

Activities Report June 2020 Quarter



ASX & Media Release

ASX Code: CDT

17 July 2020

HIGHLIGHTS

The June Quarter 2020 was a very active period for Castle with excellent progress made on several fronts as the Company seeks to increase its focus on Western Australia gold projects. During the Quarter Castle:

WESTERN AUSTRALIA

- Completed the acquisition of a 100% in the **Wanganui** and **Polelle** gold projects located in the prolific Meekatharra gold mining district of Western Australia (refer ASX release 28 April 2020)(Figs 1 to 4);
 - The **Wanganui** project presents an immediate opportunity to extend shallow mined mineralisation down-plunge and to delineate resources for trucking and sale to one or more regional processing facilities.
 - The **Polelle** project hosts a mainly obscured and minimally explored greenstone belt comprising a combination of prospective lithological units and major structural features, in particular one linked to the Albury Heath deposit immediately adjacent to the east of licence.
- Commenced (post 30 June) a 2,000m, 30-hole reverse circulation (RC) drilling programme at Wanganui (refer ASX release 13 July 2020);
- Received encouraging results from a reconnaissance rock-chip and mullock sampling programme at Wanganui which returned assays of up to 88.9g/t Au (refer ASX release 29 June 2020);
- Reprocessed and reviewed at **Beasley Creek**, which sits on the northern flanks of the Rocklea Dome, historical stream sediment and geophysical datasets and subsequently defined structurally controlled gold targets within the older Archean sequences. A bulk stream-sediment and rock-chip sampling programme was then undertaken to confirm if these targets are associated with gold anomalism. Results are awaited.

GHANA

- Progressed with the Ghana Government its approval of the US\$11.7 million, three-stage farm-out arrangement between Castle's wholly-owned Ghana-based subsidiary, Carlie Mining Limited, and private Ghana company, Iguana Resources Limited. The parties are awaiting a determination by Ghana MINCOM of the fee payable by Iguana to enable agreement completion to take place (refer ASX release 14 August 2019)(Fig 5).
- Undertook desk-top geological studies on the Company's other Ghana licence holdings.
- Retained a 4% net smelter precious metal royalty over the Julie West licence that was sold to Azumah Resources Limited and which comprises a key component of Azumah's Wa Gold Project. The Julie West licence hosts the Julie West and Danyawu Ore Reserves of 49,300oz and 10,500oz respectively and the Julie West, Danyawu and Alpha-Bravo Mineral Resources of 64,100oz, 16,000oz and 20,000oz respectively (JORC 2012)(Refer Azumah ASX release 23 October 2019).

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Board:

Michael Atkins
Chairman

Stephen Stone
Managing Director

James Guy
Non-Executive Director

Company Secretary:

Jade Styants

Capital Structure:

Ordinary Shares: 486.5M
Unlisted Options: 15.5M

NEW OPPORTUNITIES

- The Company continued to generate and review against its stringent acquisition criteria, an array of mainly Western Australia gold opportunities for possible acquisition.

CORPORATE AND FINANCIAL

- As at 30 June 2020 the consolidated cash position was \$434,000.
- An oversubscribed placement of \$973,078 (before costs) was completed through the issue of 97,307,818 new fully paid ordinary shares to professional and sophisticated investors at an issue price of \$0.01 per share (refer ASX releases 10 and 16 July 2020).
- During the Quarter the Company spent \$320,000 on exploration and evaluation costs (\$281,000 Wanganui and Polelle gold projects, \$24,000 Beasley Creek and \$15,000 in Ghana). Further details of the exploration and evaluation activities during the June Quarter are set out in this report.
- The Company made cash payments of \$53,000 to related parties and their associates. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors.

Authorised for release to ASX by the Board of Castle Minerals Limited:

Stephen Stone

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About Castle Minerals Limited

Castle Minerals is an Australian Stock Exchange (ASX: CDT) listed and Perth, Western Australia headquartered company with interests in several projects in Western Australia and Ghana that are prospective for gold and other minerals.

At the **Wanganui** project (E51/1703, 18.4km²), 33km south-west of the active Meekatharra mining centre and 15km south-west of the operating Bluebird gold mine, the opportunity is to quickly test for down-plunge and along strike extensions to the existing Main Lode North and South deposits, as well as other similar targets. In 2002, when the gold price was much lower than present, these were partially open-pit mined to recover shallow oxide ore to a depth of approximately 30m. Very little work has been focused on testing for the possibility of deeper mineralisation below the supergene oxidised zone.

The Main Lode mineralisation, which can be intermittently traced for at least 1km, is one of at least four sub-parallel, northeast striking and structurally analogous mineralised zones. The others are the East Lode, the Far East Lode and the Queenslander reef line where anomalous mineralisation has been confirmed over 1km, 400m and 200m respectively.

The **Polelle** project (E51/1843, 144.5km²), 25km south of Meekatharra and 7km southeast of the operating Bluebird Mine, hosts a mainly obscured and minimally explored greenstone belt comprising a combination of prospective lithological units and major structural features. This includes the Albury Heath shear which hosts the Albury Heath deposit (Inferred Resource of 528,000t at 2.09g/t Au for 35,479oz Au) immediately adjacent to the east boundary of the licence. Aeromagnetics have indicated that the southwest trending Albury Heath shear is traceable onto the Polelle project area for some 7.5km.

Reinforcing the excellent location of Polelle, is that it is 12km west of the Gabanintha Mine, 11km east of the Nannine group of gold mines and is easily accessed via sealed and good quality unsealed highways.

Fig 1. Wanganui and Polelle Projects Location Plan

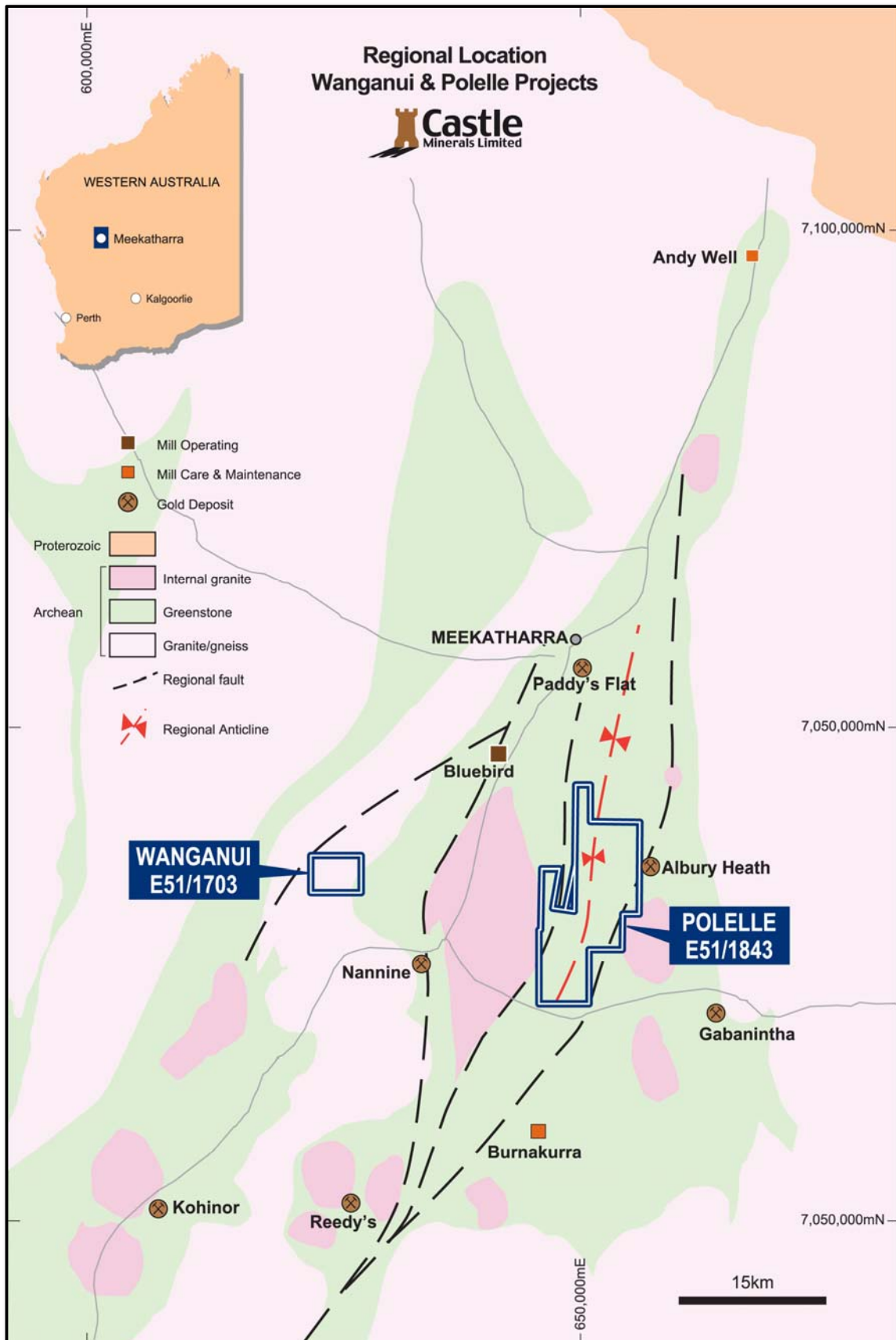
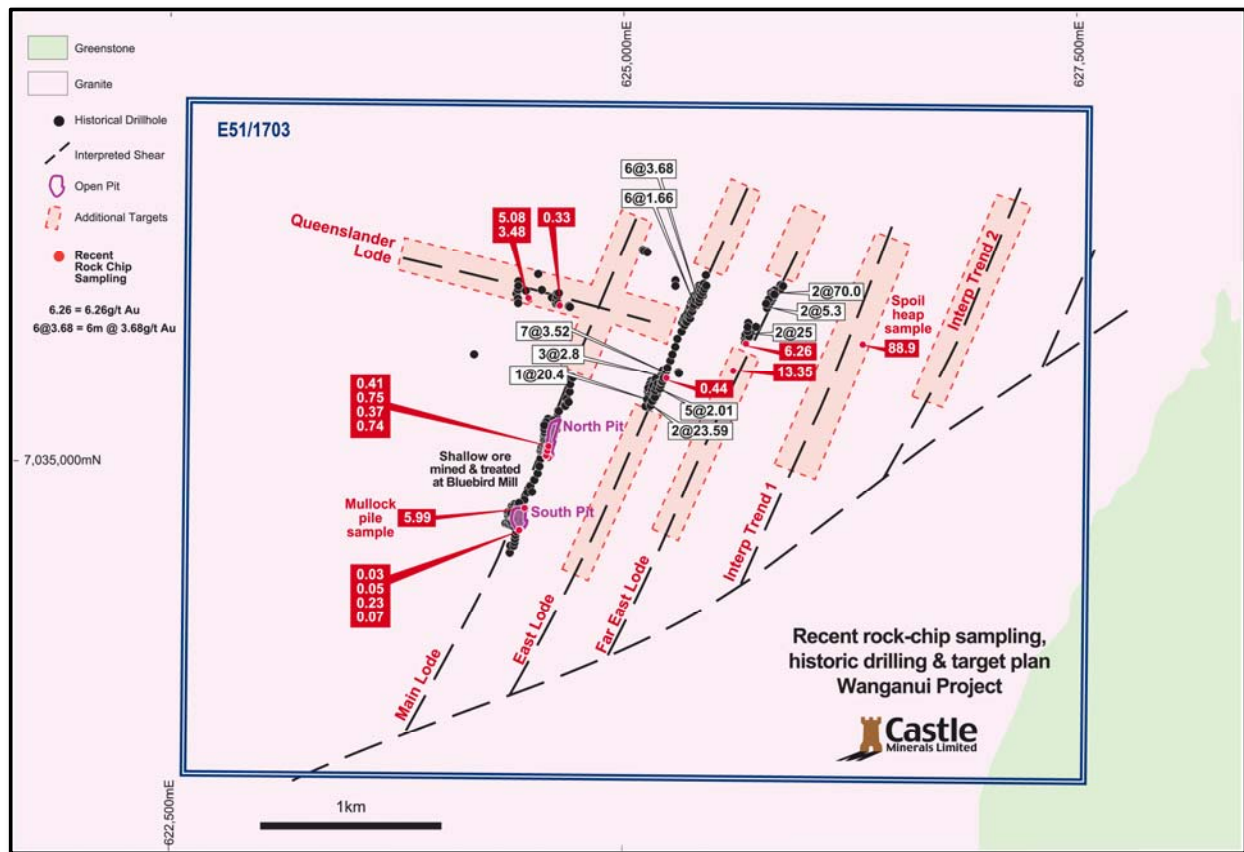


Fig 2. Wanganui: Recent surface sampling results



Whilst historical exploration has generated sporadic shallow RAB drill hole, rock chip and geochemical gold anomalies, the sampling techniques employed are considered unreliable given that 70% of the project area is covered by a veneer of transported cover.

The opportunity therefore is for Castle to use a modern understanding of regional and local tectonics, structure and the regolith along with appropriately designed sampling techniques to more effectively test the underlying prospective Archaean greenstone lithologies for gold.

The **Beasley Creek** project lies on the northern flanks of the Rocklea Dome in the southern Pilbara. The strategy is to define structural gold targets within the older Archaean sequences. These lie immediately below the 16km east-west striking conglomerate horizons which had been the primary focus of exploration by Castle. The sheared granite - greenstone contact and the "Paulsen Gold Mine" type setting within the gabbro/dolerite units, that intrude the Hardy Sandstone in the northern part of the project area, are of particular interest.

In **West Africa**, Castle has a large contiguous tenure position in Ghana's Upper West region. Ghana has a long history of gold exploration and mining and host several world-class gold mining operations owned by Tier 1 mining companies. Castle's Ghana licence holdings encompass large tracts of highly prospective Birimian geological terrane, the host to many of West Africa's multi-million-ounce gold mines.

Castle also retains a 4% net smelter precious metal royalty over the adjacent Julie West licence that was sold to Azumah Resources Limited and which comprises a key component of Azumah's Wa Gold Project.

Fig 3: Polelle Project

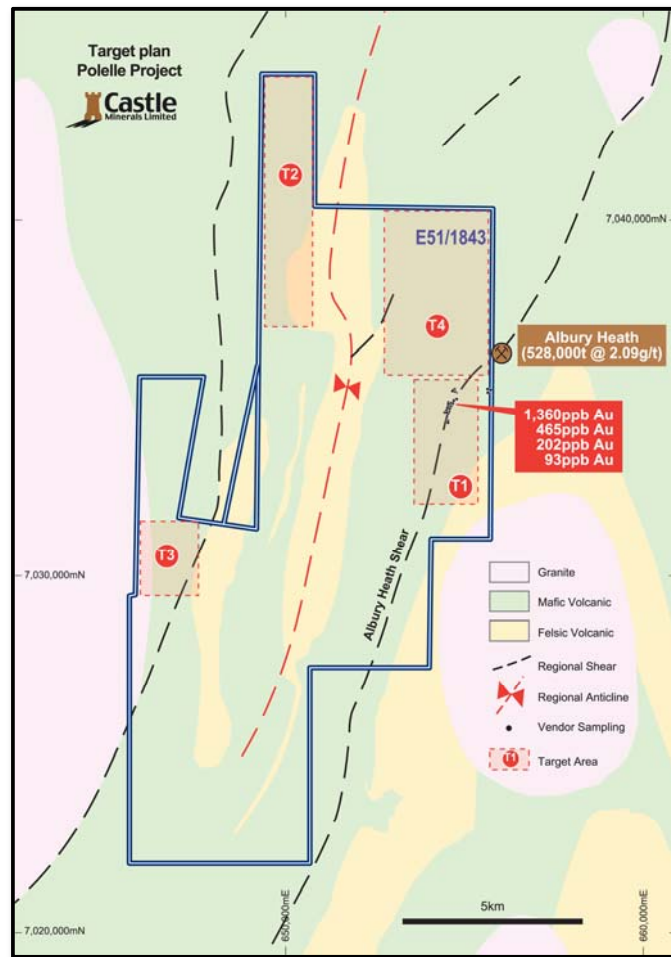


Fig 4: Beasley Creek Gold Project

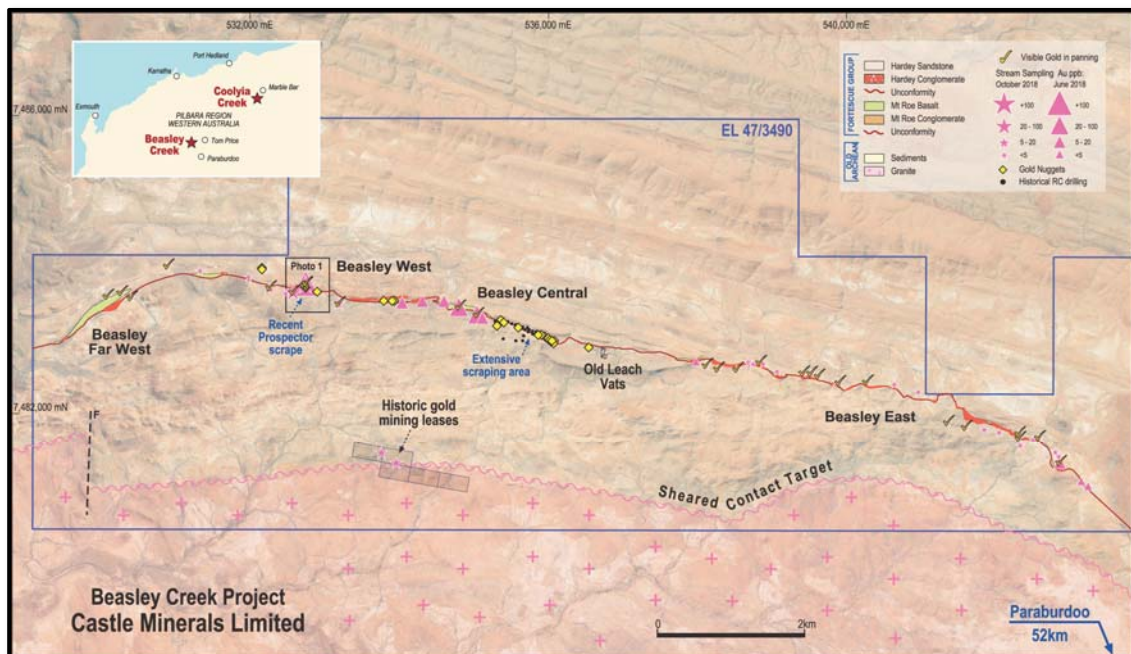
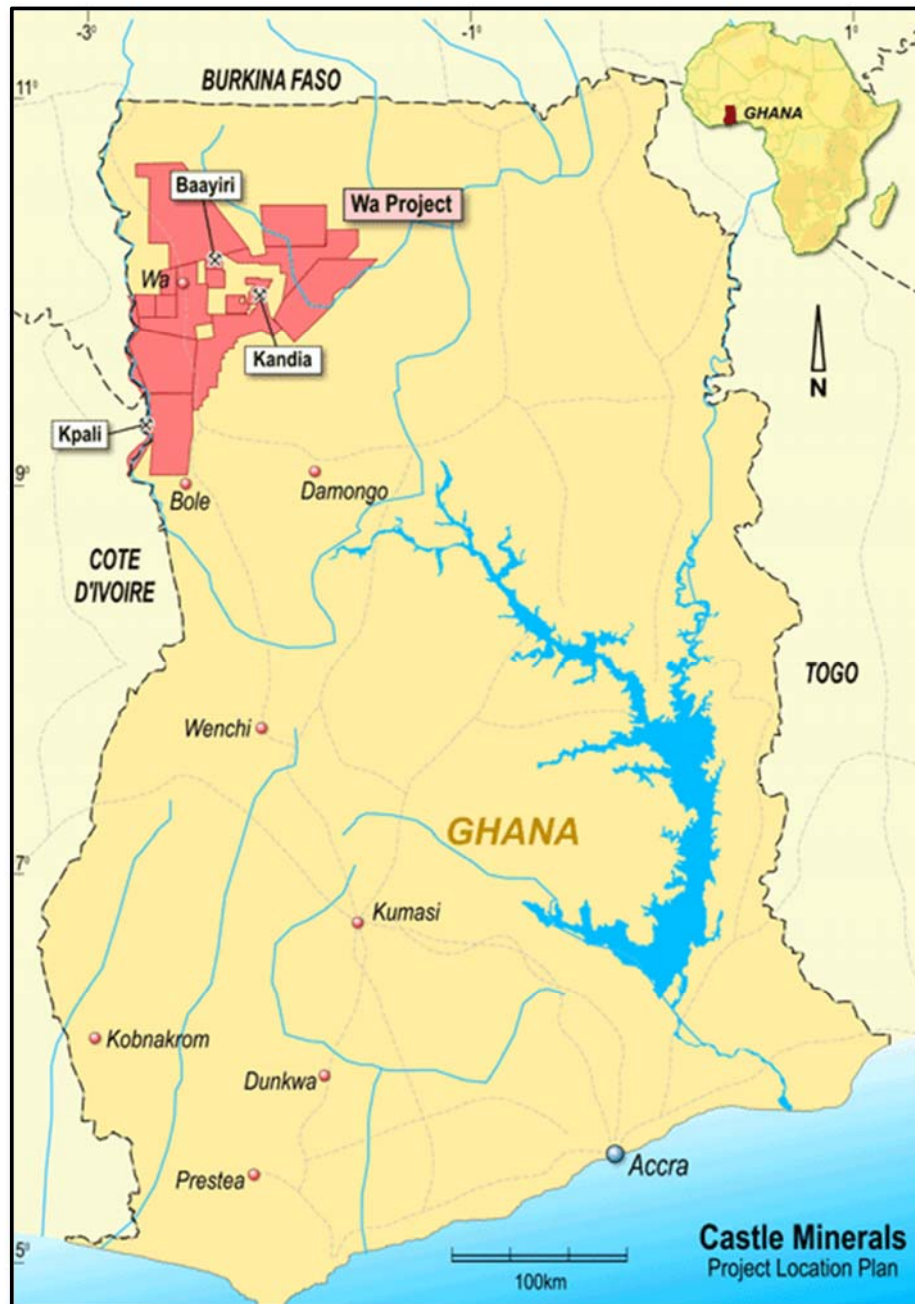


Fig 5: Ghana: Wa Project Licences



Cautionary Statement

All of Castle's projects in Australia are considered to be of grass roots or of relatively early stage exploration status. There has been insufficient exploration to define a Mineral Resource. No Competent Person has done sufficient work in accordance with JORC Code 2012 to conclusively determine or to estimate in what quantities gold or other minerals are present. It is possible that following further evaluation and/or exploration work that the confidence in the information used to identify areas of interest may be reduced when reported under JORC Code 2012.

Forward Looking Statement

Statements regarding Castle's plans, forecasts and projections with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that Castle's plans for development of its mineral properties will proceed as currently expected. There can be no assurance

that Castle will be able to confirm the presence of Mineral Resources or Ore Reserves, that any mineralisation will prove to be economic or that a mine will be successfully developed on any of Castle's mineral properties. The performance of Castle may be influenced by a number of factors which are outside the control of the Company, its Directors, staff or contractors.

Competent Persons Statement

The scientific and technical information in this Report that relates to the geology of the deposits and exploration results is based on information compiled by Mr Stephen Stone, who is Managing Director of Castle Minerals Limited. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone is the Qualified Person overseeing Castle's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration results.

SCHEDULE OF TENEMENTS

Tenement and Name		Interest at beginning of Quarter	Acquired / Disposed (during the Quarter)	Interest at end of Quarter
WESTERN AUSTRALIA				
E47/3490	Beasley Creek	80%	n/a	80%
E51/1703	Wanganui	0%	100%	100%
E51/1843	Polelle	0%	100%	100%
GHANA ⁽¹⁾				
CARLIE MINING LIMITED				
RLA	Chache	Application	n/a	Application
RLA	Jewoyeli	Application	n/a	Application
RLA	Takariyili	Application	n/a	Application
RLA	Tuole	Application	n/a	Application
RL. 10/23	Jang	100%	n/a	100%
RL. 10/13	Wa	100%	n/a	100%
PL. 10/26	Degbiwu ⁽²⁾	100%	n/a	100%
PL. 10/23	Bulenga	100%	n/a	100%
PL. 10/25	Charingu	100%	n/a	100%
PLA	Kandia	Application	n/a	Application
PL. 10/24	Baayiri	100%	n/a	100%
RL. 8/27	Gbinyiri ⁽²⁾	100%	n/a	100%
RL. 8/28	Gurungu	100%	n/a	100%
RL. 8/31	Jumo	100%	n/a	100%
RL. 8/30	Chasia	100%	n/a	100%
RL. 8/29	Perisi	100%	n/a	100%
RLA	Funsi	Application	n/a	Application
PL. 10/47	Kambale	100%	n/a	100%

(1) Government of Ghana has the right to acquire a 10% free carried interest in all licences and is entitled to a 5% Gross Royalty on production. All licences are held in 100% owned Ghana based subsidiaries, Carlie Mining Limited. Where required, Castle has lodged applications for extension of the licences and in those cases may be awaiting renewal or extension of the licences.

(2) Carlie Mining Limited has entered into a farm-out arrangement with private Ghana company, Iguana Resources Limited, who may earn up to an 80% interest in the Degbiwu and Gbinyiri licences located in Ghana's Upper West region by spending a total of US\$11.7 million in three stages over five years (ASX release 14 August 2019).

PREVIOUSLY REPORTED INFORMATION

Additional details, where applicable, can be found in the releases referenced in this Report and in the following releases lodged by the Company with the ASX during the Quarter:

Date	Headline
13/07/2020	Maiden Drilling Programme Commenced at Wanganui
10/07/2020	Heavily Oversubscribed Placement Completed
29/06/2020	Results of General Meeting
29/06/2020	Highly Anomalous Gold from Surface Sampling at Wanganui
28/04/2020	Acquisition of Western Australia Gold Projects and Placement
14/08/2019	Castle Strikes US\$11.7 Million Farm-Out Agreement