



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

**For the three months ended
March 31, 2016**

NOTICE TO READER

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

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of management.

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

CASTLE PEAK MINING LTD.
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March 31, 2016
(Expressed in Canadian Dollars)

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CASTLE PEAK MINING LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

(unaudited)

AS AT

	March 31, 2016	December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,018	\$ 34,319
Receivables	1,815	2,682
Prepaid expenses	7,632	10,326
	14,465	47,327
Non-current assets		
Equipment (Note 4)	-	5,229
Exploration and evaluation assets (Note 5)	18,552,981	19,603,810
	\$ 18,567,446	\$ 19,656,366
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 333,541	\$ 240,235
Loans due to related parties (Note 7)	117,934	117,934
	451,475	358,169
Equity		
Capital stock (Note 8)	17,133,602	17,133,602
Other equity reserve (Note 8)	4,001,075	4,001,075
Non-controlling interest	(7,225)	(7,225)
Accumulated other comprehensive income	3,838,935	4,950,158
Deficit	(6,850,416)	(6,779,413)
	18,115,971	19,298,197
	\$ 18,567,446	\$ 19,656,366

Nature of operations (Note 1)**Basis of presentation and going concern (Note 2)****Approved on May 26, 2016 on behalf of the Board of Directors:**"Brian Lock"

Brian Lock, Chairman of the Board of Directors

"Jurgen Eijgendaal"

Jurgen Eijgendaal, Director

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

CASTLE PEAK MINING LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(unaudited)

	Three months ended March 31, 2016	Three months ended March 31, 2015
EXPENSES		
Depreciation (Note 4)	\$ 2,061	\$ 2,278
Investor relations	180	332
Office and administrative	4,654	5,946
Rent and occupancy costs	5,756	4,205
Salaries and benefits	50,591	69,342
Transfer agent, filing and regulatory	7,761	7,665
Travel	-	6,730
	<u>(71,003)</u>	<u>(96,498)</u>
Foreign exchange loss	-	(1,420)
Net loss for the period	<u>(71,003)</u>	<u>(97,918)</u>
Translation adjustment	<u>(1,111,223)</u>	<u>1,436,301</u>
Comprehensive income (loss) for the period	<u>\$ (1,182,226)</u>	<u>\$ 1,338,383</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding – basic and diluted	<u>116,096,693</u>	<u>116,096,693</u>

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

CASTLE PEAK MINING LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

(unaudited)

	Capital Stock		Other Equity Reserve (Note 8)	Non-controlling Interest	Accumulated Other Comprehensive Income	Deficit	Total Equity
	Number of Shares	Amount					
Balance, December 31, 2014	116,096,693	\$ 17,133,602	\$ 4,001,075	\$ (7,225)	\$ 2,086,694	\$ (6,455,928)	\$ 16,758,218
Net loss for the period	-	-	-	-	-	(97,918)	(97,918)
Translation adjustment	-	-	-	-	1,436,301	-	1,436,301
Balance, March 31, 2015	116,096,693	\$ 17,133,602	\$ 4,001,075	\$ (7,225)	\$ 3,522,995	\$ (6,553,846)	\$ 18,096,601
Balance, December 31, 2015	116,096,693	\$ 17,133,602	\$ 4,001,075	\$ (7,225)	\$ 4,950,158	\$ (6,779,413)	\$ 19,298,197
Net loss for the period	-	-	-	-	-	(71,003)	(71,003)
Translation adjustment	-	-	-	-	(1,111,223)	-	(1,111,223)
Balance, March 31, 2016	116,096,693	\$ 17,133,602	\$ 4,001,075	\$ (7,225)	\$ 3,838,935	\$ (6,850,416)	\$ 18,115,971

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

CASTLE PEAK MINING LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(unaudited)

	Three months ended March 31, 2016	Three months ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (71,003)	\$ (97,918)
Items not involving cash:		
Depreciation	2,061	2,278
Changes in non-cash items:		
Receivables	839	(914)
Prepaid expenses	2,694	6,162
Accounts payable and accrued liabilities	52,392	(279,046)
Net cash used in operating activities	<u>(13,017)</u>	<u>(369,438)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from royalty agreement	-	575,000
Purchase of exploration and evaluation assets	<u>(18,039)</u>	<u>(237,030)</u>
Net cash provided by (used in) investing activities	<u>(18,039)</u>	<u>337,970</u>
Effect of exchange rate on cash and cash equivalents	<u>1,755</u>	<u>127,217</u>
Increase (decrease) in cash and cash equivalents during the period	(29,301)	140,749
Cash and cash equivalents, beginning of the period	<u>34,319</u>	<u>390,872</u>
Cash and cash equivalents, end of the period	\$ <u>5,018</u>	\$ <u>531,621</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 5,018	\$ 531,621
Short-term money market investments	<u>-</u>	<u>-</u>
	<u>\$ 5,018</u>	<u>\$ 531,621</u>

Supplemental disclosures with respect to cash flows (Note 9)

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

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2016

(unaudited)

1. NATURE OF OPERATIONS

Castle Peak Mining Ltd. (the "Company" or "Castle Peak") is in the business of exploration and evaluation of mineral properties in Ghana, Africa. Castle Peak, formerly Critical Capital Corporation ("Critical"), was incorporated under the laws of British Columbia on June 3, 2009, as a capital pool company. On March 4, 2011, the Company completed a qualifying transaction by acquiring Castle Peak Mining (2006) Ltd. (formerly Castle Peak Mining Ltd.) ("Castle Peak 2006"), a company incorporated on September 13, 2006 under the laws of British Columbia, Canada. The acquisition was accomplished through an exchange of shares which resulted in the former shareholders of Castle Peak 2006 obtaining control of the Company. This transaction constituted Critical's qualifying transaction in accordance with the policies of the TSX Venture Exchange ("TSX-V" or the "Exchange").

As a result of the share exchange, Castle Peak 2006 changed its name to Castle Peak Mining (2006) Ltd. and became Critical's wholly-owned subsidiary. Accordingly, the acquisition was considered a reverse takeover with Castle Peak 2006 being the acquirer of Critical, and the accompanying condensed interim consolidated financial statements are a continuation of the financial statements of Castle Peak 2006 while the capital structure is that of the Company. The Company commenced trading as Castle Peak Mining Ltd. on March 9, 2011 on the TSX-V, with the symbol CAP-V.

The address of the Company's corporate office and principal place of business is 29 - 1255 Riverside Drive, Port Coquitlam, British Columbia, Canada.

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance

The accompanying condensed interim consolidated financial statements, including comparatives have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting.

These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2015.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 26, 2016.

Basis of measurement

These condensed interim consolidated financial statements are presented in Canadian dollars except where otherwise noted.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments as fair value through profit and loss or available for sale, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

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2. BASIS OF PRESENTATION AND GOING CONCERN (cont'd...)**Critical accounting estimates, judgements and assumptions**

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts and disclosures of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from those estimates and such differences could be significant.

Critical judgments

The preparation of these condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in this note, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company and Castle Peak 2006 has been determined to be the Canadian dollar, while the functional currency of the Ghana Subsidiaries has been determined to be the United States dollar.

Key sources of estimation uncertainty

Significant estimates made by management affecting the condensed interim consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of share-based payments expense for the period along with the assumptions and model used for estimating fair value for share-based payment transactions are disclosed in Note 8.

Deferred tax assets & liabilities

The estimation of income taxes and liabilities includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets or liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets and liabilities, and deferred income tax provisions or recoveries could be affected.

Recoverability of exploration & evaluation assets

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2016

(unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended December 31, 2015, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

New standards adopted during the period

There were no new standards adopted during the nine month period ended March 31, 2016

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

4. EQUIPMENT

	Office Furniture & Equipment	Computer Hardware	Vehicles	Total
<u>Cost</u>				
Balance at December 31, 2014	\$ 48,189	\$ 29,604	\$ 12,036	\$ 89,829
Disposals for the year	(27,160)	-	-	(27,160)
Balance at December 31, 2015, and March 31, 2016	\$ 21,029	\$ 29,604	\$ 12,036	\$ 62,669
<u>Depreciation</u>				
Balance at December 31, 2014	\$ 29,664	\$ 23,275	\$ 12,036	\$ 64,975
Depreciation for the year	9,580	4,727	-	14,307
Disposals for the year	(18,898)	-	-	(18,898)
Balance at December 31, 2015	\$ 20,346	\$ 28,002	\$ 12,036	\$ 60,384
Depreciation for the period	3,428	1,602	-	5,030
Balance at March 31, 2016	\$ 23,774	\$ 29,604	\$ 12,036	\$ 65,414
Effect of foreign currency translation at December 31, 2015	\$ 2,944	\$ -	\$ -	\$ 2,944
Effect of foreign currency translation at March 31, 2016	\$ 2,745	\$ -	\$ -	\$ 2,745
<u>Carrying amounts</u>				
At December 31, 2015	\$ 3,627	\$ 1,602	\$ -	\$ 5,229
At March 31, 2016	\$ -	\$ -	\$ -	\$ -

During the period ended March 31, 2016, depreciation of \$2,969 (March 31, 2015 - \$1,192) was capitalized to exploration and evaluation assets.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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5. EXPLORATION AND EVALUATION ASSETS

Akorade Project

Castle Peak holds nine adjoining mineral concessions in the southern Ashanti belt in Ghana together named the Akorade Project through its wholly owned subsidiaries, unless otherwise noted. The licenses are known as Nkwanta, Asuogya, Ayiem, Kedadwen, POW, Bonsaso, Dompem, Enyianse and Great Yorkshire. Details of ownership, carried interest, and royalties are as follows:

- Nkwanta, Asuogya, Ayiem, and Kedadwen: subsidiary Canterbury owns a 95% interest in these concessions with the vendor retaining a 5% free carried interest. Each of these concessions is subject to a 1% net smelter return ("NSR") royalty in the favour of Sandstorm Gold Ltd.;
- POW: POW International, of which the Company owns 83% of the shares, owns a 100% interest in this prospecting license. This licence is subject to a 1% NSR held by Sandstorm Gold Ltd.;
- Bonsaso: subsidiary Windsor owns a 90% interest in this prospecting license, subject to a 10% beneficial interest to the vendor;
- Dompem: subsidiary Windsor owns a 100% interest in this prospecting license, subject to a 2.5% NSR to the vendor and a 1% NSR to Sandstorm Gold Ltd.;
- Great Yorkshire also known as Simpa: subsidiary Great Yorkshire owns a 100% legal and beneficial interest in this prospecting license.
- Enyianse: During the year ended December 31, 2015, the Company completed the option to acquire from Satemkon Mining Ltd. ("Satemkon"), a 100% interest in this prospecting licence. The license is subject to a 1.5% NSR held by the vendor and a 1% NSR held by Sandstorm Gold Ltd. During the year ended December 31, 2015, the Company made the final two payments of US\$20,000 each in July and September 2015. The total amounts paid to date for the acquisition of this prospecting license totalled US\$270,000.

Sale of royalty

In December 2014, the Company entered into a royalty agreement (the "Royalty Agreement") with a third party company pursuant to which Castle Peak will receive an aggregate amount of \$1,150,000 in exchange for a 1% net smelter returns royalty (the "Royalty") on the sale of minerals from the Akorade project in Ghana, excluding the Bonsaso license.

During the year ended December 31, 2014, the Company received \$575,000 on signing of the Royalty Agreement. Of the \$575,000 received in 2014, \$74,844 of costs related to the transaction were capitalized to the property. During the year ended December 31, 2015, the remaining \$575,000 was received in January 2015 upon registration of the Royalty Agreement with the applicable entities in Ghana.

Commitments

To keep its concessions in good standing, the Company is required to pay certain fees to the Minerals Commission of Ghana, including fees to renew or extend its prospecting and reconnaissance licenses, and to the Environmental Protection Agency ("EPA") of Ghana for processing and certificate fees with respect to EPA permits and forestry permits. These commitments are not considered significant on an annual basis. Under revised Mining Legislation minimum exploration expenditures are required to be expended on each licence based on the total number of cadastral units covered by the licence. These costs are currently considered to be significant and average approximately US\$53,000 per licence for Castle Peak's land holdings.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(unaudited)

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

These expenditures historically have been negotiable; and currently Castle Peak is seeking additional clarification as to carrying forward amounts in excess of the minimum expenditure as well as spreading minimum expenditure across adjacent or contiguous licences.

Although the Company has taken steps to verify the title to the prospecting licenses in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be affected by undetected defects.

As at March 31, 2016, certain of the Company's prospecting licenses are pending approval for their renewal. The Minerals Commission of Ghana has provided guidance indicating that the prospecting licenses are in good standing until the Company receives a letter from the Ministry of Lands and Natural Resources stating otherwise. Throughout the Company's operating history in Ghana, there are no known instances where the Ministry of Lands and Natural Resources has responded counter to the recommendation for approval from the Minerals Commission.

Exploration and evaluation assets expenditures related to the Company's interests in the Akorade Project are as follows:

	Akorade Project	
Balance at December 31, 2014	\$	16,855,847
Additions for the year:		
Drilling and access		30,623
Geochemistry		6,802
Field logistics		43,584
Exploration salaries and wages		118,860
Contract labour		53,847
General and administrative		95,106
Land acquisition costs		53,576
Environmental, permitting and other		51,963
Proceeds from sale of royalty		(575,000)
Translation adjustment		2,868,602
		<u>2,747,963</u>
Balance at December 31, 2015	\$	19,603,810
Additions for the period:		
Exploration salaries and wages		25,293
Contract labour		7,912
General and administrative		2,994
Environmental, permitting and other		25,942
Translation adjustment		(1,112,970)
		<u>(1,050,829)</u>
Balance at March 31, 2016	\$	18,552,981

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

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

	Akorade Project	
Cumulative Balance at March 31, 2016:		
Drilling and access	\$	4,095,209
Geophysics		931,897
Geochemistry		529,495
Field logistics		1,224,757
Exploration salaries and wages		1,762,329
Contract labour		655,438
Exploration management and consulting services		507,526
General and administrative		1,617,627
Land acquisition costs		4,087,678
Environmental, permitting and other		611,076
Proceeds from sale of royalty		(1,150,000)
Transaction costs from royalty agreement		74,844
Translation adjustment		3,605,105
Balance at March 31, 2016	\$	18,552,981

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the periods ended March 31, 2016 and 2015, the Company entered into the following transactions with related parties and key management personnel that are not disclosed elsewhere in the condensed interim consolidated financial statements:

	Three months ended March 31, 2016	Three months ended March 31, 2015
Salaries and benefits paid to officers and senior management ⁽¹⁾	\$ 71,174	\$ 90,305

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

As at March 31, 2016, \$136,500 (December 31, 2015 - \$106,500) was owing to a director and officer of the Company and is included in accounts payable and accrued liabilities.

Amounts payable to related parties as included in accounts payable and accrued liabilities are non-interest bearing, unsecured, and have no fixed terms of repayment.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2016

(unaudited)

7. LOANS DUE TO RELATED PARTIES

As of March 31, 2016, \$117,934 (December 31, 2015 - \$117,934) was owing to three directors of the Company (the "Loans"). The Loans are unsecured and non-interest bearing with no set terms of repayment.

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

The Company is authorized to issue an unlimited number of common shares.

As at March 31, 2016, the Company had 116,096,693 common shares outstanding.

During the period ended March 31, 2016, and the year ended December 31, 2015, the Company had no share transactions.

Share purchase warrants

As at March 31, 2016, the Company had outstanding Warrants as follows:

Outstanding	Remaining Life (years)	Exercise Price	Expiry Date
40,000,000	0.28	\$0.10	July 9, 2016

There were no warrants issued during the nine month periods ended March 31, 2016 and 2015.

Stock optionsOption plan details

The Company has adopted a stock option plan (the "Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant share options to directors, officers, employees and consultants of up to 10% of the issued and outstanding common shares of the Company. Stock options granted under the Plan will have a term not to exceed ten years, have an option price not less than the market price on the grant date, and will not be assignable or transferable by the optionee.

The Company's Board of Directors, subject to the policies of the Exchange, may determine and impose terms upon which each option shall become vested, provided that, if the Company's common shares are listed on the TSX-V, options granted to consultants performing investor relations activities must vest in stages over 12 months with no more than 25% of the options vesting in any three month period.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2016

(unaudited)

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

Stock option transactions and the number of stock options outstanding are summarized as follows:

	<u>Weighted Average</u>	
	<u>Number of Options</u>	<u>Exercise Price</u>
Outstanding at December 31, 2014	4,447,500	\$0.26
Forfeited	(830,000)	\$0.30
Outstanding at December 31, 2015 and March 31, 2016	3,617,500	\$0.25

As at March 31, 2016, the following stock options were outstanding and exercisable:

Number of Options Outstanding	Number of Options Exercisable	Remaining Life (years)	Exercise Price	Expiry Date
1,312,500	1,312,500	1.72	\$0.15	December 18, 2017
450,000	450,000	3.94	\$0.10	March 9, 2020
1,790,000	1,790,000	4.94	\$0.35	March 7, 2021
65,000	65,000	5.29	\$0.52	July 13, 2021
3,617,500	3,617,500			

The Company recognizes share-based payments expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free rates, dividend yields, forfeiture rates, volatility factors, and expected life of the options. During the period ended March 31, 2016 and March 31, 2015, the Company recognized share-based payments expense of \$Nil on options vesting during the period.

There were no stock options granted during the three month period ended March 31, 2016 or during the year ended December 31, 2015.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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8. CAPITAL STOCK AND OTHER EQUITY RESERVE (cont'd...)**Other equity reserve**

The following is a summary of changes in other equity reserve:

	Gain from related party debt settlement	Options and agent's warrants	Warrants	Total
Balances at March 31, 2015, December 31, 2015 and March 31, 2016	\$ 243,349	\$ 1,287,092	\$ 2,470,634	\$ 4,001,075

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Three months ended March 31, 2016	Three months ended march 31, 2015
Cash paid (received) during the period for interest	\$ -	\$ -
Cash paid (received) during the period for income taxes	\$ -	\$ -

The following were significant non-cash transactions affecting cash flows from investing, and financing activities during the nine month period ended March 31, 2016:

- US\$66,572 of exploration and evaluation assets were included in accounts payable at March 31, 2016 (December 31, 2015 – \$45,218).
- \$2,969 of depreciation was capitalized to exploration and evaluation assets.

The following were significant non-cash transactions affecting cash flows from operating, investing, and financing activities during the three month period ended March 31, 2015:

- US\$43,727 of exploration and evaluation assets were included in accounts payable at March 31, 2015 (December 31, 2014 – US\$160,972).
- \$1,192 of depreciation was capitalized to exploration and evaluation assets.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2016

(unaudited)

10. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition, exploration and evaluation of exploration and evaluation assets in Ghana.

Geographical information is as follows:

		March 31, 2016	December 31, 2015
Equipment			
Canada	\$	-	\$ 2,061
Ghana		-	3,168
Total	\$	-	\$ 5,229
Exploration and evaluation assets			
Ghana	\$	18,552,981	\$ 19,603,810

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration and evaluation of its exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers components of equity in the management of capital.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

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(unaudited)

12. FINANCIAL INSTRUMENTS AND RISK FACTORS

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

The fair value of the Company's receivables, accounts payable and accrued liabilities and loans due to related parties approximate carrying value due to their short terms to maturity, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instrument, cash, is recorded at fair value, and under the fair value hierarchy is based on level one quoted prices in active markets for identical assets and liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to cash and receivables. Other than cash held by its subsidiary for its immediate operating needs in Ghana, the majority of the Company's cash are held with a major Canadian chartered bank and management believes the risk of loss to be remote. Receivables consist of input tax credits receivable from the Government of Canada. The Company does not believe it is subject to significant credit risk in relation to its receivables.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As at March 31, 2016, the Company had cash and cash equivalents of \$5,018 and current liabilities of \$451,475. The Company intends to raise additional equity financing or related party debt financing in the coming period to meet its obligations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalent 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.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2016

(unaudited)

12. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd...)**Market risk (cont'd...)****b) Currency risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company's expenditures are predominantly in Canadian dollars, US dollars, and Ghanaian cedis. The Company has financial assets and liabilities denominated in US dollars and Ghanaian cedis as at March 31, 2016. Based on the Company's net exposure as at March 31, 2016, a 10% depreciation or appreciation of the Canadian dollar against the US dollar and Ghanaian cedis would result in a change of approximately \$8,946 in Comprehensive Income (Loss).

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.