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NEWS RELEASE

CASTLE PEAK ANNOUNCES A \$3 MILLION BROKERED PRIVATE PLACEMENT

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES

Vancouver, B.C., January 20, 2012 – Castle Peak Mining Ltd. ('Castle Peak' or the 'Company', TSX.V: CAP) announces that it has entered into an agreement with Euro Pacific Canada Inc. (the "Agent") to proceed with a private placement on a "best-efforts" agency basis for gross proceeds of up to \$3.0 million (the "Offering").

Under the terms of the Offering, the Company will offer for sale 12 million units ("Units") at \$0.25 per Unit. Each Unit will consist of one common share of the Company and one-half of one share purchase warrant (each whole warrant, a "Warrant"). The securities issued upon the closing of the Offering will be subject to customary securities legislation hold periods.

Each Warrant will allow the holder to purchase one common share of the Company at an exercise price of \$0.50 for a period of 24 months from the date of closing. In the event that the common shares trade on the TSX Venture Exchange at a volume weighted average price of \$0.75 or more for a period of at least ten consecutive days from the date that is 6 months following the closing, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date notice of such acceleration is provided to the holders of Warrants.

At the closing of the Offering, the Agent will receive a cash commission equal to 7 percent of the total gross proceeds raised under the Offering. In addition, the Agent will receive non-transferable warrants with an exercise price of \$0.25 per share, exercisable for a period of 12 months from the date of closing to acquire such number of common shares of the Company as is equal to 7 percent of the aggregate number of Units issued under the Offering.

The Offering is anticipated to close on or before March 20, 2012 and is subject to receipt of all necessary approvals including the acceptance of the TSX Venture Exchange.

Proceeds from the private placement will be used to fund the 2012 exploration program at Castle Peak's Akorade project in Ghana, as well as working capital.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States, or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdictions in which such offer, solicitation or sale would be unlawful. Any offering made will be pursuant to available prospectus and registration exemptions and restricted persons to

whom the securities may be sold in accordance with the laws of such jurisdictions and by persons permitted to sell the securities in accordance with the laws of such jurisdictions.

About Castle Peak

Castle Peak Mining Ltd. is a Canadian-based exploration and development company focused on advancing greenfields and early stage gold projects. The Company holds a strategic land package in the Ashanti belt adjacent to several producing gold mines in Ghana, West Africa. The Ashanti belt is known as one of the most prolific gold belts in the world with over 150 million proven ounces uncovered and current investment in excess of \$2.5 B USD.

On behalf of the Board of Castle Peak Mining Ltd.:

"Darren Lindsay"

President and Chief Executive Officer

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FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, this news release contains certain 'forward-looking information' and 'forward-looking statements' within the meaning of applicable securities laws including statements regarding the proposed Offering, the anticipated use of proceeds and the anticipated timing of the closing of the Offering. Such forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to known and unknown risks, uncertainties and assumptions that could cause actual results to vary materially from the anticipated results or events predicted in these forward-looking statements, including those risk factors identified in the Company's Filing Statement filed under the Company's SEDAR profile. As a result, readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this release. Except as required by applicable law, Castle Peak disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.