



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

**For the nine months ended
September 30, 2017**

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.
Index to Condensed Interim Consolidated Financial Statements
September 30, 2017
(Expressed in Canadian Dollars)

Page

FINANCIAL STATEMENTS

Condensed Interim Consolidated Statements of Financial Position	1
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss	2
Condensed Interim Consolidated Statement of Changes in Equity	3
Condensed Interim Consolidated Statements of Cash Flows	4
Notes to the Condensed Interim Consolidated Financial Statements	5-16

CASTLE PEAK MINING LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

(unaudited)

AS AT

	September 30, 2017	December 31, 2016
ASSETS		
Current assets		
Cash	\$ 2,378,273	\$ 2,289
Deposits	46,000	-
Receivables	4,064	919
Prepaid expenses	6,413	9,000
	2,434,750	12,208
Non-current assets		
Equipment (Note 4)	-	-
Exploration and evaluation assets (Note 5)	2,906,311	5,706,475
	\$ 5,341,061	\$ 5,718,683
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 290,255	\$ 481,085
Loans due to related parties (Note 6)	146,428	117,934
	436,683	599,019
Equity		
Capital stock (Note 8)	17,603,516	17,603,516
Other equity reserve (Note 8)	4,001,075	4,001,075
Non-controlling interest	(7,225)	(7,225)
Accumulated other comprehensive income	4,248,682	4,427,903
Deficit	(20,941,670)	(20,905,605)
	4,904,378	5,119,664
	\$ 5,341,061	\$ 5,718,683

Nature of operations (Note 1)**Commitments (Note 5)****Basis of presentation and going concern (Note 2)****Approved on November 27, 2017 on behalf of the Board of Directors:***"Allan Green"*

Allan Green, Acting Chairman of the Board of Directors

"Darren Lindsay"

Darren Lindsay, 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 September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
EXPENSES				
Depreciation (Note 5)	\$ -	\$ -	\$ -	\$ 2,061
Investor relations	294	25,672	3,118	26,843
Office and administrative	5,876	6,620	18,359	15,901
Professional fees	-	-	28,400	29,309
Rent and occupancy costs	-	-	-	5,756
Salaries and benefits	20,936	43,230	60,911	140,002
Transfer agent, filing and regulatory	2,171	5,842	12,789	14,375
Travel	-	4,933	-	6,001
	<u>(29,277)</u>	<u>(86,297)</u>	<u>(123,577)</u>	<u>(240,248)</u>
Foreign exchange gain	92,761	-	87,512	-
Net profit (loss) for the period	64,484	(86,297)	(36,065)	(240,248)
Translation adjustment	(64,689)	185,996	(179,221)	(925,444)
Comprehensive gain (loss) for the period	\$ (1,205)	\$ 99,699	\$ (215,286)	\$ (1,165,692)
Basic and diluted earning (loss) per common share	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	132,763,360	116,096,693	132,763,360	116,096,693

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, 2015	116,096,693	\$ 17,133,602	\$ 4,001,075	\$ (7,225)	\$ 4,950,158	\$ (6,779,413)	\$ 19,298,197
Shares issued on private Placements	16,666,667	500,000	-	-	-	-	500,000
Share issue costs – cash	-	(30,086)	-	-	-	-	(30,086)
Net loss for the period	-	-	-	-	-	(240,248)	(240,248)
Translation adjustment	-	-	-	-	(925,444)	-	(925,444)
Balance, September 30, 2016	132,763,360	\$17,603,516	\$ 4,001,075	\$ (7,225)	4,024,714	(7,019,661)	18,602,419
Balance, December 31, 2016	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ (7,225)	\$ 4,427,903	\$ (20,905,605)	\$ 5,119,664
Net loss for the period	-	-	-	-	-	(36,065)	(36,065)
Translation adjustment	-	-	-	-	(179,221)	-	(179,221)
Balance, September 30, 2017	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ (7,225)	\$4,248,682	\$ (20,941,670)	\$ 4,904,378

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)

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (36,065)	\$ (240,248)
Items not involving cash:		
Depreciation	-	2,061
Changes in non-cash items:		
Receivables	(3,155)	(3,962)
Prepaid expenses	2,587	8,082
Deposits	(46,000)	-
Accounts payable and accrued liabilities	(90,469)	86,643
Net cash used in operating activities	<u>(173,102)</u>	<u>(147,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of exploration and evaluation assets	(241,736)	(289,306)
Proceeds from assets sale agreement	<u>2,851,711</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>2,609,975</u>	<u>(289,306)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuances (net costs)	-	469,914
Loans	<u>28,494</u>	<u>-</u>
Net cash provided by financing activities	<u>28,494</u>	<u>469,914</u>
Effect of exchange rate on cash and cash equivalents	<u>(89,383)</u>	<u>(524)</u>
Increase (decrease) in cash and cash equivalents during the period	2,375,984	32,660
Cash and cash equivalents, beginning of the period	<u>2,289</u>	<u>34,319</u>
Cash and cash equivalents, end of the period	<u>\$ 2,378,273</u>	<u>\$ 66,979</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 2,378,273	\$ 66,979
Short-term money market investments	-	-
	<u>\$ 2,378,273</u>	<u>\$ 66,979</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)

September 30, 2017

(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.

The address of the Company's corporate office and principal place of business is 29 - 1255 Riverside Drive, Port Coquitlam, British Columbia, Canada. The address of the Company's legal records is 2900 - 550 Burrard St, Vancouver.

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 Interpretations Committee ("IFRIC").

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 at fair value through profit and loss, 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.

Going concern of operations

The Company's condensed interim consolidated financial statements are prepared using IFRS applicable to a going concern, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenue from operations and will require additional financing or outside participation to undertake further activities. Additionally, certain of the Company's prospecting licenses are pending approval for their renewal as further discussed in Note 5. On August 3, 2017, the Company entered into a definitive agreement (the "Agreement") with Star Goldfields Ltd. ("Goldfields") for the sale to Goldfields of the Company's nine prospecting licenses in Ghana for total cash proceeds of US \$4,250,000 (Notes 5) and received more than half of the proceeds. As a result, the Company believes it has sufficient funds to meet its on-going obligations as they become due over the next twelve months. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

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 were adjusted during the year ended December 31, 2016, to reflect the anticipated net realizable value of these assets upon completion of the sale contemplated in the Letter Agreement with Goldfields (Note 1, and 5). Otherwise, 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)

September 30, 2017

(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, 2016, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

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, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018.
- IFRS 16: New standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases, effective for annual periods beginning on or after January 1, 2019.

4. EQUIPMENT

	Office Furniture & Equipment	Computer Hardware	Vehicles	Total
Cost				
Balance December 31, 2015, 2016 and September 30, 2017	\$ 21,029	\$ 29,604	\$ 12,036	\$ 62,669
Depreciation				
Balance at December 31, 2015	\$ 20,346	\$ 28,002	\$ 12,036	\$ 60,384
Depreciation for the year	3,532	1,602	-	5,134
Balance at December 31, 2016 And September 30, 2017	\$ 23,878	\$ 29,604	\$ 12,036	\$ 65,518
Effect of foreign currency translation at December 31, 2016	\$ 2,849	\$ -	\$ -	\$ 2,849
Carrying amounts				
At December 31, 2016	\$ -	\$ -	\$ -	\$ -
At September 30, 2017	\$ -	\$ -	\$ -	\$ -

During the period ended September 30, 2017, depreciation of \$Nil (December 31, 2016 - \$2,969) was capitalized to exploration and evaluation assets.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

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. The licenses are known as Nkwanta, Asuogya, Ayiem, Kedadwen, POW, Bonsaso, Dompem, Enyianase and Great Yorkshire. Details of ownership, carried interest, and royalties are as follows:

- Nkwanta, Asuogya, Ayiem, and Kedadwen: 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: Windsor owns a 90% interest in this prospecting license, subject to a 10% beneficial interest to the vendor;
- Dompem: 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: Great Yorkshire owns a 100% legal and beneficial interest in this prospecting license.
- Enyianase: 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 final payments aggregating US\$40,000. The total amounts paid to date for the acquisition of this prospecting license totalled US\$270,000.

On August 3, 2017, the Company entered into a definitive agreement (the "Agreement") with Star Goldfields Ltd. (the "Purchaser") that provides for the sale of Company's nine prospecting licenses in Ghana for total cash proceeds of US \$4,250,000 (the "Transaction") payable as follows:

- a) A non-refundable down payment of US \$200,000 (received on April 28, 2017)
- b) A non-refundable deposit of US \$2,050,000, payable upon signing of a Definitive Agreement (received on August 8, 2017)
- c) The balance of US \$2,000,000 payable at closing of the transaction, by October 31, 2017 and then extended to November 30, 2017.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)**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. 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 the 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 September 30, 2017 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 have responded counter to the recommendation for approval from the Minerals Commission.

Impairment of Akorade Project

As at December 31, 2016, the Company recorded an impairment on the Akorade project as estimated by management with reference to the fair value of the underlying prospecting licenses, less costs to sell ("FVLCS").

Subsequent to December 31, 2016, the Company determined that there were several indicators of impairment of the carrying value of the Company's prospecting licenses. The indicators of impairment included the following:

- The Company has low cash resource and negative working capital;
- There are no budgeted future expenditures as a result of the Company's working capital position;

As a result of the indicators above, an impairment test was carried out on the Company's Akorade project. The impairment test resulted in an impairment of exploration and evaluation assets of \$13,821,906, recognized in profit or loss for the year ended December 31, 2016.

The recoverable amount of the Akorade project was determined on the basis of FVLCS because the FVLCS is considered to be the higher amount between value-in-use and FVLCS. The FVLCS was determined based on an assessment of the fair value in terms of the Letter Agreement the Company signed with Goldfields for the sale to Goldfields the shares of the Company's subsidiary; Castle Peak Mining (2006) Ltd., which holds the nine prospecting licenses in Ghana for total cash proceeds of US \$4,250,000, as described above.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Impairment of Akorade Project (con'd...)**

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

	Akorade Project	
Balance at December 31, 2015	\$	19,603,810
Additions for the year:		
Drilling and access		130,793
Geochemistry		12,091
Field logistics		52,374
Exploration salaries and wages		122,805
Contract labour		47,483
General and administrative		45,149
Environmental, permitting and other		33,444
Impairment of exploration and evaluation assets		(13,821,906)
Translation adjustment		(519,568)
		<u>(13,897,335)</u>
Balance at December 31, 2016	\$	5,706,475
Additions for the year:		
Drilling and access		12,653
Field logistics		32,936
Exploration salaries and wages		100,924
Contract labour		30,588
General and administrative		10,979
Environmental, permitting and other		50,395
Proceeds from assets sale agreement		(2,948,525)
Translation adjustment		(90,114)
		<u>(2,800,164)</u>
Balance at September 30, 2017	\$	2,906,311
		Akorade Project
Cumulative balance at September 30, 2017:		
Drilling and access	\$	4,238,655
Geophysics		931,897
Geochemistry		541,586
Field logistics		1,310,067
Exploration salaries and wages		1,960,765
Contract labour		725,597
Exploration management and consulting services		507,526
General and administrative		1,670,761
Land acquisition costs		4,087,678
Environmental, permitting and other		668,973
Proceeds from sale of royalty		(1,150,000)
Transaction costs from royalty agreement		74,844
Impairment of exploration and evaluation assets		(13,821,906)
Proceeds from assets sale agreement		(2,948,525)
Translation adjustment		4,108,393
		<u>4,108,393</u>
Balance at September 30, 2017	\$	2,906,311

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

6. LOANS DUE TO RELATED PARTIES

As of September 30, 2017, \$146,428 (December 31, 2016 - \$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.

7. 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 executive officers.

During the years ended September 30, 2017 and 2016, 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:

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Salaries and benefits paid to officers and senior management ⁽¹⁾	\$ 152,151	\$ 226,991

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

As at September 30, 2017, \$210,990 (December 31, 2016 - \$237,651) was owing to a directors, officers and senior management of the Company and is included in accounts payable and accrued liabilities.

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

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

As at September 30, 2017, and December 31, 2016 the Company had 132,763,360 common shares outstanding.

On July 13, 2016, the Company completed a non-brokered private placement consisting of the issuance of 16,666,667 units at a price of \$0.03 per unit for gross proceeds of \$500,000. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 per share until January 12, 2018. These warrants have a \$Nil value based on the residual value method. The Company paid a cash finder's fee of \$3,600 in connection with this offering, and incurred other cash share issue costs of \$26,486.

During the period ended September 30, 2017, the Company had no share transactions.

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

8. CAPITAL STOCK AND OTHER EQUITY RESERVE (cont'd...)**Share purchase warrants**

The following is a summary of changes in warrants:

	<u>Weighted Average</u>	
	Number of Warrants	Exercise Price
Outstanding at December 31, 2015	40,000,000	\$0.10
Granted	16,666,667	\$0.050
Expired	(20,000,000)	\$0.100
Outstanding at December 31, 2016 and September 30, 2017	36,666,667	\$0.053

As at September 30, 2017, the Company had outstanding Warrants as follows:

Outstanding	Remaining Life (years)	Exercise Price	Expiry Date
16,666,667	0.28	\$0.050	January 12, 2018
20,000,000	0.21	\$0.055	December 16, 2017

During the year ended December 31, 2016, the Company authorized amendment to 20,000,000 of the 40,000,000 outstanding share purchase warrants, which were set to expire on July 9, 2016 ("the Amendment"). The Amendment extended the expiry date to December 16, 2017 and reduced the exercise price to \$0.055 per share purchase warrant. The Amendment was determined to have a \$nil effect in the value of the warrants.

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.

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

CASTLE PEAK MINING LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

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

	<u>Weighted Average</u>	
	Number of Options	Exercise Price
Outstanding at September 30, 2017 and December 31, 2016	3,617,500	\$0.25

As at September 30, 2017, 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	0.22	\$0.15	December 18, 2017
450,000	450,000	2.45	\$0.10	March 9, 2020
1,790,000	1,790,000	3.45	\$0.35	March 7, 2021
65,000	65,000	3.80	\$0.52	July 13, 2021
<u>3,617,500</u>	<u>3,617,500</u>			

The Company recognizes share-based payments expense for all stock options granted at fair value of the options granted. 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 periods ended September 30, 2017 and September 30, 2016, the Company recognized share-based payments expense of \$Nil on options vesting during the year.

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 September 30, 2017, December 31, 2016 and September 30, 2016	\$ 243,349	\$ 1,287,092	\$ 2,470,634	\$ 4,001,075

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Cash paid (received) during the year for interest	\$ -	\$ -
Cash paid (received) during the year for income taxes	\$ -	\$ -

The following were significant non-cash transactions affecting cash flows from investing and financing activities during the nine months ended September 30, 2017:

- \$56,017 of exploration and evaluation assets were included in accounts payable and accrued liabilities at September 30, 2017 (December 31, 2016 - \$156,090).
- \$Nil of share issue costs were included in accounts payable and accrued liabilities at September 30, 2017 (December 31, 2016 - \$23,769).

The following were significant non-cash transactions affecting cash flows from investing and financing activities during the nine months ended September 30, 2016:

- 103,872 of exploration and evaluation assets were included in accounts payable at September 30, 2016 (December 31, 2015 - \$45,218).
- \$3,002 of depreciation was capitalized to exploration and evaluation assets.

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:

	September 30, 2017	December 31, 2016
Equipment		
Canada	\$ -	\$ -
Ghana	-	-
Total	\$ -	\$ -
Exploration and evaluation assets		
Ghana	\$ 2,906,311	\$ 5,706,475

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2017

(unaudited)

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. On August 3, 2017, the Company signed a Letter Agreement for the sale of the Company's nine prospecting licenses in Ghana for total cash proceeds of US \$4,250,000 (Note 5). Upon successful closing of the sale, the Company anticipates having available working capital to seek alternative projects and activities.

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 year.

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. 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. Refer to Note 3 for details on the fair value hierarchy.

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.

CASTLE PEAK MINING LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

September 30, 2017

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12. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd...)**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 September 30, 2017, the Company had cash of \$2,378,273 and current liabilities of \$436,683.

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 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 September 30, 2017. Based on the Company's net exposure as at September 30, 2017, a 10% depreciation or appreciation of the Canadian dollar against the US dollar and Ghanaian cedis would result in an impact on profit or loss of \$233,693.

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 profit or loss 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.