

GRAND PEAK CAPITAL CORP.

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

GRAND PEAK CAPITAL CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION***(Unaudited - Expressed in Canadian dollars)*

	Note	June 30, 2022	September 30, 2021
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		200,095	397,229
Accounts receivable		3,000	10,898
Investments in warrants and options	4	477,461	2,020,530
Marketable securities	4	2,908,851	5,451,659
Loans and interest receivable	5	38,606	1,053,628
		3,628,013	8,933,944
Non-Current Assets			
Investment property	6	1,323,413	1,331,702
TOTAL ASSETS		4,951,426	10,265,646
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7	45,026	110,032
		45,026	110,032
Non-Current Liabilities			
Loan and interest payable	8	-	947,408
		-	1,057,440
SHAREHOLDERS' EQUITY			
Share capital	9	10,450,604	10,450,604
Deficit		(5,544,204)	(1,242,398)
TOTAL SHAREHOLDERS' EQUITY		4,906,400	9,208,206
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		4,951,426	10,265,646

Nature and continuance of operations

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On behalf of the Board on August 29, 2022:

"Tajinder Johal"
Tajinder Johal, Director

"Sonny Janda"
Sonny Janda, Director

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

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

	Three months ended June 30,		Nine months ended June 30,	
	2022	2021	2022	2021
Revenue				
Management fee income (Note 10, 12)	54,544	47,208	189,761	162,510
Net investment loss (Note 4)	(1,628,573)	(193,681)	(4,278,034)	(3,346,864)
Interest income	633	16,325	16,334	950,749
Rental income	6,762	3,022	15,799	14,589
Total loss	(1,566,634)	(127,126)	(4,056,140)	(2,219,016)
Expenses				
Consulting fees (Note 10)	14,700	1,700	52,100	25,707
Depreciation	2,763	2,763	8,289	8,289
Office and miscellaneous	5,355	2,835	43,593	22,588
Professional fees	5,000	15,450	37,112	42,450
Rent (Note 10)	9,000	8,880	27,000	26,880
Transfer agent and regulatory fees	4,954	10,133	22,405	47,912
Wages and benefits	14,453	14,002	45,156	43,800
Total operating expenses	56,225	55,763	235,655	217,626
Other items				
Interest and accretion expense	-	(54,567)	(14,619)	(323,887)
Foreign exchange gain (loss)	(2,810)	-	(1,929)	(8,142)
Gain on settlement of loan receivable	-	-	-	2,481,518
Others	-	-	6,537	-
Recovery of receivable	-	-	-	3,053
Recovery of loan receivables (Note 5)	-	-	-	7,133,403
Total gain (loss)	(2,810)	(54,567)	(10,011)	9,285,945
Net income (loss) and comprehensive income (loss)	(1,625,669)	(237,456)	(4,301,806)	6,849,303
Earnings (loss) per share, basic and diluted	(0.01)	(0.00)	(0.04)	0.06
Weighted average number of outstanding common share, basic and diluted	108,557,940	108,557,940	108,557,940	108,557,940

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

GRAND PEAK CAPITAL CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)***(Unaudited - Expressed in Canadian dollars)*

	Issued Common Shares				
	Number of Shares	Amount	Reserves	Deficit	Total
		\$	\$	\$	\$
Balance at September 30, 2020	108,557,940	10,450,604	238,541	(4,594,268)	6,094,877
Issuance of convertible debentures	-	-	120,156	-	120,156
Net income for the period	-	-	-	6,849,303	6,849,303
Balance at June 30, 2021	108,557,940	10,450,604	358,697	2,255,035	13,064,336
Balance at September 30, 2021	108,557,940	10,450,604	-	(1,242,398)	9,208,206
Net loss for the period	-	-	-	(4,301,806)	(4,301,806)
Balance at June 30, 2022	108,557,940	10,450,604	-	(5,544,204)	4,906,400

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

GRAND PEAK CAPITAL CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW***(Unaudited - Expressed in Canadian Dollars)*

Nine months ended June 30,	2022	2021
OPERATING ACTIVITIES	\$	\$
Net income (loss)	(4,301,806)	6,849,303
Adjustment for non-cash items:		
Realized loss (gain) on marketable securities	(1,188)	5,039,220
Unrealized loss (gain) on investments in warrants	595,775	1,113,189
Unrealized loss (gain) on marketable securities	3,683,447	(2,805,545)
Accretion	-	-
Interest expense	14,619	323,887
Interest income	(16,797)	(966,732)
Bad debt recovery	-	(3,053)
Depreciation	8,289	8,289
Foreign exchange loss (gain)	1,929	8,142
Gain on settlement of loan receivable	-	(7,133,403)
Recovery of loan receivable	-	(2,481,518)
Changes in non-cash working capital items:		
Accounts receivable	7,898	31,139
Prepays	-	-
Trade payables and accrued liabilities	(47,006)	47,262
Net cash flow provided by (used in) operating activities	(54,840)	30,180
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	7,853	1,526,085
Acquisition of marketable securities	(200,010)	(1,119,719)
Issuance of loan receivable	(37,973)	(1,006,000)
Repayment of loan receivable	1,049,863	-
Net cash flow provided by (used in) investing activities	819,733	(599,634)
FINANCING ACTIVITIES		
Proceeds from increase in loan payable	-	1,100,000
Repayment of loan payable	(962,027)	(593,307)
Net cash flow provided by (used in) investing activities	(962,027)	506,693
Change in cash during the period	(197,134)	(62,761)
Cash, beginning of period	397,229	425,155
Cash, end of period	200,095	362,394

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

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021***(Unaudited - Expressed in Canadian dollars)*

1. NATURE AND CONTINUANCE OF OPERATIONS

Grand Peak Capital Corp. (the “Company”) is incorporated under the Business Corporations Act of British Columbia and is a diversified industry investment company. The Company invests in high quality cash flow assets across multiple industries, including real estate ventures in Canada, USA, securities, and early-stage venture capital companies.

The Company is listed on the Canadian Securities Exchange (the “CSE”) and trades under the symbol “GPK”. The head office, principal address and records office of the Company are located at Suite 120 – 9648 128 Street, Surrey, British Columbia, Canada, V4K 3N3.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

The Company’s going concern is dependent on cashflow from its investments, or operations and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. As at June 30, 2022 the Company had a working capital of \$3,582,355 (2021/9/30 – \$8,823,912) and deficit of \$5,544,836 (2021/9/30 - \$1,242,398). Management believes that Company has sufficient resources to fund its business activities for at least the next 12 months. The Company’s financial success is dependent on its ability to identify, evaluate, negotiate, and exit investments in assets or businesses. These condensed consolidated interim financial statements have been prepared by management 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.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumptions inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended September 30, 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC”).

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 29, 2022.

Basis of Preparation

These financial statements have been prepared on historical cost basis except for financial instruments classified as and measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is also the Company’s and all its subsidiaries’ functional currency, unless otherwise indicated. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021***(Unaudited - Expressed in Canadian dollars)*

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**Basis of Consolidation**

These consolidated financial statements included the accounts of the Company and its wholly owned subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated upon consolidation.

Entity	Incorporation	Ownership Percentage	
		2022/6/30	2021/9/30
Grand Peak USA, Inc.	USA	100%	100%
Fruitridge 65, LLC	USA	100%	100%

Adoption of new accounting policies and new accounting pronouncements

The Company has not adopted new accounting policies since its recent year ended September 30, 2021.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**Significant Estimates and Assumptions**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if it affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

(i) Income taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future taxable income and the application of existing tax laws. To the extent that future taxable income differs significantly from estimates, the ability of the Company to realize deferred tax assets could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021***(Unaudited - Expressed in Canadian dollars)*

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**Significant Estimates and Assumptions (continued)****(ii) Valuation of share-based payments and derivative financial assets**

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and derivative financial assets (e.g. investments in warrants and options). Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

(iii) Impairment of financial assets at amortized cost and determining expected credit losses

The Company recognizes a loss allowance for expected credit losses on amounts receivable and loans receivable. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognises lifetime ECLs for amounts receivable and loans receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. Determining an allowance for expected credit losses ("ECLs") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest. Financial assets in this category include amounts receivable and loans receivables.

(iv) Fair value of private company investments

Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021***(Unaudited - Expressed in Canadian dollars)***4. INVESTMENTS****(a) Investments in warrants and options**

As at June 30, 2022, and September 30, 2021, the Company's investments in options and warrants consists of share-purchase warrants and stock options of Canadian public companies which are measured at fair value using the Black Scholes option pricing model. The fair values of the options and warrants are as follows:

Periods ended,	June 30, 2022	September 30, 2021
	\$	\$
Opening balance	2,020,530	405,932
Cost of acquisition	-	4,339,075
Increase of fair value before exercise of warrants	-	-
Exercise and expiry of warrants	-	(145,596)
Change in fair value	(1,543,069)	(2,578,881)
Ending balance	477,461	2,020,530

(b) Marketable securities

As at June 30, 2022 and September 30, 2021, the Company's marketable securities mainly comprise of investments in common shares of Canadian public companies. The Company designates its investment in common shares as fair value through profit or loss ("FVTPL"). The cost and fair values of the marketable securities are as follows:

	June 30, 2021	September 30, 2021
Cost	\$ 7,481,026	\$ 7,454,673
Fair value	\$ 2,908,851	\$ 5,451,659

(c) Net investment loss

The Company's net investment loss comprised of the following for the period ended June 30, 2022 and 2021:

	2022	2021
	\$	\$
Net realized gain (loss) on disposal of investments	1,188	(5,039,220)
Net change in unrealized gain (loss) on investments	(4,279,222)	1,692,356
Net investment loss	(4,278,034)	(3,343,864)

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021***(Unaudited - Expressed in Canadian dollars)***5. LOANS RECEIVABLE**

As at June 30, 2022, the Company's loan receivable comprised solely a loan of \$37,973. This loan receivable is unsecured, is payable on demand, and has an interest rate of 5% per annum.

As at September 30, 2021, the Company's loan receivable comprised of solely a loan of \$1,024,000 (US\$800,000) advanced to an arm's length entity. This loan receivable is unsecured, has a two-year term that will mature on January 27, 2023, and has an interest rate of 5% per annum. In January 2022, the Company received \$1,049,863 (US\$800,000 principal and US\$26,959) as the full repayment of this loan receivable.

Period ended	June 30, 2022	September 30, 2021
Balance, beginning of period (October 1, 2021 and 2020)	\$ 1,053,628	\$ 2,338,629
Loans advanced	37,973	1,269,280
Loans repaid	(1,049,863)	(253,946)
Interest income	16,797	52,678
Loss on early settlement	-	(4,833,676)
Recovery of loan receivable	-	2,481,518
Foreign exchange	(19,929)	(855)
Balance, ending of period (June 30, 2022 and September 30, 2021)	\$ 38,606	\$ 1,053,628

6. INVESTMENT PROPERTIES

The investment properties comprised of lots of vacant land and a rental house which is amortized over 27.5 years on a straight-line basis.

During the nine-month ended June 30, 2022, the Company did not acquire additional investment properties.

As at June 30, 2022, the Company estimated the fair value of these investment properties to be \$1,990,000.

	Building	Land	Total
Cost:	\$	\$	\$
Balance, September 30, 2020	303,904	697,674	1,001,578
Addition	-	352,226	352,226
Balance, June 30, 2022, and September 30, 2021	303,904	1,049,900	1,353,804
Depreciation:			
Balance at September 30, 2020	11,051	-	11,051
Depreciation	11,051	-	11,051
Balance at September 30, 2021	22,102	-	22,102
Depreciation	8,289	-	8,289
Balance, June 30, 2022	30,391	-	30,391
Net carrying amount at September 30, 2021	281,802	1,049,900	1,331,702
Net carrying amount at June 30, 2022	273,513	1,049,900	1,323,413

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021

*(Unaudited - Expressed in Canadian dollars)***7. TRADE PAYABLES AND ACCRUED LIABILITIES**

		June 30, 2022		September 30, 2021
Trade payable	\$	30,026	\$	85,032
Accrued liabilities		15,000		25,000
	\$	45,026	\$	110,032

On December 15, 2021, the Company and COMSovereign Holding Corp, (“COMS”) a US public Company, entered into a distribution agreement (the “Distribution Agreement”), whereby COMS has appointed the Company as the distributor of COMS’ inventory of telecom hardware and software (the “Products”). The term of the Agreement is 12 months which is automatically renewable for another 12 months. The Company has a non-exclusive, non-transferable right to distribute, sell, market, and support the Products in Canada and India, to Customers, agents, and regional distributors subject to Company's ability to fulfill its obligations under this Agreement.

As of June 30, 2022, the Company made an initial purchase of Products (“Initial Purchase”) whereby products initially purchased, if not sold by the Company within the first six months, may be returned for credit without penalty or refund if business is insufficient to off set. Given the consignment nature of the Distribution Agreement, the Company has not recorded inventory and accounts payable in connection with the Initial Purchase as at and during the nine months ended June 30, 2022.

On April 27, 2022, after all best efforts, the Company and COMS entered into an agreement to terminate this Distribution Agreement with the following terms:

- All the unsold Initial Purchase returned to COMS without penalty or fees
- The proceeds from the sale of the Initial Purchase was \$154,123. All the sales proceeds have been returned to COMS in April and May, 2022.
- The Company assigned all the receivables from the partial sale of the Initial Purchase to COMS. Consequently, the Company has not recognized sales revenue and accounts receivable during and as at the nine months ended June 30, 2022 from the sales of the Initial Purchase.

8. LOANS PAYABLE

During the year ended September 30, 2021, the Company borrowed from a lender an amount of \$1,100,000. This loan is unsecured, has an interest of 4% per annum, and will mature on January 26, 2023. The Company repaid the lender \$180,000 in June 2021. The Company fully repaid this loan, including the accrued interest in February 2022. Continuity is as follows: with, subsequent to the period ended December 31, 2021.

Period ended	June 30, 2022	September 30, 2021
	\$	\$
Balance, beginning of period	947,408	407,307
Loans borrowed	-	1,100,000
Repayment of loan and interest	(962,027)	(597,491)
Interest expense	14,619	37,592
Balance, ending of period	-	947,408

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021***(Unaudited - Expressed in Canadian dollars)*

9. SHARE CAPITAL**Authorized Share Capital**

Unlimited number of common shares without par value

Share Issuance

There was no share issuance nor redemption during the nine months ended June 30, 2022.

Stock Options

The Company has adopted a stock option plan whereby the Company may from time-to-time in accordance with the CSE requirements grant to directors, officers, employees and consultants, options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities.

There was no option outstanding at June 30, 2022, and September 30, 2021.

Dividend

On November 2, 2021, the Company declared a special dividend in kind to the shareholders of record at the close of business on November 5, 2021. Each shareholder will receive common shares of the Company's wholly owned subsidiary, Grand Peak USA, Inc., based on each shareholder's ownership of the Company on a pro-rata basis. The Company intends to list the common shares of Grand Peak USA, Inc. ("GPK USA Shares") on the OTCQB in the USA and the dividend (GPK USA Shares) will be delivered to shareholders upon the approval of the listing of the GPK USA shares.

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers. Details are as follows:

Nine months ended June 30,		2022	2021
Two companies related to a director	Management fees income	\$ 99,936	\$ 95,037
CFO	Consulting fees expense	19,200	-
A company related to a director	Office rent expense	\$ 27,000	\$26,880

As at June 30, 2022, the Company has an amount of \$25,200 owing to related parties (2021/9/30 - \$49,582) that was included in the Company's accounts payable and accrued liabilities.

11. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021***(Unaudited - Expressed in Canadian dollars)*

11. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)**Market Risk***Marketable Securities*

Market risk is the risk that the fair value of, or future cash flows from the Company's investment in marketable securities will significantly fluctuate because of changes in marketplaces. The Company is exposed to market risk or equity risk or equity price risk in trading its investment and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company marks its investments to market in accordance with accounting policies at each reporting period. This process could result in significant write-downs of the Company's investment over one or more reporting periods, particularly during periods of declining resource markets.

Market risk includes price risk, interest rate risk and currency risk as well as factors specific to an individual investment or its issuer or risk specific to a certain market. Market risk is managed principally through diversification of investments. Management monitors the overall market risk position on a quarterly basis.

Investment Properties

The Company is exposed to market risk for its investment properties in relation to the changes in market price for fair value of the investment properties.

Price Risk

The Company is exposed to price risk in relation to listed marketable securities and warrants held as FVTPL investment. For the period ended June 30, 2022, a 10% change in the closing price of its marketable securities would result in a change in earnings of \$291,000.

Interest Rate Risk

Interest risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is minimal as the Company does not have variable interest-bearing asset or debt.

Currency Risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk on cash, marketable securities and loans receivables denominated in United States dollars. On June 30, 2022, a hypothetical change of 10% in foreign exchange rates would have an effect of \$2,200 on net loss and comprehensive loss.

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 loans receivable and accounts receivables. The Company's secondary risk is its cash. The Company evaluates the creditworthiness of the counterparty and the value of any collateral. The Company mitigates its credit risk by only providing loans to counterparties whereby the Company has detailed knowledge about their business operations and strategy. Cash is deposited in bank accounts held with a major bank in Canada. A significant amount of the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit financial institutions as determined by rating agencies.

Concentration risk

Concentration risk is the risk that any investment or group of investments will have the potential to materially affect the operating results of the Company. As at June 30, 2022, the Company's top five equity investments, all in the mining and technology sector, had a fair value of \$2,275,000. This represents 45.95 % of the Company's total assets.

GRAND PEAK CAPITAL CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

THREE AND NINE MONTHS ENDED JUNE 30, 2022 AND 2021

*(Unaudited - Expressed in Canadian dollars)***11. FINANCIAL RISK AND CAPITAL MANAGEMENT (Continued)****Liquidity Risk**

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, taking into account its anticipated cash flows from operations and its holding of cash.

Classification of Financial Instruments

Financial assets and liabilities of the Company are as follows:

	Fair value measurement	Classification	June 30, 2022	September 30, 2021
			\$	\$
Financial assets:				
Accounts receivable		Amortized cost	3,000	10,898
Loan receivables		Amortized cost	38,606	1,053,628
Cash		Amortized cost	200,095	397,229
Investment in warrants and options	Level 2	FVTPL	477,461	2,020,530
Marketable securities	Level 1 and 2	FVTPL	2,908,851	5,451,659
Financial liabilities:				
Accounts payable and accrued liabilities		Amortized cost	45,026	110,032
Loans and interest payable		Amortized cost	-	947,408

Fair Value

The fair value of the Company's financial assets and liabilities approximate the carrying amount whether due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quote 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.

Investments consist of common shares and share-purchase warrants of public and private companies (Notes 4). Investments in common shares of public companies are measured using level 1 fair value measurements. Investments in share-purchase warrants and options are measured using level 2 fair value measurements as the fair value estimate incorporates the use of option pricing models. Investments in private companies are measured using level 3 fair value measurements as the fair value estimate incorporates the use of non-observable market inputs.

12. MAJOR CUSTOMER

During the six months ended June 30, 2022, the Company earned management fee income of \$89,825 from one customer which was approximately 47% of the total management fee income during the period.