



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

**For the six months ended
June 30, 2020**

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 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 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 financial statements in accordance with the standards published by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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June 30, 2020
(Expressed in Canadian Dollars)

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CASTLE PEAK MINING LTD.
INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(unaudited)
AS AT

	June 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash	\$ 699,581	\$ 899,945
Receivables	2,562	1,101
Prepaid expenses	7,678	13,356
	709,821	914,402
Non-current assets		
Equipment (Note 4)	951	1,259
Exploration and evaluation assets (Note 5)	2,742,809	2,594,567
	\$ 3,453,581	\$ 3,510,228
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 935	\$ 703
	935	703
Equity		
Capital stock (Note 7)	17,603,516	17,603,516
Other equity reserve (Note 7)	4,001,075	4,001,075
Deficit	(18,151,945)	(18,095,066)
	3,452,646	3,509,525
	\$ 3,453,581	\$ 3,510,228

Nature of operations (Note 1)
Basis of presentation and going concern (Note 2)

Approved on Aug 11, 2020 on behalf of the Board of Directors:

"Allan Green"
Allan Green, Chairman of the Board of Directors

"Iyad Jarbou"
Iyad Jarbou, Director

The accompanying notes are an integral part of these Interim financial statements.

CASTLE PEAK MINING LTD.
INTERIM STATEMENTS OF INCOME (LOSS)
(Expressed in Canadian Dollars)
(unaudited)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
EXPENSES				
Depreciation (Note 4)	\$ 396	\$ 350	\$ 792	\$ 700
Investor relations	189	2,027	462	3,216
Office and administrative	3,985	4,220	9,570	10,503
Professional fees	19,589	27,064	19,696	27,064
Consulting fees	8,779	-	20,039	-
Salaries and benefits	20,389	18,834	42,329	41,201
Transfer agent, filing and regulatory	488	3,343	7,798	10,258
	(53,815)	(55,838)	(100,686)	(92,942)
Foreign exchange gain (loss)	(4,056)	(100,310)	43,807	(100,310)
Net income (loss) for the period	(57,871)	(156,148)	(56,879)	(193,252)
Basic and diluted loss per common share	\$ (0.000)	\$ (0.000)	\$ (0.000)	\$ (0.000)
Weighted average number of common shares outstanding – basic and diluted	132,763,360	132,763,360	132,763,360	132,763,360

The accompanying notes are an integral part of these Interim financial statements.

CASTLE PEAK MINING LTD.
INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(unaudited)

	Capital Stock		Other Equity Reserve (Note 7)	Non-controlling Interest	Accumulated Other Comprehensive Income	Deficit	Total Equity
	Number of Shares	Amount					
Balance, December 31, 2018	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ -	\$ -	\$ (17,791,696)	\$ 3,812,895
Net loss for the period	-	-	-	-	-	(193,252)	(193,252)
Balance, June 30, 2019	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ -	\$ -	\$ (17,984,948)	\$ 3,619,643
Balance, December 31, 2019	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ -	\$ -	\$ (18,095,066)	\$ 3,509,525
Net income for the period	-	-	-	-	-	(56,879)	(56,879)
Balance, June 30, 2020	132,763,360	\$ 17,603,516	\$ 4,001,075	\$ -	\$ -	\$ (18,151,945)	\$ 3,452,646

The accompanying notes are an integral part of these Interim financial statements.

CASTLE PEAK MINING LTD.
INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(unaudited)

	Six months ended June 30, 2020	Six months ended June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	\$ (56,879)	\$ (193,252)
Items not involving cash:		
Depreciation (Note 4)	792	700
Foreign exchange gain	(43,807)	-
Changes in non-cash items:		
Receivables	(1,461)	(2,149)
Prepaid expenses	5,678	4,248
Accounts payable and accrued liabilities	232	6,720
Net cash used in operating activities	<u>(95,445)</u>	<u>(183,733)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of exploration and evaluation assets	(148,242)	(1,181,201)
Purchase of equipment	<u>(484)</u>	<u>(728)</u>
Net cash provided by (used in) investing activities	<u>(148,726)</u>	<u>(1,181,929)</u>
Effect of exchange rate on cash and cash equivalents	<u>43,807</u>	<u>-</u>
Decrease in cash and cash equivalents during the period	(200,364)	(1,365,662)
Cash and cash equivalents, beginning of the period	899,945	3,208,271
Cash and cash equivalents, end of the period	\$ 699,581	\$ 1,842,609

Supplemental disclosures with respect to cash flows (Note 7)

The accompanying notes are an integral part of these Interim financial statements.

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 was incorporated under the laws of British Columbia on June 3, 2009. The Company is listed on the TSX Venture Exchange ("TSXV") under the symbol "CAP".

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 Interim financial statements of the Corporation have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"), on a basis consistent with those significant accounting policies followed in the most recent annual financial statements except as noted below, and therefore should be read in conjunction with the December 31, 2019 audited financial statements and the notes thereto.

Basis of measurement

These Interim financial statements are presented in Canadian dollars except where otherwise noted.

These Interim 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 Interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Going concern of operations

The Company's Interim 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 may require additional financing or outside participation to undertake further activities. Additionally, the Company signed a Definitive Agreement with Wononuo Investment Limited ("Wononuo") for the purchase of the Kunsu Prospecting License located in the Ahafo Ano South District of the Ashanti Region of Ghana ("The Property") for a total purchase price of US \$2,000,000 (Notes 5). Future operations of the Company are dependent on its ability to complete the purchase agreement and raise additional equity to undertake exploration projects.

These conditions may cast significant doubt as to the Company's ability to continue as a going concern. These Interim 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.

2. BASIS OF PRESENTATION AND GOING CONCERN (cont'd...)

Critical accounting estimates, judgements and assumptions

The preparation of these Interim 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 Interim 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 Interim 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.

Key sources of estimation uncertainty

Significant estimates made by management affecting the Interim 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.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended December 31, 2019, and have been consistently followed in the preparation of these Interim financial statements.

The accounting policies in these interim financial statements are the same as those applied in the Corporation's financial statements as at and for the year ended December 31, 2019.

CASTLE PEAK MINING LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
June 30, 2020
(unaudited)

4. EQUIPMENT

	Office Furniture & Equipment		Computer Hardware		Total
<u>Cost</u>					
Balance at January 1, 2019	\$	-	\$	2,069	\$ 2,069
Additions		728		-	728
Balance at December 31, 2019	\$	728	\$	2,069	\$ 2,797
Additions		-		484	484
Balance at June 30, 2020	\$	728	\$	2,553	\$ 3,281
<u>Depreciation</u>					
Balance at January 1, 2019	\$	-	\$	-	\$ -
Depreciation for the year		138		1,400	1,538
Balance at December 31, 2019	\$	138	\$	1,400	\$ 1,538
Depreciation for the period		92		700	792
Balance at June 30, 2020	\$	230	\$	2,100	\$ 2,330
<u>Carrying amounts</u>					
At December 31, 2019	\$	590	\$	669	\$ 1,259
At June 30, 2020	\$	498	\$	453	\$ 951

5. EXPLORATION AND EVALUATION ASSETS

Kunsu project

On February 15, 2019, the Company entered into an agreement ("Agreement") to purchase the Kunsu Prospecting License located in the Ahafo Ano South District of the Ashanti Region of Ghana ("The Property") from Wononuo Investment Limited ("Wononuo"), who is the holder of 100% undivided interest and title of the license (the "Purchase Transaction").

Pursuant to the Purchase Transaction, Wononuo will transfer The Property to the Company in exchange for a total purchase price of US\$2,000,000 payable as follows:

- A non-refundable down payment of US \$200,000 (\$262,500 paid on July 10, 2018);
- A non-refundable second deposit of US \$200,000 upon signing of the Definitive Agreement (\$270,920 paid on February 15, 2019);
- A non-refundable third deposit of US \$100,000 (\$132,880 paid on May 29, 2019);
- A non-refundable fourth deposit of US \$100,000 payable on presentation and evaluation of the full exploration technical report (\$130,860 paid on October 23, 2019);
- A non-refundable fifth deposit of US \$400,000 payable on obtaining shareholder approval on the Annual General Meeting (\$527,320 paid on December 16, 2019); and
- The balance of US \$1,000,000 payable at closing of the Purchase Transaction; December 15, 2020.

CASTLE PEAK MINING LTD.
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(unaudited)

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

Exploration and evaluation assets expenditures related to the option agreement are as follows:

	Kunsu Option Agreement
Balance at January 1, 2019	\$ 652,064
Additions for the year:	
Acquisition cost	1,061,980
Due diligence costs	747,466
Consulting fees	117,245
Legal fees	15,812
	<u>1,942,503</u>
Balance at December 31, 2019	\$ 2,594,567
Additions for the period:	
Prospecting license fees	64,296
Due diligence costs	32,791
Consulting fees	51,155
	<u>148,242</u>
Balance at June 30, 2020	\$ 2,742,809

	Kunsu Option Agreement
Cumulative balance at June 30, 2020:	
Acquisition cost	\$ 1,324,480
Prospecting license fees	64,296
Due diligence costs	1,115,064
Consulting fees	218,313
Legal fees	20,656
	<u>2,742,809</u>
Balance at June 30, 2020	\$ 2,742,809

6. RELATED PARTY TRANSACTIONS

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

During the six month periods ended June 30, 2020 and 2019, the Company entered into the following transactions with related parties and key management personnel that are not disclosed elsewhere in the Interim financial statements:

	Six months ended June 30, 2020	Six months ended June 30, 2019
Salaries and benefits paid to an officer of the Company	\$ 42,329	\$ 41,201

As at June 30, 2020, \$nil (December 31, 2019 - \$nil) was owing to directors of the Company.

7. CAPITAL STOCK AND OTHER EQUITY RESERVE

Capital stock

The Company is authorized to issue an unlimited number of common shares. As at June 30, 2020, and December 31, 2019 the Company had 132,763,360 common shares outstanding.

During the period ended June 30, 2020, and the year ended December 31, 2019 the Company had no share transactions.

Share purchase warrants

As at December 31, 2019 and June 30, 2020, the Company had no outstanding Warrants.

Stock options

Option 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:

	<u>Weighted Average</u>	
	<u>Number of Options</u>	<u>Exercise Price</u>
Outstanding at December 31, 2018	2,305,000	\$0.31
Forfeited	(740,000)	\$0.35
Outstanding at December 31, 2019	1,565,000	\$0.29
Expired	(450,000)	\$0.10
Outstanding at June 30, 2020	1,115,000	\$0.36

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
June 30, 2020
(unaudited)

7. CAPITAL STOCK AND OTHER EQUITY RESERVE (cont'd...)

Stock options (cont'd...)

As at June 30, 2020, the following stock options were outstanding and exercisable:

Number of Options Outstanding	Number of Options Exercisable	Remaining Life (years)	Exercise Price	Expiry Date
1,050,000	1,050,000	0.69	\$0.35	March 7, 2021
65,000	65,000	1.04	\$0.52	July 13, 2021
1,115,000	1,115,000			

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 June 30, 2020 and June 30, 2019, the Company recognized share-based payments expense of \$nil.

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 June 30, 2020, December 31, 2019 and 2018	\$ 243,349	\$ 1,287,092	\$ 2,470,634	\$ 4,001,075

8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Six months ended June 30, 2020	Six months ended June 30, 2019
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 six months ended June 30, 2020:

- \$Nil of exploration and evaluation assets were included in accounts payable and accrued liabilities at June 30, 2020 (December 31, 2019 - \$nil).

The following were significant non-cash transactions affecting cash flows from investing and financing activities during the six months ended June 30, 2019:

- \$Nil of exploration and evaluation assets were included in accounts payable and accrued liabilities at June 30, 2019 (December 31, 2018 - \$50,000).

CASTLE PEAK MINING LTD.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
June 30, 2020
(unaudited)

9. 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:

		June 30, 2020		December 31, 2019
Exploration and evaluation assets				
Ghana	\$	2,742,809	\$	2,594,567
Equipment				
Canada	\$	951	\$	1,259

10. 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 of 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.

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 six month period ended June 30, 2020.

11. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities.

The fair value of the Company's cash, receivables and accounts payable and accrued liabilities approximate carrying value due to their short terms to maturity. The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value. The fair value hierarchy is as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

11. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd...)

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. The Company's cash is 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 June 30, 2020, the Company had cash of \$699,581 and current liabilities of \$935.

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, and US dollars. The Company has financial assets and liabilities denominated in US dollars as at June 30, 2020. Based on the Company's net exposure as at June 30, 2020, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an impact on profit or loss of \$57,791.

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.