



CASTLE PEAK MINING LTD.

Management's Discussion & Analysis

For the three month period ended March 31, 2016

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") provides information that management considers to be relevant to an assessment and understanding of Castle Peak Mining Ltd.'s ("Castle Peak" or the "Company") financial condition as at March 31, 2016 and the results of its operations and cash flows for the three month period ended March 31, 2016 and follows the requirements of National Instrument 51-102 ("NI 51-102"). This discussion should be read in conjunction with the Company's unaudited consolidated financial statements and the related notes for the three months ended March 31, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the annual audited financial statements and the related notes for the year ended December 31, 2015 which have been prepared in accordance with IFRS. All dollar amounts included therein and in the following MD&A are expressed in Canadian Dollars unless otherwise noted.

We report in accordance with IFRS and the following disclosures, and associated consolidated financial statements, are presented in accordance with IFRS. This MD&A is prepared as at May 26, 2016 and includes certain statements that may be deemed "forward looking statements". We direct readers to the sections entitled "Risk Factors" and "Forward Looking Statements" in this MD&A.

Further information can be obtained from the Company's filings on the SEDAR website at www.sedar.com, or on the Company's website at www.castlepeakmining.com.

DEVELOPMENT OF THE BUSINESS

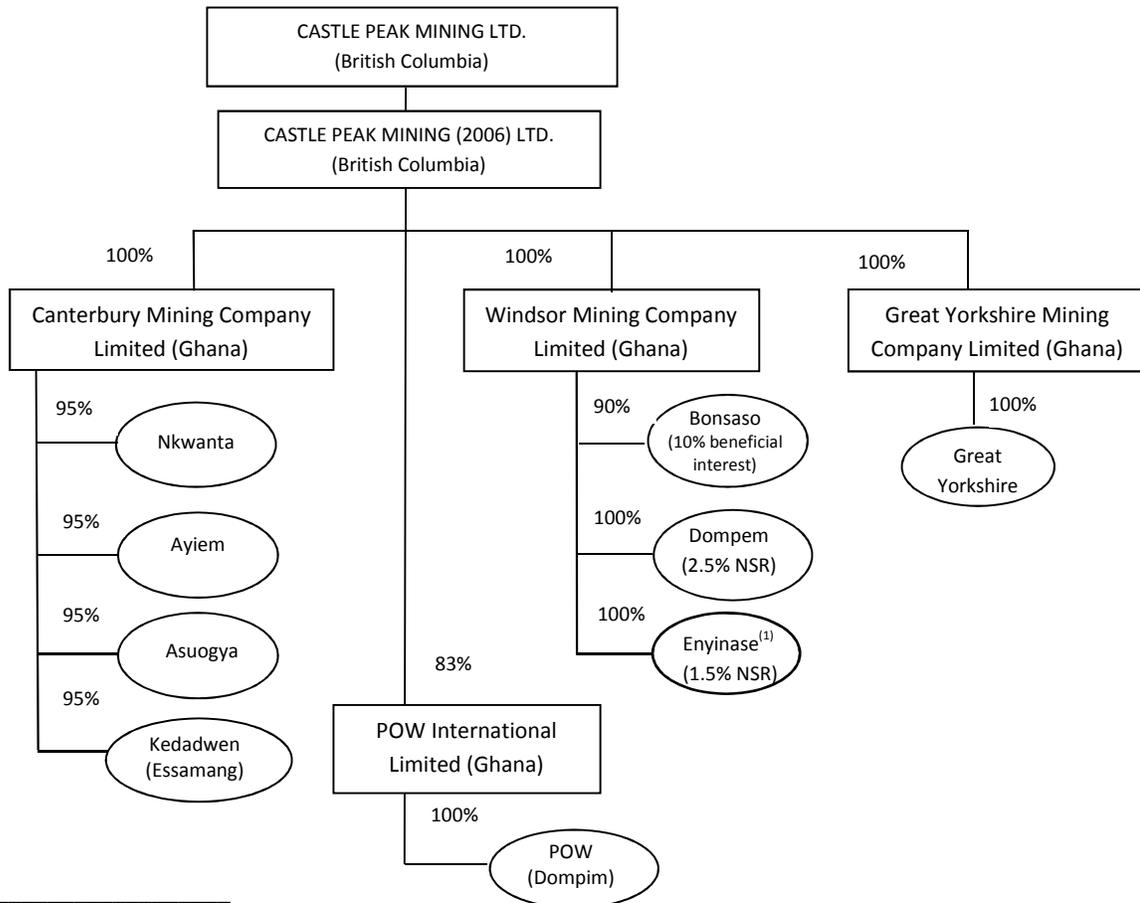
Castle Peak is a public, junior exploration company listed on the TSX Venture Exchange ("TSX-V") with the symbol CAP-V. The Company's Akorade Project comprises a strategic land package in the prolific Ashanti Gold Belt in Ghana, West Africa adjacent to several producing gold mines. The Company is focused on the acquisition, exploration and evaluation of early stage, high potential gold properties. The Company's material properties are the Nkwanta, Asuogya and Ayiem concessions located within the Company's Akorade gold project.

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, Critical 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-V.

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 therefore the accompanying consolidated financial statements are a continuation of the financial statements of Castle Peak 2006 while the capital structure is that of the Company. Upon completion of the acquisition, Critical changed its name to Castle Peak Mining Ltd. Concurrent with closing the acquisition, the Company completed a private placement financing for gross proceeds of \$8,000,000. The Company commenced trading as Castle Peak Mining Ltd. on March 9, 2011 on the TSX-V, with the symbol CAP-V.

Intercorporate Relationships

The following is a condensed chart which shows the Company's intercorporate relationships:



¹ The Enyinase prospecting license is under option-assignment.

PROJECT REVIEW

Akorade Project Description

The Akorade Project consists of nine contiguous mineral concessions covering a total of approximately 225 square kilometres ("km") situated within the Ashanti Gold Belt, south-west Ghana. The licenses are known as Nkwanta, Ayiem, Asuogya, POW, Kedadwen (Essamang), Bonsaso, Dompem, Enyinase and Great Yorkshire (Simpa). The Project is centrally located approximately 20 km south-west of the city of Tarkwa and 40 km north-northwest of the port city of Takoradi, and within 25 km there are three producing gold projects owned by major and intermediate gold producers (see Appendix 1). Ghana is now using a cadastral system for new tenement applications, where the country is divided into "blocks" that are 15 seconds of longitude by 15 seconds of latitude (approximately 21 hectares or 0.21 square kilometres in area). Full implementation of the cadastral system began in January 2012. It should be noted that Castle Peak's licences were granted prior to full implementation of the cadastral system, consequently the shapes of the licences do not conform to the cadastral system and will be adjusted as the licences are renewed.

The properties are early stage exploration properties. The Nkwanta concession is host to the Apankrah Deposit where the Company published, effective date of June 1, 2013, a preliminary inferred NI 43-101 compliant mineral

resource estimate of 275,000 tons at 8.6 g/t Au for a total of 76,000 contained ounces using a cut-off grade of 2.0 g/t Au, a capping grade of 50 g/t Au and a gold price of US\$1,400 per ounce.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. Mineral resources have been classified according to CIM Standards on Mineral Resources and Reserves. There are no known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources. The other concessions do not host known gold deposits or resources.

Seven of the nine licenses cover two key structural trends for gold deposits, the North-East ("N-E") Structure and the North-South ("N-S") Structure. The N-E Structure (Bonsaso, Dompem, Enyinase, Great Yorkshire, and the western portion of POW) runs along the largely underexplored southern Birimian-Tarkwaian structural corridor. Many large tonnage deposits have been mined along the northern Tarkwaian boundary, but potential is now being recognized along the southern Tarkwaian boundary (Akyem Mine, Newmont Ghana Ltd.). The N-S Structure (Nkwanta, Asuogya, Ayiem and the eastern portion of POW) hosts a 12 km long gold-in-soil anomaly, which lies immediately adjacent to Apankrah. The geological footprint appears to be analogous to what is known of the Nzema mine producing in close proximity to the Akorade Project. The Kedadwen license lies outside of these two main structural corridors; however, it covers an inferred auriferous ENE trending fault zone between the historic Asheba mine located immediately west of the license and the historic Kanyankaw mine located immediately east of the license.

The bedrock of south-west Ghana has a very thick overburden of tropical laterite, is poorly exposed and direct evidence is difficult to come by. That being said, successive mapping efforts by a variety of groups, including our mapping efforts, have been successful in locating sparse outcrops that provide map controls for inferred geological units resulting from geophysical interpretation. The Company's licenses cover Birimian metavolcanic and metasedimentary rock units that include massive mafic flows, volcanoclastic units, greywackes and phyllites. The Birimian sequences are broadly bounded to the east and south-west by granitoid bodies currently interpreted to be synchronous with the development of the volcanic stratigraphy. To the north, the Birimian volcanic units are structurally juxtaposed against the younger Tarkwaian sedimentary rock units that consist of interlayered conglomerates and sandstones.

There are four to five recognized structural events that have affected the southern Ashanti belt: an early N-S folding event (Tarkwaian sedimentation), large scale folding north-west to south-east, north-northwest to south-southeast shortening event with syn-sinistral strike slip faulting and finally a NE to SW shortening event with early bedding parallel shearing.

Project Highlights

Progress during the quarter ended March 31, 2016

During the quarter ended March 31, 2016, the Company continued to focus its efforts primarily on capital conservation, data compilation and Akorade target prioritisation and sourcing potential project partners.

Regional data compilation from earlier programs was completed with target modeling based on Ghanaian analogs and known mineralised trends resulting in completed internal 'Annual' reports for three licences with an additional one nearing completion. As of the date of this document additional field programs have been proposed to further define potential drill targets on newly evolving anomalies of interest which prioritise near surface bulk mineable style mineralisation models. The majority of the work completed this quarter involved initiating and/or completing annual reports on an individual prospecting licence level; these reports document all the work undertaken by the Company to date and provide proposed next steps in the evaluation of the prospecting licence. The results of this work provided a comprehensive list of targets requiring follow-up efforts that span the exploration activity range of basic ground-evaluation through drilling evaluation. Additional work prioritizing the resulting targets between the licences was also undertaken in order to be able to assess the best available targets in priority.

Six priority targets have been identified. These include three targets on the POW licence (POW-A1, A3, Dansuom East; Appendix 2a), one target spanning the Great Yorkshire and Enyinase licences (and trends into to the Akoko

North resource of Castle Minerals; Appendix 2b), a series of quartz veins within a 70ppb gold in spoil anomaly on the Dompem licence, and an 30m by 200m area of quartz tourmaline veining in the Kedadwen licence (on strike of the historic Asheba Mine). At this time the highest priority target is the Akoko-Enyinase-Great Yorkshire trend for the following reasons: the geophysical survey indicates the extension of a known shallow resource northwards, auger sampling has confirmed a coincident gold in soil anomaly with the geophysical anomaly, and it is located roughly 20km from both the Endeavour Mining (Adamus) mill and Anglogold-Ashanti Iduapriem mine site. Follow up programs for all of these targets have been proposed for the upcoming dry season which may include activities such as detailed auger sampling, trenching or drilling and will be dependent on the Company finding partners or raising additional capital.

The Apankrah Deposit and surrounding prospecting licences remain under discussion with third parties interested in continuing advanced work on the Deposit, however to date, no concrete agreement has been reached. Castle Peak continues to identify potential partners to advance the Apankrah Deposit as well as potential partners for advancing some of the high priority targets mentioned above through initial drill evaluation.

Previous Exploration

The Company has compiled and reviewed all historical stream, soil, auger sampling and trenching (335 stream samples, more than 12,355 soil samples) with the largest anomaly identified as the 9500m x 1000m anomaly on Asuogya-Ayiem trend on a +20km structure.

The Company has completed a 3,425 km airborne survey (VTEM, magnetics, radiometrics) over the entire land package. Approximately 32km of IP surveys and 65 km of magnetic surveys on a series of five target areas: Apankrah/Scorpio/Nana, Ayiem South, Ayiem North, the Asuogya-Ayiem trend and Great Yorkshire. Additionally a gradient and pole-dipole induced polarisation survey was completed over the Dansuom area covering approximately 3 km². Most recently, a gravity survey covering the entire Akorade Project area was completed by a third party.

In addition to the prospecting license level road cut channel sampling, a property wide multi-element soil survey was completed on 400m x 400m spacing in 2013 with compilation completed during the first quarter of 2014.

The Company has upgraded its regional geological understanding by creation of a geological fact map (a compilation of all available current and historical data varying from ground observations to geological and geophysical interpretations within and surrounding our land package) for the region and focused on Apankrah and high priority targets. Field traverses are undertaken to confirm the historical outcrop locations and observations in order to improve our base understanding. All newly identified information is regularly compiled into this evolving geological understanding which improves our ability to propose targets based on geological controls to potential mineralisation.

The latest passes of field reconnaissance completed on the Akorade Project partnered with the recent updated data compilations have identified more than 35 target areas within the Akorade Project area. Additional field activities are currently prioritized for target development within the N-E trend and the N-S trend. Exploration activities on all concessions are continually compiled and re-evaluated in order to prioritize the targets that have the strongest potential to provide Castle Peak with its next resource base.

Drill Evaluation

Castle Peak completed drill evaluations on initial priority targets within the Akorade Project. To date a total of 12,584 metres of diamond drilling has been completed with the bulk of this (7,600m) focused on the higher grade Apankrah Deposit. Other targets evaluated included two targets within the high potential N-S Structure at Dansuom (POW) and AA Veins (Asuogya-Ayiem). The drilling completed at Apankrah resulted in an initial resource estimate on the high grade Apankrah Deposit with coarse visible gold confirmed in additional mineralised trends: Scorpio structure, and Nana structure.

Drill highlights to date are summarized below:

Apankrah Target Area on the Nkwanta Concession:

A total of 43 holes totaling ~7,600m have been drilled on three identified targets. Drill highlights include:

Apankrah Deposit: (see Resources section)

Nana Structure:

- 0.5m of 10.3 g/t Au
- 3.0m of 1.9 g/t Au

Scorpio Structure:

- 16.5m of 1.1 g/t Au
- 13.0m of 1.0 g/t Au

N-S Trend Target Area on the POW, Asuogya and Ayiem Concessions:

Dansuom Structure (seven holes, ~900m):

- 10.8m of 2.9 g/t Au, incl. 3.6m of 8.0 g/t Au
- 16.5m of 0.7 g/t Au, incl. 6.9m of 1.2 g/t Au 15.0m of 0.6 g/t Au, incl. 4.5m of 1.6 g/t Au

Asuogya-Ayiem Structure, AA Veins target (18 holes, ~4000m):

- 16.5m of 1.1 g/t Au
- 13.0m of 1.0 g/t Au

The Akorade Project is an early stage exploration project and, with the exception of the initial resource estimate at the Akorade Project's Apankrah Deposit, does not contain any mineral resource estimates as defined by NI 43-101. The potential quantities and grades disclosed for targets other than the Apankrah Deposit are conceptual in nature and there has been insufficient exploration to define a mineral resource for those targets. It is uncertain if further exploration will result in any of those targets being delineated as a mineral resource. A full table of the drill results can be found on the Company's website www.castlepeakmining.com.

Resources

The Company has reported a NI 43-101 inferred mineral resource estimate prepared by S.M.Smith of SEMS Exploration ('SEMS') of Accra, Ghana for the Akorade Project in the southern Ashanti belt with an effective date of June 1, 2013. The technical report was amended and restated on March 3, 2014. The mineral resource estimate was calculated based on results from 20 of 33 drill holes totaling 4,253 metres of drilling in a series of parallel structures within the Apankrah Target Area. The inferred mineral resource estimate is as follows:

| Zone | Category | Tonnes | Grade (g/t Au) | Contained Ounces |
|----------------|-----------------|---------------|-----------------------|-------------------------|
| Apankrah Shoot | Inferred | 275,000 | 8.6 | 76,000 |

*Mineral resources are reported at a cut-off grade of 2 grams per tonne ('g/t') gold ('Au'). Cut-off grades are based on a price of \$1,400 USD/oz Au. All figures are rounded to reflect the relative accuracy of the estimate. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Mineral resources have been classified according to CIM Standards on Mineral Resources and Reserves.

The mineral resource estimate was prepared by SEMS to estimate the amount of gold defined to date within the Apankrah Deposit, which is situated immediately south of two parallel structures (Nana and Scorpio), where high grade mineralization with visible gold has been intersected in first pass drilling. Both the Nana and Scorpio structures require further drilling to confirm their potential to host mineral resources. Additional information is available on the Company's website (www.castlepeakmining.com) and on SEDAR.

Technical Information

On June 13, 2013, and as amended and restated on March 3, 2014, Castle Peak filed on SEDAR a NI 43-101 technical report entitled "Apankrah Project NI 43-101 Technical Report" supporting the preliminary mineral resource estimate of the Apankrah Target Area within the Akorade Project with an effective date of June 1, 2013. This report was prepared by Simon Meadows Smith (IOM3) of SEMS, who is a Qualified Person as defined by NI 43-101 and has reviewed and approved the contents of the information relating to the Apankrah Shoot resource in this MD&A. The analyses used in the preparation of the mineral resource estimate were carried out at SGS Laboratory Services ('SGS') in Tarkwa. All samples used for the mineral resource estimation represent approximately one-metre, orientated diamond drill core which was sawn in half. Half of the core has been stored in the on-site core yard and its counterpart sent for preparation and gold assaying by SGS. Samples were analyzed by 50g charge fire assay with an atomic absorption finish. Samples with visible gold or returning greater than 5 g/t Au from fire assay are subject to analysis using screen metallic assay. Sampling procedures included the systematic insertion of blanks, certified standards and duplicates into the sample stream both in the field and at the lab. SEMS conducted an independent review of Castle Peak's drill hole and QAQC databases and concluded that Castle Peak's gold assay data is of acceptable quality to be used for a mineral resource estimate and made certain recommendations for future QAQC protocols.

Castle Peak's technical disclosure in this MD&A relating to all other concessions and properties other than the Apankrah Deposit has been reviewed and approved by Darren Lindsay, P.Geo., Castle Peak's President and CEO, who serves as a Qualified Person under the definition in NI 43-101. The procedures include the systematic insertion of blanks, standards and duplicates into the sample stream both in the field and at the lab; drill, auger and road cut channel samples are placed in sealed bags and are delivered to SGS Laboratory Services GH Ltd. in Tarkwa, Ghana, for routine gold analysis by 50g charge fire assay with atomic absorption finish. Samples with visible gold or returning greater than 5 g/t Au from fire assay are subject to analysis using screen metallic assay. The properties other than the Apankrah Deposit, Nkwanta are early stage exploration projects and do not contain any mineral resources as defined by NI 43-101. The potential quantities and grades disclosed herein relating to such concessions and properties are conceptual in nature and there has been insufficient exploration to define a mineral resource for those targets disclosed herein. It is uncertain if further exploration will result in those targets being delineated as a mineral resource. Further information is available in the NI 43-101 compliant technical report dated February 14, 2011 and entitled "NI 43-101 Technical Evaluation Report on Nkwanta & Ayiem concessions, Wassa-West District, Republic of Ghana, West Africa" authored by Daniel Gaudreault, P.Eng. and Alain-Jean Beauregard, P.Geol. of Geologica Groupe-Conseil Inc., and in the NI 43-101 compliant technical report dated January 2, 2012 and entitled "NI 43-101 Technical Report on the Asuogya License, Ghana" authored by Gareth O'Donovan, Corporate Exploration Consultant, of SRK Exploration Services Ltd, copies of which are filed under the Company's profile on SEDAR at www.sedar.com.

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SELECTED ANNUAL INFORMATION

| | For the Years Ended | | |
|-------------------------------|---------------------|-------------------|-------------------|
| | December 31, 2015 | December 31, 2014 | December 31, 2013 |
| Expenses for the year | \$ 315,303 | \$ 535,814 | \$ 888,162 |
| Net loss for the year | (323,485) | (535,845) | (879,028) |
| Net loss per share | (0.00) | (0.00) | (0.01) |
| Exploration expenditures | 2,747,963 | 1,347,631 | 2,556,547 |
| Total assets | 19,656,366 | 17,326,152 | 16,440,198 |
| Capitalized exploration costs | 19,603,810 | 16,855,847 | 15,508,216 |
| Total liabilities | 358,169 | 567,934 | 400,630 |

SUMMARY OF QUARTERLY RESULTS

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

| | For the three months ended | | | |
|--|----------------------------|---------------|----------------|---------------|
| | Mar. 31, 2016 | Dec. 31, 2015 | Sept. 30, 2015 | Jun. 30, 2015 |
| Revenue for the period | \$ - | \$ - | \$ - | \$ - |
| Expenses for the period | 71,003 | 52,049 | 74,844 | 91,912 |
| Net loss for the period | (71,003) | (58,811) | (74,844) | (91,912) |
| Net loss per share | (0.00) | (0.00) | (0.00) | (0.00) |
| Exploration expenditures | (1,050,829) | 650,276 | 1,271,387 | (172,609) |
| Exploration expenditures (net of translation adjustment and proceeds of royalty agreement) | 62,141 | 81,695 | 105,796 | 136,544 |
| Total assets | 18,567,446 | 19,656,366 | 19,100,550 | 18,032,218 |
| Capitalized exploration costs | 18,552,981 | 19,603,810 | 18,953,534 | 17,682,147 |
| Total liabilities | 451,475 | 358,169 | 312,955 | 334,088 |

| | For the three months ended | | | |
|--|----------------------------|---------------|----------------|---------------|
| | Mar. 31, 2015 | Dec. 31, 2014 | Sept. 30, 2014 | Jun. 30, 2014 |
| Revenue for the period | \$ - | \$ - | \$ - | \$ - |
| Expenses for the period | 96,498 | 101,146 | 137,665 | 162,723 |
| Net loss for the period | (97,918) | (101,176) | (137,972) | (162,665) |
| Net loss per share | (0.00) | (0.00) | (0.00) | (0.00) |
| Exploration expenditures | 998,909 | 165,565 | 814,047 | (394,051) |
| Exploration expenditures (net of translation adjustment and proceeds of royalty agreement) | 130,326 | 146,348 | 116,508 | 98,484 |
| Total assets | 18,457,757 | 17,326,152 | 16,758,757 | 15,980,856 |
| Capitalized exploration costs | 17,854,756 | 16,855,847 | 16,690,282 | 15,876,235 |
| Total liabilities | 361,156 | 567,934 | 415,169 | 198,561 |

The Company is in the business of exploring and evaluating assets in Ghana, Africa and as a result has no revenues. Expenses consist of general corporate administrative costs not attributable to the exploration activities. All costs that are attributable to exploration activities are capitalized to the mineral concessions to which they relate.

Exploration expenditures fluctuate most significantly with drilling activity, and expenditures for the quarter ended March 31, 2016 were lower than quarters when drilling took place. Expenses for the three month period ended March 31, 2016 totaled \$71,003, an increase from the previous quarter mainly due an adjustment made during the previous quarter to expenses due to settling a balance due to a creditor. Total liabilities increased to \$451,475 at March 31, 2016, from \$358,169 at December 31, 2015, primarily due to increase in amounts owing to employees and creditors of the Company. Included in the liabilities balance is \$117,934 owing to three directors of the Company and \$136,500 in accrued wages to an officer of the Company.

RESULTS OF OPERATIONS

Three months ended March 31, 2016 compared to the three months ended March 31, 2015

The Company incurred a net loss of \$71,003 for the three months ended March 31, 2016 compared to a net loss of \$97,918 for the same period in the prior year.

Total expenses for the three months ended March 31, 2016 were \$71,003 compared to \$96,498 for the same period in the prior year reflecting the Company's efforts to reduce expenses.

Expenses for the three months ended March 31, 2016 included \$50,591 in salaries and benefits for Vancouver employees, lower than \$69,342 for the same period last year due to a reduction in staffing levels and salaries. For the three months ended March 31, 2016, the Company incurred \$4,654 for office and administrative expenses, lower than \$5,946 incurred for the same period in the prior year. The Company recorded \$5,756 in rent for its Vancouver office premises for the three months ended March 31, 2016, reflecting settlement of the Vancouver office lease, compared to \$4,205 for the same period in the prior year. The Company sub-leased it is office space in 1030 West Georgia St, in September 2014, in efforts to reduce expenses. The Company incurred \$7,761 for transfer agent, filing and regulatory costs for the three months ended March 31, 2016 in line with \$7,665 for the same period in the prior year. Other expenses for the three months ended March 31, 2016 included \$180 for investor relations compared to \$332 for the same period in the prior year. The Company recorded a foreign exchange loss of \$Nil for the three months ended March 31, 2016 compared to a foreign exchange loss of \$1,420 for the same period in the prior year mainly due to the translation of foreign currency denominated working capital items.

Exploration and Evaluation Asset Expenditures

Three months ended March 31, 2016 compared to the three months ended March 31, 2015

During the three months ended March 31, 2016, exploration and evaluation assets expenditures totaled \$(1,050,829) compared to \$998,909 for the three months ended March 31, 2015 as summarized in the following table:

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| | Three months ended March 31, 2016 | Three months ended March 31, 2015 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Drilling and access | \$ - | \$ 5,948 |
| Geochemistry | - | 153 |
| Field logistics | - | 24,568 |
| Exploration salaries and wages | 25,293 | 29,961 |
| Contract labour | 7,912 | 12,556 |
| General and administrative | 2,994 | 39,573 |
| Environmental, permitting and other | 25,942 | 17,567 |
| Proceeds from Royalty agreement | - | (575,000) |
| Translation adjustment | (1,112,970) | 1,443,583 |
| | \$ (1,050,829) | \$ 998,909 |

Excluding translation adjustment, transaction costs from royalty agreement and proceeds from royalty agreement, exploration and evaluation assets expenditures for the three month period ended March 31, 2016 decreased to \$62,141 from \$130,326 incurred for the same period in the prior year. During the three months ended March 31, 2016, the Company focused its efforts primarily on capital conservation, unlocking value of the high-grade Apankrah Shoot Deposit through discussions with potential partners and documenting all the work completed and targets identified to date on each prospecting licence.

The Company incurred \$Nil in field logistics for the three months ended March 31, 2016 compared to \$24,568 for the same period in the prior year. Exploration salaries and wages were \$25,293 for the three months ended March 31, 2016 compared to \$29,961 for the same period in the prior year. Contract labour was \$7,912 for the three months ended March 31, 2016 compared to \$12,556 for the same period in the prior year. General and administrative expenses, primarily related to costs associated with the Company's office in Ghana, were \$2,994 for the three months ended March 31, 2016, compared to \$39,573 for the same period in the prior year. The decrease was mainly due to lower communication, car rental, information technology and office expenses. Environmental, permitting and other costs totaled \$25,942 for the three months ended March 31, 2016, compared to \$17,567 for the same period in the prior year. To keep its concessions in good standing, the Company is required to pay certain fees to the Minerals Commission of Ghana, including fees to renew or extend its prospecting and reconnaissance licenses, and to the Environmental Protection Agency of Ghana ("EPA") for processing and certificate fees with respect to EPA permits and forestry permits. Fees accrued totaled US\$20,000 for the three months ended March 31, 2016 compared to US\$11,330 for the same period in the prior year.

The Company recorded a translation adjustment of \$1,112,970 resulting from the strengthening of the Canadian dollar against the US dollar during the three months ended March 31, 2016 compared to a translation adjustment of \$1,443,583 for the same period in the prior year. The translation adjustments are related to the translation of exploration and evaluation assets from US dollars, the functional currency of the Ghana subsidiaries, to Canadian dollars.

In December 2014, the Company entered into a royalty agreement (the "Royalty Agreement") with a royalty 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.

The Company received the proceeds for the grant of the Royalty on two instalments, 50% on signing of the Royalty Agreement in December 2014, with the remainder received in the first quarter of 2015 upon registration of the Royalty Agreement with the applicable entities in Ghana.

OUTLOOK

During the quarter ended March 31, 2016, the Company focused its efforts on two fronts: firstly, reviewing and documenting the work completed on the land package focussed on generating high potential, near term drill targets for bulk mineable style mineralisation and outlining the programs needed to bring these targets to drill ready, and secondly, continuing to unlock value in the shallow high grade Apankrah Deposit by reviewing changes in the local mining environment which has also included discussions with numerous parties interested in the advancement of the Apankrah Deposit on a small scale. These discussions focused on the high grade nature of the deposit, as well as the potential for extracting a small bulk sample that would provide abundant geological information on the controls of the mineralisation. To date no agreement has been reached.

Although the financing market for junior explorers is very challenging and there is no certainty that the Company will consummate a financing or partnership from the current discussions, we are very encouraged in the fact that parties are still interested in evaluating our land package and discussing its potential. The expectation is that the Company will be able to identify sufficient capital to maintain the land package in conjunction with identifying partners to share the exploration risk of these early stage targets.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2016, the Company had cash and cash equivalents of \$5,018 (December 31, 2015 - \$34,319) to settle current liabilities of \$451,475 (December 31, 2015 - 358,169). The Company expects to fund its liabilities, operations and operational activities through cash on hand, loans, and the issuance of capital stock.

As at March 31, 2016, the Company's cash and cash equivalents decreased by \$29,301 to \$5,018 from \$34,319 as at December 31, 2015. Cash of \$13,017 (2015 - \$369,438) was used for operating activities, and \$18,039 was used by investing activities (2015 - \$337,970 was provided by investing activities).

Net cash used in operating activities for the three month period ended March 31, 2016 was 13,017 (2015 - \$369,438). The cash used during the period consists primarily of the loss of \$71,003 (2015 - \$97,918) which includes non-cash expenses for depreciation of \$2,061 (2015 - \$2,278).

Net cash used in investing activities for the three month period ended March 31, 2016 was \$18,039 (2015 - \$337,970 provided by investing activities which includes receiving \$575,000; the proceeds for the second 50% the grant of the Royalty upon registration of the Royalty Agreement with the applicable entities in Ghana. Balance is cash used to finance the acquisition and exploration of exploration and evaluation assets).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

| | 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.

Salaries totaling \$71,174 were accrued to the officers and senior management of the Company for the three month period ended March 31, 2016 (March 31, 2015: \$90,305). These individuals include Darren Lindsay, President, CEO, and Director; Henry Sowah, Exploration Manager; and Iyad Jarbou, interim CFO.

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.

CRITICAL ACCOUNTING ESTIMATES

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

SIGNIFICANT ACCOUNTING POLICIES

For a complete summary of the Company's significant accounting policies, see Note 3 to the audited financial statements for the three month period ended December 31, 2015.

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 accounting periods beginning on or after January 1, 2015. 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.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

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.

RISK FACTORS

This MD&A does not include all of the information required for full risk factors discussion and should be read in conjunction with the Company's annual MD&A for the year ended December 31, 2015.

INTERNAL CONTROLS

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Castle Peak has undertaken to put into place a system of internal controls appropriate for its size, and reflective of its operations. The Company's certifying officers are responsible for establishing and maintaining disclosure controls and

procedures for the Company, and have concluded based on an evaluation as at March 31, 2016, that the disclosure controls and procedures for the Company are effective.

OUTSTANDING SHARE INFORMATION

Common shares, stock options and warrants issued and outstanding as at March 31, 2016 are described in detail in Note 8 to the audited condensed interim consolidated financial statements for the year ended December 31, 2015.

Summarized balances as at March 31, 2016 and May 26, 2016 are as follows:

| | March 31, 2016 | May 26, 2016 |
|-------------------------------------|-------------------|-----------------|
| Common shares outstanding | 116,096,693 | 116,096,693 |
| Stock options exercisable | 3,617,500 | 3,617,500 |
| Share purchase warrants exercisable | 40,000,000 | 40,000,000 |
| Fully-diluted | 159,714,193 | 159,714,193 |

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward looking information" within the meaning of applicable Canadian securities legislation. Forward looking information may include, but is not limited to, information with respect to our planned exploration and evaluation activities including generating new targets, costs and timing of future exploration, results of future exploration and drilling, potential development plans in the future, timing and receipt of approvals, consents and permits under applicable legislation, our executive compensation approach and practice, the composition of our board of directors and committees, and adequacy of financial resources. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward looking information. Forward looking information is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward looking information, including, without limitation:

- risks related to commodity price fluctuations, including gold price volatility;
- risks related to the exploration and evaluation of our mineral property including general operating risks;
- risks related to the fact that we are a new company with no exploration and evaluation assets in production or development and no history of production or revenue;
- uncertainties related to title to our exploration and evaluation assets and surface rights;
- risks and uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral deposits;
- risks related to governmental regulations, including environmental regulations;
- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- increased costs affecting the mining industry;
- increased competition in the mining industry for properties, qualified personnel and management;
- risks related to some of our directors' and officers' involvement with other natural resource companies;
- risks related to the delay in obtaining or failure to obtain required permits, or non-compliance with permits that have been obtained;
- risks related to our ability to obtain adequate financing for our planned exploration and evaluation activities and to complete further exploration programs;
- risks related to general economic conditions;
- recent market events and conditions; and

- currency fluctuations.

This list is not exhaustive of the factors that may affect any of our forward-looking information. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Forward-looking information involves statements about the future and is inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors. Our forward-looking information is based on the beliefs, expectations and opinions of management on the date the statements are made and we do not assume any obligation to update forward looking information, whether as a result of new information, future events or otherwise, other than as required by applicable law. For the reasons set forth above, prospective investors should not place undue reliance on forward looking information.

APPROVAL

Management is responsible for all information disclosed in the consolidated financial statements. The Board of Directors of Castle Peak Mining Ltd. has approved the disclosures contained in this MD&A.

POW - Where the corridors come together



2015 Auger drill anomalies

Next steps:

Trench across POW-A1/3

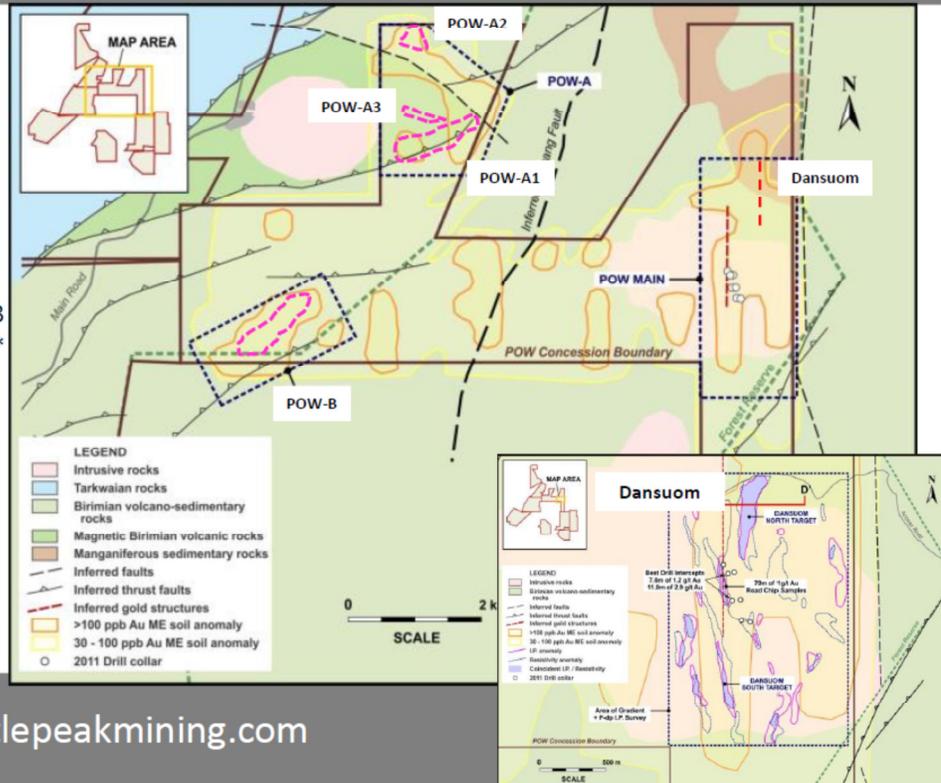
Trench across Dansuom*

RAB/RC fences

Map POW-A2

Infill auger POW-B

*In forest reserve



Great Yorkshire - geochemical/geophysical target



Akoko North-Enyinase-Simpa Trend

Coincident geochemical anomalies (1m soil and 4m auger) and geophysical anomalies (shallow and deep conductors from VTEM).

Next steps:
Auger grid on Enyinase,
Trenching wide spaced along trend,
RAB/RC fences dependent on trenching

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