FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Castle Resources Inc. ("**Castle**" or the "**Company**")
20 Victoria Street, Suite 800
Toronto, ON M5C 2N8

Item 2. Date of Material Change

July 1, 2011.

Item 3. News Release

The Company issued a press release via a Canadian news wire service on June 23, 2011, a copy of which has been filed on SEDAR.

Item 4. Summary of Material Change

The Company announced that it has appointed Mike Sylvestre as Chief Executive Officer and a director of the Board. Mr. Stephen Shefsky has resigned as Chief Executive Officer effective July 1, 2011 but has been appointed as Castle's Executive Chairman.

Item 5. Full Description of Material Change

The Company is pleased to announce that Mr. Mike Sylvestre has been appointed Chief Executive Officer, effective July 1, 2011. Mr. Sylvestre will retain his current role as President of the Company but will resign from his prior post as Chief Operating Officer. Mr. Sylvestre is assuming the role of CEO from Mr. Stephen Shefsky who has served as Castle's Chief Executive Officer since February 19, 2008. Castle is also pleased to announce that Mr. Shefsky has been appointed Castle's Executive Chairman.

"Mike's strong leadership skills as well as his extensive mining experience will be key as Castle continues its strong growth profile," said Mr. Shefsky, Castle's new Executive Chairman. "Mike's past leadership roles running substantial operations for major companies will be a tremendous asset as the Company evolves and advances the past producing Granduc mine through the developmental stages of resource definition, mine planning and permitting and hopefully into full mining operations and production."

Mr. Sylvestre is an experienced senior mining executive with a track record of leading major mining operations over a 35 year career. Mr. Sylvestre has held senior management positions domestically and internationally, including, as (i)

CEO Vale Inco New Caledonia, where he completed construction and began commissioning of the Goro nickel hydromet project, (ii) President Vale Inco Manitoba where he managed one of Inco's largest integrated mining properties, and (iii) Vice President of Operations PT Inco, the world's largest nickel laterite operations. Mr. Sylvestre holds an MSc and a BSc in Mining Engineering Degree from McGill University and Queen's University, respectively.

"In addition, Mr. Mark Brennan will be stepping down from Castle as Chairman of the Board and as a Director," stated Mr. Shefsky. "The board, management and employees of Castle are very grateful to Mr. Brennan for his contributions in founding and growing Castle to its current stage of development. Mr. Brennan will continue to assist the Company on a consultancy basis moving forward." Mr. Brennan is currently the President and CEO of Largo Resources Inc. (LGO.V) and CEO and a Director of Morumbi Oil and Gas Inc. (MOC.V).

Castle also announced that Mr. Sylvestre has been appointed as a Director of Castle to fill the vacancy left by Mr. Brennan's resignation.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Executive Officer

The following senior officer of the Issuer is knowledgeable about the material change and the Report and may be contacted by the Commission as follows:

Mr. Mike Sylvestre
President and Chief Executive Officer
Castle Resources Inc.

Telephone: 416-366-4200

Item 9. Date of Report

July 15, 2011.