

**VANCOUVER OFFICE**

#510 – 999 West Hastings Street
Vancouver, BC V6C 2W2 CANADA

Tel: 604.681.1466

Fax: 604.681.1404

Website: www.castlepeakmining.com

Email: info@castlepeakmining.com

NEWS RELEASE

**CASTLE PEAK INITIATES DRILLING ON POW, AUGER SAMPLING ON ENYINASE;
CLOSES \$1.3 MILLION PRIVATE PLACEMENT OF UNITS**

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., September 30, 2011 – Castle Peak Mining Ltd. ('Castle Peak' or the 'Company', TSX.V: CAP), is pleased to announce it has initiated drilling on the prospective POW concession after completing construction of the access road leading to the target area earlier this month. The Company will complete the remaining 2,200 metres ('m') of the current 7,500m drill program at the Dansuom Structure, which has produced encouraging trench results including 18m @ 1.0 grams per ton ('g/t') gold ('Au'), 3.4m @ 4.3 g/t Au, and 7.6m @1.1 g/t Au.

The Company also recently initiated an auger drilling program at the Enyinase concession, which is located immediately north of Castle Minerals Ltd.'s Akoko North resource. The Akoko North deposit is hosted within metasediments and metavolcanics with flat lying mineralized zones that plunge shallowly to the north. The zones vary in thickness from 3m to 20m and average approximately 10m, have a lateral extent of 20m to 50m, and strike lengths of up to 600m. Elevated Au is often associated with quartz veining but shows no obvious lithological constraint.

The Company also announces it has closed a non-brokered private placement totaling 3,711,022 units of the Company ("Units") at a price of \$0.35 per Unit for aggregate gross proceeds of \$1,298,857.70. Each Unit is comprised of one common share of the Company and one-half of one share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will allow the subscriber to purchase one additional common share of the Company at an exercise price of \$0.50 per share for a period of 12 months from the date of closing, subject to adjustment/acceleration under certain circumstances.

The Company paid a cash finder's fee to certain finders for a portion of the private placement sold by such finders amounting to an aggregate of \$20,166.30 to be taken from the gross proceeds of the offering. As required under applicable securities laws, the securities issued in the private placement are subject to a customary securities law hold period expiring January 31, 2012.

Proceeds from the private placement will be used to fund the ongoing exploration program at Castle Peak's Akorade project in Ghana, as well as working capital. President and CEO Darren Lindsay states, "We are pleased to succeed in raising the funds we need to continue our current exploration program under difficult market conditions. We have completed a substantial amount of groundwork on this project in a short period of time, and are very excited to get to work on newly identified targets resembling the structural and geological formations hosting the five producing gold mines lying within 50 kilometres of our project."

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.

Technical Disclosure

Castle Peak's technical disclosure in this news release 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 National Instrument 43-101 ('NI 43-101'). The Akorade project, which includes the POW and Enyinase concessions, is an early stage exploration project and does not contain any mineral resources as defined by NI 43-101. The potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient exploration to define a mineral resource for the targets disclosed herein. It is uncertain if further exploration will result in these targets being delineated as a mineral resource. Further information, including information relating to quality assurance and quality control procedures, 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", a copy of which is filed under the Company's profile on SEDAR at www.sedar.com.

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 250 square kilometre strategic land package in Ghana's Ashanti gold belt, lying within 50 kilometres of five producing gold mines. The Ashanti belt is known as one of the most prolific gold belts in the world with past production of 150 million ounces and current investment in excess of \$2.5 B USD. Castle Peak is now executing an aggressive Phase I exploration program on identified gold targets.

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

"Darren Lindsay"

President and Chief Executive Officer

For additional information please visit www.castlepeakmining.com or contact:

Marlo Hamer-Jackson, Investor Relations Manager

Tel: 604 681 1466 (X225)

Email: marlo@castlepeakmining.com

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. 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 proposed exploration and drill programs, anticipated use of proceeds of the private placement and 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.