ (74,616) |
| Share cancelled | (1) | (1) | - | - | - | (1) |
| Shares issued for cash | 1,575,000 | 1,575 | - | - | - | 1,575 |
| Funds advanced for share subscription | - | - | 252,000 | - | - | 252,000 |
| Shares allotted for acquisition of mineral properties | - | - | 1,964,600 | - | - | 1,964,600 |
| Net loss for the year | - | - | - | - | (194,710) | (194,710) |
| Balance, December 31, 2007 | 1,575,000 | 1,575 | 2,224,600 | - | (277,327) | 1,948,848 |
| Shares issued for cash | 5,628,200 | 742,300 | (260,000) | - | - | 482,300 |
| Shares issued for debt settlement | 250,000 | 25,000 | - | - | - | 25,000 |
| Shares issued for mineral properties | 19,465,700 | 1,964,600 | (1,964,600) | - | - | - |
| Share issuance costs | - | (2,100) | - | - | - | (2,100) |
| Net loss for the year | - | - | - | - | (369,275) | (369,275) |
| Balance, December 31, 2008 | 26,918,900 | 2,731,375 | - | - | (646,602) | 2,084,773 |
| Net loss for the year | - | - | - | - | (203,287) | (203,287) |
| Balance, December 31, 2009 | 26,918,900 | 2,731,375 | - | - | (849,889) | 1,881,486 |
| Shares issued for debt settlement | 4,098,350 | 819,670 | - | 243,349 | - | 1,063,019 |
| Net loss for the period | - | - | - | - | (149,033) | (149,033) |
| **Balance, September 30, 2010 (unaudited)** | **31,017,250** | **$ 3,551,045** | **$ -** | **$ 243,349** | **$ (998,922)** | **$ 2,795,472** |

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

**CASTLE PEAK MINING LTD.**
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

| | Nine Months Ended September 30, 2010 | Nine Months Ended September 30, 2009 | Year Ended December 31, 2009 | Year Ended December 31, 2008 | Year Ended December 31, 2007 |
|---|---|---|---|---|---|
| | (Unaudited) | (Unaudited) | | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Net loss for the period | $ (149,033) | $ (147,269) | $ (203,287) | $ (369,275) | $ (194,710) |
| Item not involving cash | | | | | |
| Gain on debt forgiveness | (48,514) | - | - | - | - |
| | (197,547) | (147,269) | (203,287) | (369,275) | (194,710) |
| Changes in non-cash working capital items: | | | | | |
| Receivables | (4,574) | (7,200) | (9,750) | (11,607) | (9,735) |
| Prepaid expenses | (6,730) | - | 2,138 | 362 | (2,500) |
| Accounts payable and accrued liabilities | 17,207 | (9,960) | 51,295 | 25,561 | - |
| Net cash used in operating activities | (191,644) | (164,429) | (159,604) | (354,959) | (206,945) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Mineral properties expenditures | (215,162) | (102,038) | (275,237) | (495,805) | (84,901) |
| Net cash used in investing activities | (215,162) | (102,038) | (275,237) | (495,805) | (84,901) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Capital stock allotted/subscribed for | - | - | - | - | 252,000 |
| Issuance of capital stock | - | - | - | 482,300 | 1,574 |
| Stock issuance cost | - | - | - | (2,100) | - |
| Loans payable | 85,000 | - | - | - | - |
| Due to related parties | 334,012 | 263,864 | 436,090 | 247,443 | 172,221 |
| Net cash provided by financing activities | 419,012 | 263,864 | 436,090 | 727,643 | 425,795 |
| **Change in cash during the period** | 12,206 | (2,603) | 1,249 | (123,121) | 133,949 |
| **Cash, beginning of period** | 15,961 | 14,712 | 14,712 | 137,833 | 3,884 |
| **Cash, end of period** | $ 28,167 | $ 12,109 | $ 15,961 | $ 14,712 | $ 137,833 |

**Supplemental disclosures with respect to cash flows** (Note 9)

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

(Expressed in Canadian Dollars)

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Castle Peak Mining Ltd. (the "Company") is in the business of exploration and development of mineral properties in Ghana, Africa. The Company was incorporated on September 13, 2006 under the laws of British Columbia, Canada.

Effective December 17, 2007 the Company acquired a 100% interest in mineral properties in Ghana in exchange for 16,055,000 shares of the Company's common shares. In addition, the Company agreed to issue 3,410,700 common shares for previous expenditures on the minerals properties.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs 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 profitable production.

The Company's consolidated financial statements are prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, as shown in the accompanying consolidated financial statements, the Company has sustained losses from operations since inception and has no current source of revenue. In addition, the Company has used, rather than provided, cash in its operations. As of September 30, 2010, the Company has utilized all of its available funding.

The 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.

| | September 30, 2010 | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|---|---|---|---|---|
| | (Unaudited) | | | |
| Deficit | $ (998,922) | $ (849,889) | $ (646,602) | $ (277,327) |
| Working capital deficiency | (269,233) | (968,057) | (489,533) | (129,653) |

On March 18, 2010, the Company entered into a Letter of Intent ("LOI") with Critical Capital Corporation ("Critical Capital") a Capital Pool Company as defined in the policies of the TSX Venture Exchange (the "Exchange") in which Critical Capital will acquire all of the Company's issued and outstanding common shares or otherwise complete a business combination with the Company (the "Acquisition"). The Acquisition, if completed, will constitute a Qualifying Transaction for Critical Capital under the policies of the Exchange. Under the terms of the LOI, Critical Capital will acquire all of the issued and outstanding common shares of the Company in exchange for the issuance of 18,000,000 common shares of Critical Capital. The Company will become Critical Capital's wholly-owned subsidiary. However, the transaction will result in a composition of senior management such that the Company will control Critical Capital. Referred to as a reverse takeover, the Company will be deemed to be the acquirer for accounting purposes.

## 1. NATURE AND CONTINUANCE OF OPERATIONS (cont'd…)

Critical Capital loaned the Company $25,000 upon signing of the LOI, and, subsequently, loaned an additional $60,000 to the Company with approval from the Exchange, which have been recorded in loans payable at September 30, 2010 - $85,000 (December 31, 2009 - $Nil). Subsequent to September 30, 2010, Critical Capital loaned an additional $50,000 to the Company with approval from the Exchange. The loans do not accrue interest, are repayable upon closing or if the transaction is terminated and are evidenced by promissory notes.

As a condition of the Acquisition, Critical Capital is required to complete a private placement to raise between $6,000,000 to $8,000,000 through the sale of units at $0.35 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. One full warrant will entitle the holder to acquire one common share at $0.50 per share and the warrants will expire one year from closing. Critical Capital may pay a finder's fee of up to 5% of gross proceeds in cash to parties at arm's length to the Company and Critical Capital who introduce purchasers in connection with the non-brokered portion of the private placement. Critical Capital has retained Raymond James Ltd. (the "Agent") as its agent to raise $1,848,350 of the private placement, on a commercially reasonable efforts basis. The Agent will be paid a commission of 7% of gross proceeds in cash and 7% in Agent's warrants. Each Agent's warrant entitles the Agent to acquire one common share of Critical Capital for a period of 12 months at a price of $0.50 per share. In addition, Critical Capital has agreed to issue to the Agent corporate finance warrants to purchase up to 50,000 common shares at a price of $0.50 per common share for a period of 12 months from the date of closing and pay to the Agent a corporate finance fee of $25,000 plus applicable taxes.

The LOI required the transaction to close by September 30, 2010, which was subsequently extended to March 31, 2011. Completion of this transaction is subject to a number of conditions, including but not limited to Exchange acceptance and satisfactory due diligence review.

A Share Purchase Agreement dated January 11, 2011, made among Critical Capital, the Company and the shareholders of the Company provides that Critical Capital will only be required to, as a condition of closing, obtain the signatures of at least 76% of the shareholders of the Company to the Share Purchase Agreement. The Share Purchase Agreement has been signed by Critical Capital, the Company and certain shareholders of the Company who hold an aggregate of over 99% of the shares of the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reflect the following significant accounting policies:

### Principles of consolidation

The consolidated financial statements include the accounts of the Company and its eight subsidiaries: (1) Canterbury Mining Company Limited ("Canterbury"), (2) Windsor Mining Company ("Windsor"), (3) Oxford Mining Company Limited, (4) Thames Mining Company, (5) Great Yorkshire Mining Company Limited, (6) Kensington Mining Company Limited, and (7) Castle Peak Mining Limited, (all of which the Company owns 100% of the shares), and (8) POW International Limited ("POW") of which the Company owns 83% of the shares. All of the subsidiaries are incorporated in Ghana.

All inter-company balances and transactions have been eliminated upon consolidation.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

### Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses reported during the year. Actual results may differ from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period which they actually become known.

Significant accounts that require estimates as the basis for determining the stated amounts include fair value of shares issued and future income taxes.

### Long-lived assets impairment

Long-lived assets are reviewed when changes in circumstances suggest their carrying values have become impaired. Management considers assets to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows to result from the use of the asset and its eventual disposition. If impairment is deemed to exist, the assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis.

### Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development and future profitable production or proceeds from the disposition thereof.

### Asset retirement obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which they incur and/or in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is also adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow.

As at September 30, 2010 (unaudited), December 31, 2009, 2008 and 2007, there are no material asset obligations.

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

### Basic and diluted loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. Potential issuable common shares were not included in the calculation as their inclusion would be anti-dilutive. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate.

### Income taxes

Income taxes are accounted for using the asset and liability method. Under this method current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for the differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized, using the substantially enacted tax rates expected to be in effect when the differences reverse.

### Stock-based compensation

The Company accounts for stock-based compensation expense using the fair value based method determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options. The fair value of direct awards of stock is determined by the quoted market price of the Company's stock. The value of such awards is charged to the statement of operations over the vesting period of the stock awards with an offsetting credit to contributed surplus except for options granted as consideration for share issue costs which are charged to share capital.

Consideration paid for shares on exercise of the stock options will be credited to share capital together with the amount of any contributed surplus that arose as a result of the grant of the exercised stock option.

No stock options were granted in the periods presented.

### Foreign currency translation

The Company's subsidiaries are integrated foreign operation and are translated into Canadian dollar equivalents using the temporal method. Under this method, monetary items are translated at the exchange rate in effect at the balance sheet date and non-monetary items are translated at historical exchange rates. Income and expense items are translated at the average exchange rate for the period. Translation gains and losses are reflected in the statement of operations

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

**Financial instruments - recognition and measurement**

All financial instruments are designated into one of the five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets, or other financial liabilities. Financial instruments, included on the balance sheet are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments and liabilities are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Amortization of premiums or discounts and losses due to impairment are included in current year net earnings (loss).

The Company classified its cash as held-for-trading which is measured at fair value. Accounts payable and accrued liabilities, notes payable and due to related parties are classified as other liabilities, all of which are measured at amortized cost.

**Comprehensive income**

Comprehensive income is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Gains and losses that would otherwise be recorded as part of net earnings are presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

The presentation of comprehensive income and its components in a separate financial statement is displayed with the same prominence as the other financial statements. Accumulated other comprehensive income is presented as a new category in shareholders' equity. The presentation of "accumulated other comprehensive loss" in the shareholders' equity section of the balance sheet is not required because the closing balance is $Nil.

**Accounting policy changes**

The Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

i) *Goodwill and intangible assets*

The CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section did not have a significant impact on the financial statements.

**2. SIGNIFICANT ACCOUNTING POLICIES** (cont'd…)

**Accounting policy changes** (cont'd…)

*ii) Financial instruments – disclosures*

In June 2009, the CICA Handbook Section 3862, Financial Instruments – Disclosures ("Section 3862") was amended to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on level 1 inputs of the fair value hierarchy.

**Recent accounting pronouncements**

*i) Business combinations*

In January 2009, the CICA issued Handbook Sections 1582 – Business Combinations, Section 1601 – Consolidated Financial Statements and 1602 – Non-controlling Interests which replaces CICA Handbook Sections 1591 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning June 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these sections, the other two sections must also be adopted at the same time.

*ii) International Financial Reporting Standards ("IFRS")*

In 2006, the Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has completed the diagnostic phase of planning for the implementation of IFRS. It has determined that the principal areas of impact will be IFRS I – first time adoption; presentation of financial statements; asset retirement obligations; impairment of assets; and share-based payments. The Company expects its detailed analysis of relevant IFRS requirements of IFRS I will be complete by the end of its fiscal quarter ending September 30, 2011, along with its determination of changes to accounting policies and choices to be made. The Company has not yet reached the stage where a quantified impact of conversion on its financial statements can be measured. The Company expects to complete its quantification of financial statement impacts by the end of its fiscal quarter ending September 30, 2011.

## 3. CAPITAL MANAGEMENT

The capital of the Company consists of items in shareholders' equity and related party loans. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. Funds are raised primarily through debt and equity financings. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year. The Company has entered into an agreement which will increase its capital subsequent to the reporting period. (Notes 1 and 12)

## 4. FINANCIAL RISK FACTORS

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. Cash is held with highly rated financial institutions and management believes the risk of loss to be remote. The Company has no significant concentration of credit risk arising from operations.

**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, 2010 (unaudited), the Company had cash balances of $28,167 (December 31, 2009 - $15,961, December 31, 2008 - $14,712 and December 31, 2007 - $137,833) and current liabilities of $343,921 as at September 30, 2010 (unaudited) (December 31, 2009 - $1,019,235, December 31, 2008 - $531,850 and December 31, 2007 - $283,846).

The Company has historically relied on equity financings and loans from related parties to satisfy its capital requirements. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing market conditions. The Company has entered into an agreement which will provide additional cash resources subsequent to the reporting period. (Notes 1 and 12)

**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.

## 4. FINANCIAL RISK FACTORS (cont'd…)

### Currency risk

For the periods presented, the Company's expenditures are predominantly in Canadian dollars. Future investments and development expenditures are expected to be paid primarily in Ghanaian Cedis and US dollars. The Company is exposed to currency risk fluctuations between the Canadian dollars to the Ghanaian Cedis and US dollars because it will receive funding in Canadian dollars, but expend its funds in Ghanaian Cedis and US dollars.

## 5. MINERAL PROPERTIES

The Company, directly or indirectly through its subsidiary companies, owns the right to seven prospecting licenses located in the Wassa-West District in the Western Region of the Republic of Ghana. The seven licenses are: (1) Ayiem, (2) Nkwanta, (3) Asuogya, (4) Essamang (Kedadwen / Esserman), (5) Dompim, (6) Bonsaso, and (7) Dompem.

The Company issued a total of 16,055,000 common shares with a value of $1,605,500 for the acquisition of the prospecting licenses in Ghana. The Company issued an additional 3,410,700 common shares with a value of $359,100 for additional acquisition costs on the properties that related to previous expenditures made by the sellers of the properties.

Canterbury owns a 95% interest in Ayiem and Essamang (Kedadwen / Esserman), and a 100% interest in Nkwanta and Asuogya, subject to 2.5% net smelter royalty ("NSR") to the vendor. The interests in the Nkwanta and Asuogya prospecting licenses are being disputed by the vendor and are subject to an arbitration ruling, see Note 11 for more information. POW, of which the Company owns 83% of the shares, owns a 100% interest in the Dompim prospecting license. Windsor owns a 90% interest in the Bonsaso prospecting license, subject to a 10% beneficial interest to the vendor, and a 100% interest in the Dompem prospecting license, subject to a 2.5% NSR to the vendor.

The Company does not own title to certain of its prospecting licenses. Title to the licenses are in the names of the respective vendors and transfer of title to the Company or its subsidiaries requires filing of appropriate documents and payment of appropriate filing fees with the Ghana Minerals Commission. Until title to the licenses are transferred to the Company, there is no guarantee that the Company's interest in the licenses will be obtained.

The Company is committed to expend, from time to time to the Minerals Commission for an extension of an expiry date of a prospecting license or a mining lease and the Environmental Protection Agency ("EPA") (of Ghana) for processing and certificate fees with respect to EPA permits. These commitments are not considered significant on an annual basis.

(Expressed in Canadian Dollars)

## 5. MINERAL PROPERTIES (cont'd…)

| | | Ghana |
|---|---|---|
| Balance, December 31, 2006 | $ | 29,000 |
| Acquisition costs | | 1,964,600 |
| Field costs | | 84,901 |
| Future income taxes | | 664,533 |
| | | 2,714,034 |
| Balance, December 31, 2007 | $ | 2,743,034 |
| Acquisition costs | | - |
| Contract labour | | 166,403 |
| Field costs | | 75,327 |
| Sampling and assaying | | 150,649 |
| Camp expenses | | 17,545 |
| Fuel and transportation | | 35,134 |
| Licenses and permits | | 5,330 |
| Consulting | | - |
| Professional fees | | 813 |
| Travel | | 18,609 |
| Office | | 25,995 |
| | | 495,805 |
| Balance, December 31, 2008 | | 3,238,839 |
| Acquisition costs | | 17,123 |
| Contract labour | | 145,833 |
| Field costs | | 13,474 |
| Sampling and assaying | | 7,077 |
| Camp expenses | | 22,241 |
| Fuel and transportation | | 17,915 |
| Licenses and permits | | 3,264 |
| Consulting | | 5,343 |
| Professional fees | | - |
| Travel | | 26,105 |
| Office | | 16,862 |
| | | 275,237 |
| Balance, December 31, 2009 | | 3,514,076 |
| Acquisition costs | | 15,519 |
| Contract labour | | 85,388 |
| Field costs | | 25,726 |
| Sampling and assaying | | 9,334 |
| Camp expenses | | 7,391 |
| Fuel and transportation | | 12,644 |
| Licenses and permits | | 207 |
| Consulting | | 12,885 |
| Professional fees | | 22,260 |
| Travel | | 9,663 |
| Office | | 14,145 |
| | | 215,162 |
| Balance, September 30, 2010 | $ | 3,729,238 |

## 6. CAPITAL STOCK

During the nine months ended September 30, 2010, the Company issued 4,098,350 common shares at $0.20 per share with a value of $819,670 for settlement of debt totaling $1,063,019, and recognized $243,349 in contributed surplus as all debts settled were with related parties (unaudited).

During the year ended December 31, 2008, the Company issued the following common shares:

a) Issued 3,685,000 common shares at $0.10 per share for cash consideration of $368,500.

b) Issued 823,200 common shares at $0.25 per share for cash consideration of $205,800.

c) Issued 1,120,000 common shares at $0.15 per share for cash considerations of $168,000.

d) Issued 250,000 common shares at $0.10 per share for settlement of debt totaling of $25,000.

e) Issued a total of 19,465,700 common shares with a value of $1,964,600 for acquisition of mineral properties. (Included 16,055,000 for the mineral properties acquired in fiscal 2007 and 3,410,700 for reimbursements of expenditures made by the seller)

During the year ended December 31, 2007, the Company:

a) Issued 1,575,000 common shares for $0.001 per share for gross proceeds of $1,575.

b) Received $252,000 in subscriptions for 2,520,000 common shares that were issued during the year ended December 31, 2008 at $0.10 per share.

c) Allotted 16,055,000 common shares at $0.10 per share for the acquisition of mineral properties of $1,605,500. The mineral property claims were received during the year ended December 31, 2007, however the shares were not issued until fiscal 2008. Accordingly, the value of the shares was included as shares allotted/subscribed for on the balance sheet.

d) Allotted 3,290,500 at $0.10 per share and 120,200 common shares at $0.25 per share for additional acquisition costs of mineral properties of $359,100 that related to previous expenditures made by the sellers of the properties. The mineral properties were acquired during the year ended December 31, 2007; however, the shares were not issued until fiscal 2008. Accordingly, the value of the shares was included as shares allotted/subscribed for on the balance sheet.

During the year end December 31, 2006, the Company:

a) Issued 1 common share for $1.00 per share for gross proceeds of $1.

b) Received $8,000 in subscriptions in advance for 80,000 common shares that were issued during the year ended December 31, 2008.

(Expressed in Canadian Dollars)

## 6. CAPITAL STOCK (cont'd…)

**Stock options and warrants**

For the periods presented, the Company does not have any options or warrants outstanding. No stock options or warrants have been granted to date.

## 7. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related parties that are not disclosed elsewhere in the consolidated financial statements:

| | September 30, 2010 (Unaudited) | September 30, 2009 (Unaudited) | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|---|---|---|---|---|---|
| Consulting fees expense – a director of the Company | $ 60,000 | $ 90,000 | $ 120,000 | $ 120,000 | $ 45,000 |
| Consulting fees – former director | - | - | - | - | 70,875 |
| Director fees | - | - | - | 45,000 | - |
| Management fees – a Company controlled by former CFO | 18,000 | 54,000 | 72,000 | 72,000 | 12,000 |
| Professional fees – a law firm in which a director is a partner of | 69,368 | - | - | 39,393 | 41,046 |
| Reimbursements – reimbursements of expenditures – mineral properties | 64,050 | 109,467 | 243,491 | - | - |
| Debt settlement – debt settled through the issuance of common stock | 1,063,019 | - | - | 25,000 | - |
| Amount owing to related parties | 213,372 | 770,153 | 942,379 | 506,289 | 283,846 |

The transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the parties.

The amounts owing to related parties is non-interest bearing with no fixed terms of repayment.

(Expressed in Canadian Dollars)

## 8. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

| | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|---|---|---|---|
| Loss for the year | $ (203,287) | $ (369,275) | $ (194,710) |
| Expected income tax recovery | $ (60,986) | $ (110,783) | $ (58,413) |
| Unrecognized benefit of non-capital losses | 60,986 | 110,783 | 58,413 |
| Total income tax recovery | $ - | $ - | $ - |

The significant components of the Company's future tax assets are as follows:

| | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|---|---|---|---|
| Non operating loss carry forwards – Canada | $ 191,818 | $ 140,996 | $ 48,678 |
| Mineral properties – Ghana | (664,533) | (664,533) | (664,533) |
| Less: valuation allowance | (191,818) | (140,996) | (48,678) |
| Net future tax liabilities | $ (664,533) | $ (664,533) | $ (664,533) |

As at December 31, 2009, the Company has non-capital losses of approximately $855,000 which may be carried forward and applied against taxable income in future years. These losses will expire through 2030. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance.

## 9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

| | September 30, 2010 (Unaudited) | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|---|---|---|---|---|
| Cash paid during the year for interest | $ - | $ - | $ - | $ - |
| Cash paid during the year for income taxes | $ - | $ - | $ - | $ - |

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

The significant non-cash transaction for the nine month period ended September 30, 2010 (unaudited) was the issuance of 4,098,350 common shares to settle debt totalling $1,063,019. (Note 6)

There were no significant non-cash transactions for the years ended December 31, 2009 and 2008 other than the issuance of 250,000 shares for settlement of $25,000 of liabilities during fiscal 2008.

The significant non-cash transactions for the year ended December 31, 2007 was the allotment of 16,055,000 common shares valued at $1,605,500, which were issued in fiscal 2008, as consideration for the acquisition of mineral properties and the allotment of 3,410,700 common shares valued at $359,100, which were issued in fiscal 2008, for additional acquisition costs of mineral properties that related to previous expenditures made by the sellers of the properties. (Note 6)

## 10. SEGMENTED INFORMATION

The Company's one reportable operating segment is the exploration and development of mineral properties in Ghana.

## 11. EXISTING DISPUTE ON THE NKWANTA AND ASUOGYA LICENSES

There is an ongoing dispute relating to the Company's ownership to the Nkwanta and Asuogya properties, with the vendor of the two properties, Netas Mining Company Limited ("Netas") (a company that is owned by a local Ghanaian businessman). The Company has petitioned to the Minister of Lands and Natural Resources to rule on the validity of the joint venture agreements with respect to the two concessions, and has filed a Notice of Arbitration with the Ghana Arbitration Centre with respect to the two concessions. The Company has also applied for an interlocutory injunction to restrain Netas from assigning their interests and rights to the two concessions and from allowing any third parties to work on the two concessions pending the determination of the dispute between the parties at arbitration. There is no assurance that the Company will be successful in the petition and there is no guarantee that the Minister of Lands and Natural Resources will rule in favour of the Company.

## 12. SUBSEQUENT EVENTS

a) As a condition of the Acquisition, Critical Capital is required to complete a private placement to raise between $6,000,000 to $8,000,000 through the sale of units at $0.35 per unit through a brokered and non-brokered private placement. Critical Capital has received $3,458,336 in share subscriptions proceeds for 9,880,960 units at $0.35 per unit and commitments of $1,903,383 for 5,438,237 units at $0.35 per unit pursuant to a non-brokered private placement. The brokered private placement of $1,848,350 for 5,281,000 units at $0.35 per unit has been fully subscribed. This private placement will be completed concurrently with the Qualifying Transaction. (Note 1)

b) In October 2010, Critical Capital loaned an additional $50,000 to the Company. The loan does not accrue interest, are repayable upon closing or if the transaction is terminated and are evidenced by promissory notes.

c) Subsequent to September 30, 2010, two directors of Critical Capital loaned $125,000 to the Company and related parties loaned $203,000 to the Company. The loans do not accrue interest, are repayable upon closing or if the transaction is terminated and are evidenced by promissory notes.

**12. SUBSEQUENT EVENTS** (cont'd…)

d) Subsequent to September 30, 2010, a 95% interest in the Ayiem and Essamang properties were assigned to the Company's wholly owned subsidiary Canterbury by the vendor, Foremost Mining Company Limited ("Foremost"), for consideration of US$45,000. An additional US$30,000 will be paid by Canterbury to Foremost for each of the properties assigned in the first and second anniversaries of the assignment.

**SCHEDULE C**
**PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE RESULTING ISSUER**

**CRITICAL CAPITAL CORPORATION**

**PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

**NOVEMBER 30, 2010**

**CRITICAL CAPITAL CORPORATION**
PRO-FORMA CONSOLIDATED BALANCE SHEET
(Unaudited)

| | Critical Capital Corporation as at November 30, 2010 | Castle Peak Mining Ltd. as at September 30, 2010 | Note | Pro-forma Adjustments | Pro-forma Consolidated |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash | $ 3,099,208 | $ 28,167 | 2(c) | $ 1,848,350 | $ |
| | | | 2(d) | (129,385) | |
| | | | 2(e) | (14,000) | |
| | | | 2(g) | (15,000) | |
| | | | 2(h) | 3,084,062 | |
| | | | 2(i) | (25,000) | |
| | | | 2(j) | 50,000 | |
| | | | 2(k) | (122,990) | 7,803,412 |
| Receivables | 12,704 | 39,791 | 2(e) | 3,000 | 55,495 |
| Prepaid expenses | - | 6,730 | | - | 6,730 |
| Loan receivable | 135,000 | - | 2(j) | (135,000) | - |
| **Deferred finance costs** | 26,000 | - | 2(e) | (14,000) | |
| | | | 2(g) | (12,000) | - |
| **Mineral properties** | - | 3,729,238 | | - | 3,729,238 |
| | $ 3,272,912 | $ 3,803,926 | | $ 4,518,037 | $ 11,594,875 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | | |
| **Current liabilities** | | | | | |
| Accounts payable and accrued liabilities | $ 71,365 | $ 45,549 | | $ - | $ 116,914 |
| Loan payable | - | 85,000 | 2(j) | (85,000) | - |
| Due to related parties | 106,288 | 213,372 | | - | 319,660 |
| | 177,653 | 343,921 | | (85,000) | 436,574 |
| **Future income tax liability** | - | 664,533 | | - | 664,533 |
| | 177,653 | 1,008,454 | | (85,000) | 1,101,107 |
| **Stockholders' equity** | | | | | |
| Shares allotted/subscribed for | 3,067,588 | - | 2(b) | (3,067,588) | - |
| Capital stock | 239,682 | 3,551,045 | 2(b) | (239,682) | |
| | | | 2(b) | 3,095,259 | |
| | | | 2(c) | 1,848,350 | |
| | | | 2(d) | (129,385) | |
| | | | 2(e) | (25,000) | |
| | | | 2(f) | (13,654) | |
| | | | 2(g) | (27,000) | |
| | | | 2(h) | 3,084,062 | |
| | | | 2(i) | (25,000) | |
| | | | 2(k) | (122,990) | 11,235,687 |
| Contributed surplus | 33,700 | 243,349 | 2(b) | (33,700) | |
| | | | 2(f) | 13,654 | |
| | | | 2(l) | 763,064 | 1,020,067 |
| Accumulated deficit | (245,711) | (998,922) | 2(b) | 245,711 | |
| | | | 2(l) | (763,064) | (1,761,986) |
| Total stockholders' equity | 3,095,259 | 2,795,472 | | 4,603,037 | 10,493,768 |
| | $ 3,272,912 | $ 3,803,926 | | $ 4,518,037 | $ 11,594,875 |

The accompanying notes are integral part of these pro-forma consolidated financial statements.

**CRITICAL CAPITAL CORPORATION**
PRO-FORMA CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

| | Critical Capital Corporation for the Three Months Ended November 30, 2010 | Castle Peak Mining Ltd. for the Nine Months Ended September 30, 2010 | Note | Pro-forma Adjustments | Pro-forma Consolidated |
|---|---|---|---|---|---|
| **EXPENSES** | | | | | |
| Consulting fees | $ 3,904 | $ 60,000 | | $ - | $ 63,904 |
| Management fees | - | 18,000 | | - | 18,000 |
| Office and miscellaneous | 20 | 2,356 | | - | 2,376 |
| Professional fees | 28,248 | 106,378 | | - | 134,626 |
| Salaries | - | 6,097 | | - | 6,097 |
| Stock-based compensation | - | - | 2(l) | 763,064 | 763,064 |
| Transfer agent and filing fees | 1,586 | - | | - | 1,586 |
| | (33,758) | (192,831) | | (763,064) | (989,653) |
| **OTHER ITEMS** | | | | | |
| Foreign exchange loss | - | (4,716) | | - | (4,716) |
| Gain on forgiveness of debt | - | 48,514 | | - | 48,514 |
| | - | 43,798 | | - | 43,798 |
| **Net loss and comprehensive loss for the period** | $ (33,758) | $ (149,033) | | $ (763,064) | $ (945,855) |

The accompanying notes are integral part of these pro-forma consolidated financial statements.

**CRITICAL CAPITAL CORPORATION**
PRO-FORMA CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

| | Critical Capital Corporation for the Year Ended August 31, 2010 (audited) | Castle Peak Mining Ltd. for the Nine Months Ended September 30, 2010 | Note | Pro-forma Adjustments | Pro-forma Consolidated |
|---|---|---|---|---|---|
| **EXPENSES** | | | | | |
| Consulting fees | $ 47,936 | $ 60,000 | | $ - | $ 107,936 |
| Management fees | - | 18,000 | | - | 18,000 |
| Office and miscellaneous | 114 | 2,356 | | - | 2,470 |
| Professional fees | 110,344 | 106,378 | | - | 216,722 |
| Salaries | - | 6,097 | | - | 6,097 |
| Stock-based compensation | 27,752 | - | 2(l) | 763,064 | 790,816 |
| Transfer agent and filing fees | 24,604 | - | | - | 24,604 |
| | (210,750) | (192,831) | | (763,064) | (1,166,645) |
| **OTHER ITEMS** | | | | | |
| Foreign exchange loss | - | (4,716) | | - | (4,716) |
| Gain on forgiveness of debt | - | 48,514 | | - | 48,514 |
| | - | 43,798 | | - | 43,798 |
| **Net loss and comprehensive loss for the period** | $ (210,750) | $ (149,033) | | $ (763,064) | $ (1,122,847) |

The accompanying notes are integral part of these pro-forma consolidated financial statements.

## 1. BASIS OF PRESENTATION

On March 18, 2010, Critical Capital Corporation ("Critical") entered into a letter of intent with Castle Peak Mining Ltd. ("Castle Peak") to acquire all of the issued and outstanding shares of Castle Peak (the "Acquisition"). The Acquisition will constitute Critical's qualifying transaction pursuant to the policies of the TSX Venture Exchange (the "Exchange"). In consideration for the Aquisition, Critical will issue 18,000,000 common shares from treasury in exchange for the 31,017,250 shares of Castle Peak currently outstanding.

The Share Purchase Agreement dated January 11, 2011, made among Critical, Castle Peak and the shareholders of Castle Peak provides that Critical will only be required to, as a condition of closing, obtain the signatures of at least 76% of the shareholders of Castle Peak to the Share Purchase Agreement. The Share Purchase Agreement has been signed by Critical, Castle Peak and certain shareholders of Castle Peak who hold an aggregate of over 99% of the shares of Castle Peak. The pro-forma consolidated financial statements have been prepared assuming 100% of the outstanding common shares of Castle Peak are acquired.

Castle Peak, directly or indirectly through its subsidiary companies, owns the right to seven prospecting licenses located in the Wassa-West District in the Western Region of the Republic of Ghana. The seven licenses are: (1) Ayiem, (2) Nkwanta, (3) Asuogya, (4) Essamang (Kedadwen / Esserman), (5) Dompim, (6) Bonsaso, and (7) Dompem.

Castle Peak owns a 95% interest in Ayiem and Essamang (Kedadwen / Esserman), and a 100% interest in Nkwanta and Asuogya, subject to 2.5% net smelter royalty ("NSR") to the vendor. The interests in the Nkwanta and Asuogya prospecting licenses are being disputed by the vendor and are subject to an arbitration ruling. Castle Peak owns an 83% interest in the Dompim prospecting license, a 90% interest in the Bonsaso prospecting license, subject to a 10% beneficial interest to the vendor, and a 100% interest in the Dompem prospecting license, subject to a 2.5% NSR to the vendor.

Critical is currently completing a private placement of up to 22,857,142 units at a price of $0.35 per unit, for aggregate gross proceeds of up to $8 million (the "Financing") through a brokered and non-brokered private placement. Each unit consists of one common share of Critical, and one-half common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of Critical at an exercise price of $0.50 for a period of 12 months from closing. Critical has retained Raymond James Ltd. (the "Agent") as its agent to raise $1,848,350 which forms the brokered part of the private placement. Critical will pay the Agent a commission of 7% of gross proceeds in cash and 7% in warrants. Each warrant will entitle the Agent to acquire a common share of Critical for a period of 12 months at a price of $0.50 per share. In addition, Critical has agreed to issue to the Agent corporate finance warrants to purchase up to 50,000 common shares at a price of $0.50 per common share for a period of 12 months from closing, pay to the Agent a corporate finance fee of $25,000 plus applicable taxes, and pay the Agent's reasonable legal fees and expenses. A deposit toward the corporate finance fee and estimated legal fees and expenses has been paid by Critical to the Agent in the amount of $26,000, which has been recorded as a deferred finance cost, of which $14,000 is non-refundable. The proceeds of the Financing will primarily be used to fund the costs associated with completing the Acquisition, the proposed work program on the Ghana properties and for general working capital purposes. Critical may pay a finder's fee of up to 5% of gross proceeds in cash to parties at arm's length to Critical and Castle Peak who introduce purchasers to Critical in connection with the non-brokered portion of the private placement.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance.

In preparing these unaudited pro-forma consolidated financial statements, no adjustments have been made to reflect additional costs or savings that could result from the transaction.

## 1. BASIS OF PRESENTATION (cont'd…)

These unaudited pro-forma consolidated financial are not necessarily indicative of the Company's financial position on closing the proposed acquisitions.

The unaudited pro-forma consolidated financial statements should be read in conjunction with the November 30, 2010 unaudited financial statements of Critical, the August 31, 2010 audited financial statements of Critical, and the September 30, 2010 unaudited consolidated financial statements of Castle Peak.

The unaudited pro-forma consolidated financial statements of the Company have been compiled from and include:

a) Unaudited balance sheet of Critical as at November 30, 2010 and the statement of loss, comprehensive loss and deficit for the three months then ended;

b) Unaudited statement of loss, comprehensive loss and deficit of Critical for the year ended August 31, 2010;

c) Unaudited consolidated balance sheet of Castle Peak as at September 30, 2010 and the consolidated statement of operations, deficit and comprehensive loss for the nine months then ended; and

d) the additional information set out in Note 2.

## 2. PRO-FORMA TRANSACTIONS

The pro-forma consolidated financial statements were prepared based on the following assumptions:

a) The unaudited pro-forma consolidated balance sheet gives effect to the acquisition of Castle Peak by Critical as if it had occurred on the dates presented. The unaudited pro-forma consolidated statements of operations give effect to the acquisition as if it occurred on the first day of the periods presented.

b) As consideration for 100% of the outstanding common shares of Castle Peak, Critical will issue 18,000,000 common shares from treasury in exchange for 31,017,250 shares of Castle Peak currently outstanding.

   As a result of the share exchange described above, the former shareholders of Castle Peak will acquire control of Critical. Accordingly, the acquisition constitutes a reverse takeover ("RTO") of Critical and is accounted for by the purchase method with the net assets of the Critical recorded at fair value at the date of acquisition.

   The cost of an acquisition should be based on the fair value of the consideration given, except where the fair value of the consideration given is not clearly evident. In such a case, the fair value of the net assets acquired is used.

The total purchase price of $3,095,259 has been allocated as follows:

| | |
|---|---|
| Cash | $ 3,099,208 |
| Receivables | 12,704 |
| Loans receivable | 135,000 |
| Deferred finance costs | 26,000 |
| Accounts payable and accrued liabilities | (71,365) |
| Due to related parties | (106,288) |
| | $ 3,095,259 |

## 2. PRO-FORMA TRANSACTIONS (cont'd…)

c) To record the completion of Critical's brokered private placement of 5,281,000 units at $0.35 per unit for gross proceeds of $1,848,350.

d) To record the Agent's commission of $129,385 paid on the brokered private placement in 2(c) (equal to 7% of proceeds raised).

e) To record the payment of $14,000 representing $11,000 of the balance owing of the corporate finance fee of $25,000 plus applicable taxes of $3,000 associated with the brokered private placement in 2(c) above.

f) To record the issuance of 419,670 agents warrants valued at $13,654 for financing fees associated with the brokered private placement in 2(c) above.

g) To record the payment of $15,000, representing the balance owing of the $27,000 of anticipated other expenses relating the brokered private placement in 2(c) above of which $12,000 had been paid as a deposit and recorded as a deferred finance cost as at November 30, 2010.

h) To record the proceeds of $3,084,062 associated with the completion of Critical's non-brokered private placement of 17,576,142 units at $0.35 per unit for gross proceeds of $6,151,650, of which $3,067,588 was received in advance.

i) To record an anticipated finders' fee of $25,000 on the non-brokered private placement in 2(h) above.

j) To eliminate $25,000 loaned from Critical to Castle Peak in March 2010, upon signing of the letter of intent and $60,000 loaned from Critical to Castle Peak during the period from June 1, 2010 to September 30, 2010 and $50,000 loaned from Critical to Castle Peak during the period from October 1, 2010 to November 30, 2010.

k) To record $122,990 of other anticipated fees associated with the Acquisition.

l) To record the stock-based compensation expense of $763,064 resulting from 3,350,000 stock options to be issued upon the closing of the Acquisition.

## 3. COMMON STOCK AND CONTRIBUTED SURPLUS

Capital stock as at November 30, 2010 in the unaudited pro-forma consolidated financial statements is comprised of the following:

| | Number of Shares | Capital Stock | Contributed Surplus |
|---|---|---|---|
| Authorized | | | |
| Unlimited common shares without par value | | | |
| Issued | | | |
| Capital stock of Castle Peak as at September 30, 2010 | 31,017,250 | $ 3,551,045 | $ 243,349 |
| Capital stock of Critical as at November 30, 2010 | 4,500,000 | 239,682 | 33,700 |
| Capital Stock of Castle Peak (Note 2(b)) | (31,017,250) | - | - |
| Capital stock of Critical (Note 2(b)) | - | (239,682) | (33,700) |
| Shares issued to acquire Castle Peak (Note 2 (b)) | 18,000,000 | 3,095,259 | - |
| Private placement (Note 2 (c)) | 5,281,000 | 1,848,350 | - |
| Share issuance costs (Note 2 (d)) | - | (129,385) | - |
| Share issuance costs (Note 2 (e)) | - | (25,000) | - |
| Share issuance costs (Note 2 (f)) | - | (13,654) | 13,654 |
| Share issuance costs (Note 2 (g)) | - | (27,000) | - |
| Private placement (Note 2(h)) | 17,576,142 | 3,084,062 | - |
| Share issuance costs (Note 2(i)) | - | (25,000) | - |
| Share issuance costs (Note 2(k)) | - | (122,990) | - |
| Issuance of stock options (Note 2(l)) | - | - | 763,064 |
| | 45,357,142 | $ 11,235,687 | $ 1,020,067 |

**3. COMMON STOCK AND CONTRIBUTED SURPLUS** (cont'd…)

**Stock options**

The pro-forma number of stock options outstanding as at November 30, 2010, are summarized as follows:

| | Number of Options | Exercise Price | | Expiry Date |
|---|---|---|---|---|
| Critical as at November 30, 2010 | 450,000 | $ | 0.101 | March 9, 2020 |
| Issued upon closing of the Acquisition as per Note 2 (l) | 3,350,000 | | 0.35 | 10 years from closing of the Acquisition |
| | 3,800,000 | | | |

**Warrants**

The pro-forma number of warrants outstanding as at November 30, 2010 are summarized as follows:

| | Number of Warrants | Exercise Price | | Expiry Date |
|---|---|---|---|---|
| Critical as at November 30, 2010 | 200,000 | $ | 0.10 | March 9, 2012 |
| Critical as per note 2(c) | 2,640,500 | $ | 0.50 | One year from closing of the brokered private placement |
| Critical as per note 2(f) | 419,670 | $ | 0.50 | One year from closing of the brokered private placement |
| Critical as per note 2(h) | 8,788,071 | $ | 0.50 | One year from closing of the non-brokered private placement |
| | 12,048,241 | | | |