



Castile Resources Limited

ASX Code: CST
ABN: 93 124 314 085

Board and Management
Non-Executive Chairman
Peter Cook

Managing Director
Mark Hepburn

Non-Executive Directors
Jake Russell
John Braham

Address and Contact Details
Level 7, Ashton Chambers
189 St Georges Terrace
Perth WA 6000

Ph: +61 8 9488 4480
info@castile.com.au
www.castile.com.au

Ordinary Shares on Issue
199,710,121

Cash as at 30 June 2021
\$11.220M

ASX Announcement
30 July 2021

QUARTERLY ACTIVITIES REPORT

For the period ending 30 June 2021

Highlights

Rover Mineral Field Operations

- 2021 Resource Definition drilling program at Castile's Rover 1 Iron Oxide Copper Gold (IOCG) deposit delivers multiple intersections of broad, high grade gold and copper mineralisation.
- Highlights include:
 - Drill hole 21CRD001A intersected:
31.7m @ 8.6g/t Au and 0.8% Cu from 570.7m downhole
inc 11.5m @ 17.2g/t Au and 1.1% Cu from 599.4m
 - Drill hole 21CRD001-1B intersected:
10.8m @ 9.0g/t Au and 0.6g/t Cu from 613m downhole
inc 1.9m @ 30g/t Au and 1% Cu from 617.1m
 - Drill hole 21CRD001-1A intersected:
21.0m @ 3.7g/t Au and 1.4% Cu from 585m downhole
inc 2.3m @ 10.5g/t Au and 2.7% Cu from 588m
- Drill rig mobilised to Explorer 108 and Explorer 142 to begin drill hole cleanouts in preparation for down hole electromagnetic probe (DHEM).
- DHEM approved at Explorer 108 to assess previously identified large anomalies with modern technology in search of primary copper source to complement large lead/zinc resource. Target to be drilled in this program.
- DHEM to search for gold bearing structures to complement large high grade copper resource at Explorer 142 approved. Target to be drilled in this program.
- No Lost Time Injuries (LTI's) or cases of COVID-19 reported from any Castile Resources employee during the quarter.

Corporate

- Strong cash balance retained at 30 June 2021 of \$11.22M.
- NT Government hosted cross agency meeting in Darwin with all departments required for approvals process for Castile Resources.
- The Honourable Nicole Manison, Northern Territory Minister for Mining and Industry confirmed to visit Castile Resources' Rover 1 Project in July.

Operational Activities for the June 2021 Quarter

Rover 1 Operations

The 2021 Drilling Program began in early April with resource definition drilling at Rover 1 designed to provide additional data for the resource/reserve update which is the foundation of the Pre-Feasibility Study due later in the year. The drilling results have been extremely pleasing with multiple intersections of broad, high grade gold and copper mineralisation which Castile anticipates will enhance the outcome of our mining studies as we continue to accumulate knowledge about the deposit. Assay results continue to open and extend areas of known mineralisation at Rover 1 as shown by the red highlighted sections below in Figure 1 for gold (Hole 21CRD001-1A) and Figure 2 for copper (Hole 21CRD001A).

Figure 1: Cross Section Hole 21CRD001-1A

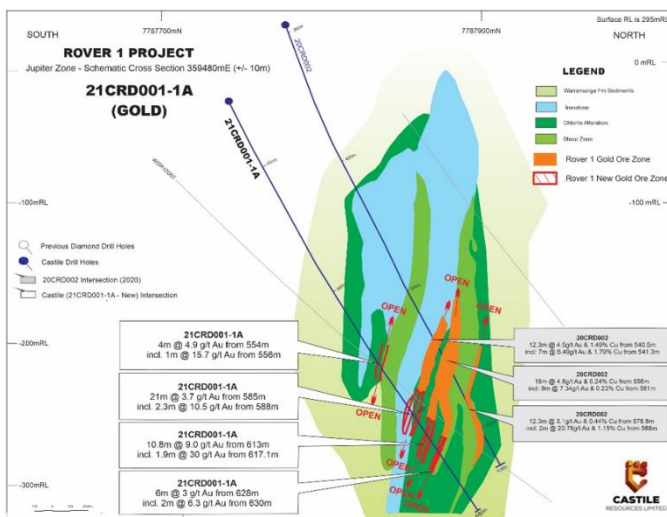
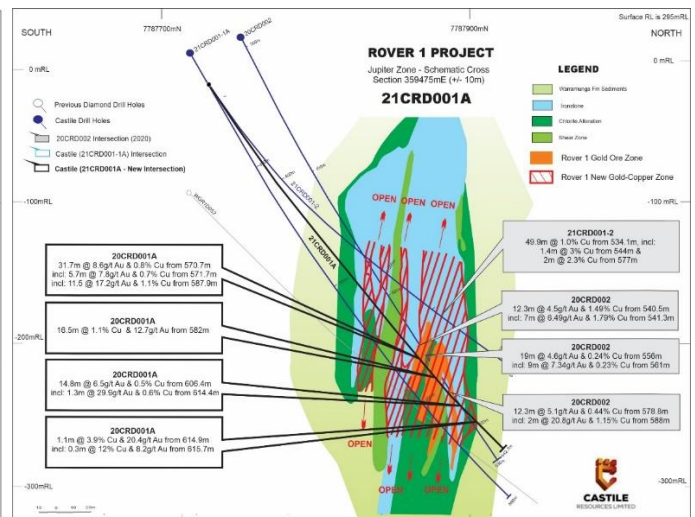


Figure 2: Cross Section Hole 21CRD001A



For the quarter, Castile completed 3,771m of drilling at Rover 1. The resource definition drilling program will continue into the September quarter with results continuing to be released to the market as they are received from the laboratory.

Regional Exploration

Castile's strategy is to develop a central processing facility for the Rover 1 IOCG deposit and then add further sources of ore for the processing plant through exploration of the nearby surrounding targets within the Castile tenement package. Preliminary maintenance works and road repairs were completed during the quarter to allow access for the drill rig to undertake drill hole clean outs to prepare for Downhole Electromagnetic DHEM surveys at Explorer 108, Explorer 142 and Rover 3.

DHEM is ideally suited for detecting anomalies associated with the conductive massive sulphide mineralisation being targeted at Explorer 108, Explorer 142 and Rover 3. Previous owners completed geophysical surveys in the target areas. However, the down hole geophysical surveys to be completed this year will be with significantly more modern equipment and loop designs appropriate to determine a direct vector for drill testing.

Health and Safety

No Lost Time Injuries (LTI's) or cases of COVID-19 were reported from any Castile Resources employee during the quarter. Castile's COVID-19 Business Management Plan ensures all possible steps are taken to ensure the safety of our staff, contractors and the wider community in the constantly changing environment.

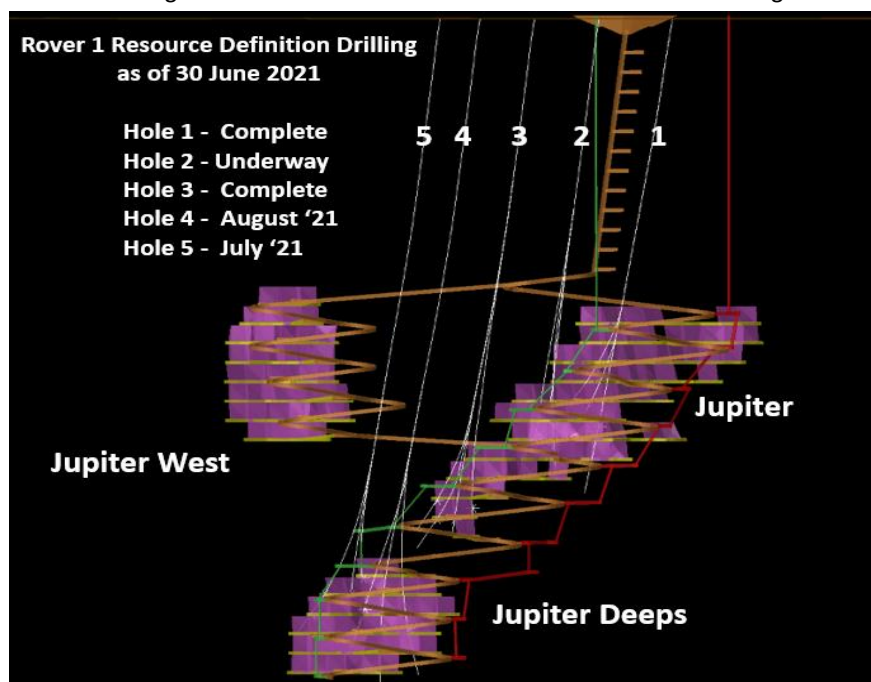
Geology Report

During the quarter Castile has completed and received assays for two parent holes and three daughter holes targeting the Jupiter ironstone, with 3,771m drilled for the quarter at Rover 1. The holes were designed to infill wider spaced historic drilling to confirm continuity of high tenor gold mineralisation trends lower in the ironstone. Significant assays received included:

- 21CRD001A: **31.7m @ 8.6g/t Au and 0.8% Cu from 570.7m downhole**
inc 11.5m @ 17.2g/t Au and 1.1% Cu from 599.4m
14.8m @ 6.5g/t Au and 0.5% Cu from 606.4m downhole
inc 7.8m @ 10.7g/t Au and 0.7% Cu from
- 21CRD001-1A: **21m @ 3.7g/t Au and 1.4% Cu from 585m downhole**
inc 2.3m @ 10.5g/t Au and 2.7% Cu from 588m
10.8m @ 9.0g/t Au and 0.6g/t Cu from 613m downhole
inc 1.9m @ 30g/t Au and 1% Cu from 617.1m
- 21CRD001-2: **49.9m downhole @ 0.5g/t Au and 1.0% Cu from 534.1m**
- 21CRD003A-1: **14.2m down hole @ 1.3% Cu from 651.5m**

The data will feed directly into our mining studies as will ongoing drilling into the Jupiter Deeps zone during the September quarter. Holes 1 and 3 inclusive of the daughter holes are complete with assays reported to the market. The Hole 2 parent is complete, with the daughter holes continuing at the end of the June quarter. Hole 4 and 5 are scheduled to be drilled in July and August.

Figure 3: 2021 Rover 1 Resource Definition Drill Strings



Explorer 108

Towards the end of the June quarter a drilling rig was mobilised 40kms west of Rover 1 to Explorer 108 to prepare two previous drill holes for down hole electromagnetic surveys (DHEM). Explorer 108 hosts a large lead zinc Inferred and Indicated Resource of 11.8Mt 3.2% Zn, 2.00% Pb, 11.1g/t Ag¹ and an Indicated Resource of 5.7Mt 0.36% Cu. Castle Resources considers the Explorer 108 lead-zinc deposit to be a Mt. Isa analogue given the numerous geochemical and structural similarities between the two. The copper defined to date is from a low grade feeder zone, with the large primary copper source the target of this DHEM program. Hole NR108DD026 will be opened up and cased with 50mm class 12 PVC (See Figure 4). Hole NR108DD017 which is located 215 meters to south (not shown in graphic) will undergo the same procedure, and both holes will be surveyed using a DHEM probe. Once the DHEM surveys are complete Castile anticipates developing a target and then drill testing.

Figure 3: Explorer 108 Copper Feeder Zones surrounding the lead/zinc deposit

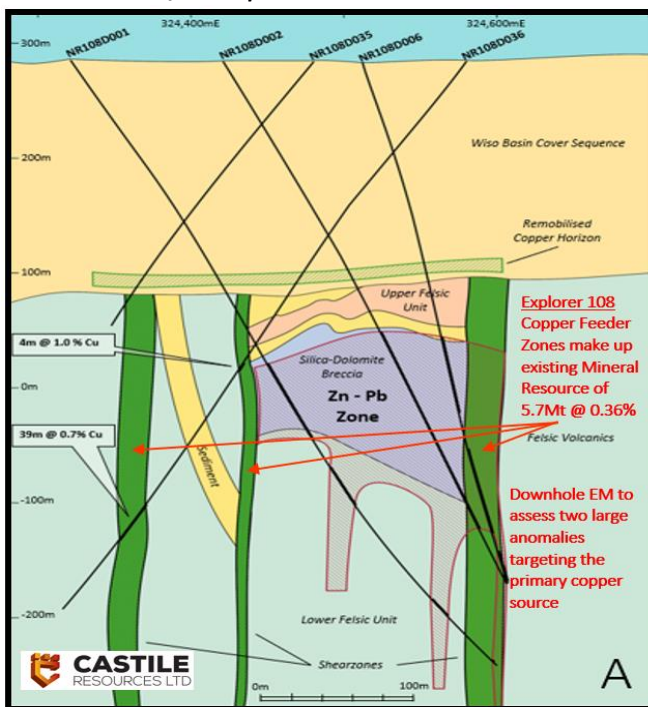
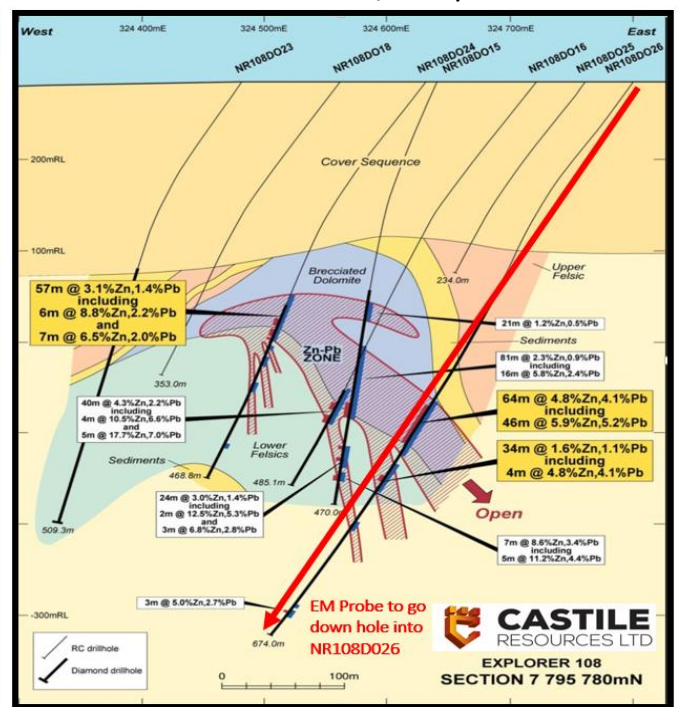


Figure 4: Explorer 108 DHEM Probe to survey for copper-rich anomalies beneath the lead/zinc deposit



Explorer 142

Explorer 142 is an IOCG deposit similar to Rover 1 with an existing Inferred Resource of 176,000t at 5.2% Cu. Explorer 142 will also be the subject of DHEM survey in the September quarter with all pre-works including road maintenance and clearances completed in the June quarter. Explorer 142 is approximately 30 kms west of Rover 1 and fits easily into the Castile strategy of the proposed central processing hub at Rover 1 being within minimal trucking distance. Hole NR142DD003 will be cleaned out and cased in preparation for the DHEM. The probe will survey for suitable gold bearing anomalies associated with the ironstone which will be drill tested immediately.

¹ The resource is comprised of the following:

- Indicated Resource of 8.438Mt 3.41% Zn, 2.05% Pb, 14.32% Ag; and
- Inferred Resource of 3.43Mt 2.81% Zn, 1.88% Pb, 3.32% Ag.

Rover 3

Road clearances will be completed in the next quarter to allow access for the drilling rig to Hole WGR3D001 at Rover 3 which will be cleaned out and cased in preparation for the DHEM. Rover 3 is situated approximately 15kms to the North of Rover 1 and the probe will be targeting an IOCG structure which featured strong geophysical characteristics in previous survey.

Metallurgical Testing and Mining Studies

During the quarter preliminary results from metallurgy testing being performed by METS Engineering have been received. Optimal gold extraction, along with the production of a clean copper concentrate is the primary focus of the test work. Magnetite extraction for coal washing media is now being reviewed and samples prepared for external analysis and review from a specialist in the coal washing magnetite industry.

The preliminary results from the METS laboratory testing showed that bulk sulphide float at 105µm occurs in approximately 5 minutes and recovers +95% of the copper from only 15% of the total mass of the ore. Gold is recovered from gravity, within the sulphide float and Carbon in Leach (CIL). These results were comparable with the previous work completed for the Scoping Study performed on Rover 1 by former owners.

Work is now concentrating on the separation of the bismuth and copper sulphides into separate concentrates to maximise value. Other tests, for crushing, mill selection etc. have returned results as expected for an Iron-Oxide-Copper-Gold ore body.

Geotechnical standards were also finalised during the current quarter.

High Grade Gold Variability Testing

Ongoing variability testing will be used to ensure high grade gold is captured in the gravity circuit at the front end of the flowsheet. The mine will be designed to exploit the high grade gold sections of the deposit whilst ensuring maximum recoveries are achieved in areas of lesser grades.

Environmental Studies

Waste rock characterisation studies required for the environmental approvals will commence during the coming quarter.

Rover 1 PFS Targeting Carbon Neutral Mining

One of the options being considered in our studies is incorporating a battery powered underground fleet with the aim of reducing diesel particulate matter along with a reduction in emissions from the operations. Solar power is being included in studies as an alternative to conventional power sources with the \$22B Suncable Solar Farm earmarked for construction approximately 130 kms to the north of Rover 1.

Figure 1: Flotation Testing of ore from Rover 1



Corporate and Financial

Castile's cash position as of 30 June 2021 was \$11.220m.

The Appendix 5B for the quarter ended 30 June 2021 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$1.731m for the activities reported above which included drilling costs associated with the Tennant Creek project.

The Company also expended \$0.134m for staff (geological, engineering, field, administrative and management personnel and Directors), administration and corporate costs. The total amount paid to Directors of the Company, their associates and other related parties was \$0.156m for salary, fees, consulting fees and superannuation.

Castile provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 14/2/2020 against the "use of funds" statement in its Prospectus dated 3/12/2019 (released on ASX on 12/2/2020).

Expenditure Item	Forecast (2 years) \$'000	Actual (18 months) incl. of GST \$'000	Variance \$'000	Explanation of Material Variances
Rover Project: Regional Exploration	1,600	-	(1,600)	Regional projects yet to commence
Drilling: Rover 1 Infill, Explorer 108 Extensional, Curiosity Prospect, Explorer 142 Extensional	6,800	4,858	(1,942)	(1) Timing issue – the Company listed on 14/2/2020 and funds are budgeted for expenditure over 8 quarters.
Rover 1 – Feasibility & Development Studies	3,600	185	(3,415)	See (1) above.
Warumpi Project – Regional Exploration	1,000	51	(949)	See (1) above.
Exploration capital costs – plant & equipment	660	528	(132)	Timing.
Working capital reserves	2,460	-	(2,460)	(2) No material variance for the time elapsed since listing. The funds are budgeted for expenditure over 8 quarters.
Corporate and equipment costs	400	23	(377)	See (2) above.
General working capital	2,424	1,606	(818)	See (2) above.
ASX listing and associated costs and repayments to Westgold Resources	450	1,210	760	Includes remaining ASX listing and legal associated costs, amounts repayable to Westgold Resources Limited, and transaction management fee of 2% of underwritten funds paid to the broker to the issue.
Underwriting fees & expenses	575	559	(16)	No material variance.
Total	19,969	9,020	(10,949)	



Securities on issue as of 30 June 2021

	Quoted on ASX	Unquoted	Total
Fully paid ordinary shares	199,710,121	-	199,710,121
Unquoted options exercisable at \$0.25 each on or before 26 November 2022	-	2,000,000	2,000,000
Unquoted options exercisable at \$0.313 each on or before 21 December 2023	-	1,000,000	1,000,000
Unquoted options with \$nil exercise price expiring 21 December 2024	-	600,000	600,000
Total	199,710,121	3,600,000	205,310,121

Tenements held as of 30 June 2021

Castile held the following tenements as of 31 December 2020 and did not acquire or dispose of any tenements during the quarter.

Tenement	Project	Location	Interest	Status
EL 24541	Rover	Northern Territory	100%	Expiry 17/12/2021
EL 25511	Rover	Northern Territory	100%	Expiry 17/12/2021
EL 27039	Rover	Northern Territory	100%	Expiry 14/05/2021
EL 27292	Rover	Northern Territory	100%	Expiry 26/05/2021
EL 27372	Rover	Northern Territory	100%	Expiry 26/05/2021
ELR 29957	Rover	Northern Territory	100%	Expiry 16/09/2023
ELR 29958	Rover	Northern Territory	100%	Expiry 16/09/2023
EL 10397	Warumpi	Northern Territory	100%	Expiry 10/09/2021
EL 29747	Warumpi	Northern Territory	100%	Expiry 12/10/2023
EL 31794	Warumpi	Northern Territory	100%	Expiry 27/02/2024

Warumpi Project, NT

No on-ground exploration works took place during the quarter at the Warumpi tenements.

Northern Territory Government Relations

Mark Hepburn, the Managing Director of Castile and Peter Cook the Non-Executive Chairman attended a cross agency meeting hosted by the Northern Territory Government in Darwin dedicated to Castile Resources.

Over twenty representatives from the Mining and Industry, Geology, Infrastructure and Planning, Minister and Cabinet, Treasury, Major Projects and Environmental Departments of the Northern Territory Government attended the meeting.

Private meetings were held with the Honourable Nicole Manison, NT Minister for Mining and Industry, who will be attending a site visit to Rover 1 in July, Mrs Hayley Richards, NT Commissioner of Major Projects and Jason Schoolmeester, Director of Policy for the Northern Territory.

All NT government departments and agencies are very positive about the progress being made by Castile and view the Rover 1 development as a priority within the Barkly Region to stimulate growth and employment opportunities.

Community Engagement and Social Responsibility

Castile was the major sponsor of the ANZAC Dinner at the Tennant Creek Memorial Club for the Sub-Branch of the RSL and donated sports memorabilia to be auctioned.



Castile Resources donated a 20-foot container of sporting clothing and equipment to Pam Dillon, the NT Sports Education Co-Ordinator for the Barkly Region. Pam continues to distribute the goods throughout the Barkly Region through this quarter. Castile's aim is to provide a variety of sports equipment, uniforms and sports shoes for as many children as possible to encourage participation in all sports at the grass roots level.





Mark Hepburn
Managing Director, Castile Resources Limited
For further enquiries please contact
info@castile.com.au

Authorised by the Board of Castile Resources Limited.

Competent Person Statement

The information contained in this announcement was previously disclosed to the market on 24 May 2021, 2 June 2021, 28 June 2021, 16 July 2021 ("Announcements"). Castile is not aware of any new information or data that materially affects the information in the Announcements.

The Mineral Resources contained in this announcement were first disclosed in the prospectus dated 3 December 2019 and released on the ASX market announcements platform on 12 February 2020 ("Prospectus"). Castile is not aware of any new information or data that materially affects the Mineral Resources included in these announcements. All material assumptions and technical parameters underpinning the estimates in the Prospectus continue to apply and have not materially changed.