Castle Minerals Limited

Annual Report

for the year ended 30 June 2021

Corporate Directory

ABN 83 116 095 802

Directors
Michael Atkins (Non-Executive Chairman)
Stephen Stone (Managing Director)
James Guy (Non-Executive Director)

Company Secretary
Jade Styants

Principal Place of Business & Registered Office
Suite 2, 11 Ventnor Avenue
WEST PERTH WA 6005
Phone: (08) 9322 7018

Postal Address
PO Box 437
WEST PERTH WA 6872

Share Register
Automic Pty Ltd
PO Box 52
Collins Street West Vic 8007
Phone (within Australia): 1300 993 916
Phone (outside Australia): +61 3 9628 2200

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Website
www.castleminerals.com

Email
info@castleminerals.com

Stock Exchange Listing
Castle Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: CDT)

Corporate Governance Statement
www.castleminerals.com/corporategovernance.php

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Chairman's Letter

Dear Fellow Shareholders,

On behalf of your Board of Directors, I am pleased to present the 2021 Annual Report and to recap on the tremendous progress made by Castle Minerals over the year, with strong strides being made on its Western Australian and Ghanaian projects.

In a concerted move to build its Western Australia exploration interests, Castle has added another five exploration licences prospective for base and precious metals in the Earaheedy Basin, a region that is fast emerging as a major base metal province. This follows the discovery by neighbours, Rumble Resources Limited (ASX: RTR), of the SEDEX-style Chinook-Magazine zinc-lead-silver-manganese deposits. Initial assessment by Castle is that its licences are similarly prospective as evidenced by historical work and the recent reprocessing and review of available geophysics. Planning is now underway to test priority targets as soon as possible following the grant of the licence applications.

During the year Castle also reappraised its Kambale graphite project in northern Ghana off the back of the relatively strong long-term demand outlook for graphite concentrates driven by the growing move towards electric vehicles and battery storage for which graphite is a major input.

Samples of near-surface weathered graphitic material were excavated and flown to Perth for test work which was successful in achieving a fine flake graphite concentrate of 96.4% and recoveries of 88% using a conventional grind and flotation concentration flowsheet. The three excavated and composited samples tested graded 12.56%, 16.09% and 17.16% total carbon confirming the presence of high grade material at Kambale. A drilling program is now being designed with the aim of delineating the full extent of deposit which already extends for 2.5km, to identify the areas with the highest quality graphite and to provide samples of fresh material for the next phase of test work.

The Company continues to progress its gold assets in Australia and Ghana, with drill programs being developed to test high priority targets at the Beasley Creek and Polelle projects. Castle was also successful in being awarded co-funding of three 250m diamond core holes at Beasley Creek under the GSWA Exploration Incentive Scheme.

I am sure that next year will be just as exciting for Castle as it continues to build its interests and also as it moves to implement strategies to monetise some of these.

I thank all shareholders for their continued support, as well as my Board colleagues, our management team and staff for their enormous efforts during the year.

Sincerely

Michael Atkins
Chairman
24 September 2021

2021 Mineral Resources And Ore Reserves Statement

This statement represents the Mineral Resources and Ore Reserves (MROR) for Castle as at 30 June 2021.

This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code), unless otherwise stated. This statement is reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June 2021. There have been no changes in the MROR since the 30 June 2020. The information in this statement has been extracted from the relevant ASX reports as indicated below in each Mineral Resource table.

GOLD MINERAL RESOURCES
as at 30 June 2021

Table 1: Gold Mineral Resource Estimates [2]

PROJECT	INDICATED			INFERRED			TOTAL			CUT-OFF
	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Lower Au g/t
Kandia 8000 Zone				229,000	1.8	13,000	**229,000**	**1.8**	**13,400**	**1.0**
Kandia 4000 Zone	1,772,000	1.0	57,700	777,000	0.9	21,500	**2,549,000**	**1.0**	**79,200**	**0.5**
Kpali				2,914,000	1.1	107,200	**2,914,000**	**1.1**	**107,200**	**0.5**
TOTAL[1]	**1,772,000**	**1.0**	**57,700**	**3,920,000**	**1.1**	**141,700**	**5,692,000**	**1.1**	**199,800**	

(1) Totals may not add exactly due to rounding

(2) Full Mineral Resource parameters can be found as follows:

(a) Castle's ASX release dated 2 July 2014 titled 'Maiden Resource Estimate for the Kpali Gold Prospect'.

(b) *Castle's ASX release dated 18 January 2014 titled 'Kpali Gold Discovery'.*

GRAPHITE MINERAL RESOURCE
as at 30 June 2021

On 24 July 2012 Castle announced a maiden resource estimate for its Kambale Graphite Project of 14.4 million tonnes graphite grading 7.2%C (graphitic carbon) for 1.03 million tonnes contained graphite (Inferred Mineral Resource) (Table 2).

Table 2: Kambale Deposit July 2012 Inferred Mineral Resource Estimate (5%C cut-off grade)[2]

TYPE	TONNES (MT)	GRAPHITIC CARBON (%)	CONTAINED CARBON (T)
Oxide	3.4	7.1	243,000
Fresh	11.0	7.2	793,000
Total[1]	**14.4**	**7.2**	**1,036,000**

(1) Totals may not add exactly due to rounding

(2) The Mineral Resource estimate was made in July 2012 and complied with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC). Castle is not aware of any new information or data that materially affects the information included in the JORC 2004 Mineral Resource estimate and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply.

The resource estimate released in July 2012 did not include any assumptions about mining, mining dilution, metallurgy or processing methods. No bulk density measurements were undertaken.

The Mineral Resource estimate is not compliant with Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves - 2012 edition. No additional technical work has been done since the Mineral Resource estimate was made.

2021 Mineral Resources And Ore Reserves Statement Continued

There is insufficient information available for the resource to be re-estimated to be compliant with the Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves - 2012 edition. It is possible that following additional technical work, and should a Competent Person be able to undertake a re-estimation of the Mineral Resource to comply with JORC Code 2012, that the Mineral Resource may materially change and/or reduce. Substantial work is required in order to bring the resource into compliance with JORC Code 2012. A timeline and budget for this work has not been established. Several factors not limited to geology, metallurgy, environment, heritage, licencing and permitting, commodity price and market conditions will singularly, or in combination, impact on decisions to undertake and complete this work.

GOVERNANCE AND INTERNAL CONTROLS

The Mineral Resource estimates listed in this report are subject to Castle's governance arrangements and internal controls. Castle's estimates are derived by a Competent Person's (CP) with the relevant experience in the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking. Geology models in all instances are generated by Castle staff and are reviewed by the CP. The CP carries out reviews of the quality and suitability of the data underlying the Mineral Resource estimate. Castle management conducts its own internal review of the estimate to ensure that it honours the Castle geological model and has been classified and reported in accordance with the JORC Code.

The Company has established practices and procedures to monitor the quality of data applied in Mineral Resource estimation, and to commission and oversee the work undertaken by external independent consultants.

In all cases Mineral Resources are estimated and reported in accordance with the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mineral Resources reported in accordance with the 2004 Edition of the JORC Code (Kambale graphite project) were prepared by Runge Limited. Mineral Resources reported in accordance with the 2012 Edition (Kandia 8000 Zone and Kpali) were prepared by Castle Minerals Limited and reviewed by Runge Limited.

Castle confirms that all material assumptions underpinning the Mineral Resources and any forecast information continue to apply and have not materially changed. Further information on Castle Minerals Limited and its Ghana projects and Minerals Resources can be found on its website at www.castleminerals.com which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

COMPETENT PERSONS STATEMENT AND DISCLAIMER

PROJECT AND DISCIPLINE	JORC SECTION	COMPETENT PERSON	EMPLOYER	PROFESSIONAL MEMBERSHIP
Kandia 8000 Zone, Kandia 4000 Zone and Kpali - gold projects (1)	Exploration Results and Mineral Resources	Michael Ivey	Castle Minerals Limited	MAusIMM
Kambale Graphite Deposit (2)	Exploration Results	Haydn Hadlow	Castle Minerals Limited	MAusIMM
Kambale Graphite Deposit (3)	Mineral Resources	Aaron Green	Runge Limited	MAIG

(1) The information in this report that relates to Exploration Results and Mineral Resources for the Kandia 8000 Zone, Kandia 4000 Zone and Kapali gold projects in Ghana are based on and fairly represents information compiled by the Competent Persons listed in the table above. The Competent Person has sufficient experience that 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 JORC Code (2012 Edition). Castle is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Castle confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

(2) The information in this report that relates to Exploration Results for the Kambale graphite projects in Ghana is based on and fairly represents information compiled by the Competent Persons listed in the table above. The Competent Person has sufficient experience that 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 2004 JORC Code. Castle is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Castle confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

2021 Mineral Resources And Ore Reserves Statement Continued

(3) The information in this report that relates to Mineral Resource Estimate for the Kambale graphite projects in Ghana is based on and fairly represents information compiled by the Competent Persons listed in the table above. The Competent Person has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Castle is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Castle confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

SCHEDULE OF MINING TENEMENTS
as at 24 September 2021

Tenement and Name		Current Interest
WESTERN AUSTRALIA (CASTLE MINERALS LIMITED)		
Meekatharra Projects		
E 51/1703	Wanganui	100%
E 51/1843	Polelle	100%
PLA 51/3193–94	Polelle	Application
PLA 51/3196	Polelle	Application
P 51/3190-92	Polelle	100%
P 51/3195	Polelle	100%
P 51/3197-98	Polelle	100%
Pilbara Projects		
E 47/3490	Beasley Creek	80%
ELA 08/3257	Success	Application
Earaheedy Basin Project		
ELA 69/3860	Withnell	Application
ELA 52/3927	Terra Rossa	Application
ELA 52/3930	Terra Rossa East	Application
ELA 52/3931	Terra Rossa South	Application
ELA 52/3928	Marymia	Application
ELA 38/3641	Tableland	Application
ELA 38/3642	Tableland	Application
Donnybrook		
ELA 70/5880	Green Lion	Application

2021 Mineral Resources And Ore Reserves Statement Continued

SCHEDULE OF MINING TENEMENTS CONTINUED
as at 24 September 2021

Tenement and Name		Current Interest
GHANA (CARLIE MINING LIMITED) (1)		
Kambale Graphite Project		
PL 10/47	Kambale	100%
Gold Projects		
RLA	Chache	Application
RLA	Jewoyeli	Application
RLA	Takariyili	Application
RLA	Tuole	Application
RL 10/23	Jang	100%
RL 10/13	Wa	100%
PL 10/26	Degbiwu (2)	100%
PL 10/23	Bulenga	100%
PL 10/25	Charingu	100%
PLA	Kandia	Application
PL 10/24	Baayiri	100%
RL 8/27	Gbinyiri (2)	100%
RL 8/28	Gurungu	100%
RL 8/31	Jumo	100%
RL 8/30	Chasia	100%
RL 8/29	Perisi	100%
RLA	Funsi	Application

(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 registered subsidiary, Carlie Mining Limited. Where required, Castle has lodged applications, applications for renewal or extensions of the licences and in those cases may be awaiting advice on the success of these and/or confirmatory documentation approved by the Minister for Lands and Natural Resources and the invoicing of statutory levies.

(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 Gbiniyiri 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).

FORWARD LOOKING STATEMENT

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

Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Castle Minerals Limited ("Company") and the entities it controlled at the end of, or during, the year ended 30 June 2021.

DIRECTORS

The names and details of the Group's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Michael Atkins, B.Comm, FAICD (Non-Executive Chairman).

Michael is a Fellow of the Australian Institute of Company Directors and was previously a Fellow of the Institute of Chartered Accountants in Australia.

Since 1987 Mr Atkins has been involved in the executive management and as a non-executive Chairman of numerous publicly listed resource companies with operations in Australia, USA, South East Asia and Africa, including as managing director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction phase, and as founder and executive chairman of Botswana gold company Gallery Gold Ltd. Mr Atkins has been non-executive Chairman of numerous ASX listed companies, including Westgold Resources and Azumah Resources.

Mr Atkins is currently a Senior Corporate Advisor to Canaccord Genuity (Australia) Ltd, and non-executive chairman of Legend Mining Ltd, and non-executive director of SRG Global Limited, both ASX listed. Mr Atkins was non-executive Chairman of Azumah Resources Limited until his resignation in December 2019 and has not held any other former public company directorships in the last three years.

Stephen Stone, BSc (Hons) Mining Geology, MAusIMM, FAICD, (Managing Director).

Mr Stone graduated with honours in Mining Geology from University of Wales, Cardiff and has since gained more than 40 years' operating, project evaluation, executive management and corporate development experience in the international mining and exploration industry.

Mr Stone worked for several years at the large open pit and underground copper mines of the Zambian Copperbelt. He came to Australia in 1986 and since then has been involved in the formation and management of several junior ASX listed exploration companies.

Mr Stone is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors. Within the last three years Mr Stone was Managing Director of former listed public company Azumah Resources Limited until his resignation in November 2019 and was also a non-executive director of ASX listed public company Alto Metals Limited until his resignation in July 2018.

James Guy, BAppSc, GradDipApplFin, (Non-Executive Director).

Mr Guy is a geologist who brings with him more than 30 years of technical experience in the mining industry, both locally and internationally, with extensive experience in exploration, project feasibility and mining operations. Mr Guy has previously held senior executive positions with several ASX listed junior resource companies and with banking group, NR Rothschild & Sons. He is currently principal of James Guy & Associates Pty Ltd.

Mr Guy has not held any former public company directorships in the last three years.

COMPANY SECRETARY

Jade Styants, BCom, CA, FCIA, FCIS.

Mrs Styants is a Fellow Chartered Secretary, Chartered Accountant and corporate finance professional with over 20 years' experience assisting a range of Australian and international listed and unlisted companies across a range of industry sectors.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Castle Minerals Limited were:

	Ordinary Shares	Options over Ordinary Shares
Michael Atkins	20,841,189	2,000,000
Stephen Stone	51,961,627	8,000,000
James Guy	4,818,990	4,000,000

PRINCIPAL ACTIVITIES

During the year the Group carried out exploration on its tenements and acquired additional tenements with the objective of identifying gold and other economic mineral deposits. There was no significant change in the nature of the Group's activities during the year.

DIVIDENDS

No dividends were paid, declared or recommended during the financial year.

REVIEW OF OPERATIONS

Please refer to the relevant releases made by the Company to the ASX.

KAMBALE GRAPHITE PROJECT, GHANA

- The Kambale graphite project in northern Ghana is a sleeper asset within Carlie Mining Limited (100% owned Ghanaian registered subsidiary of Castle) which warranted a reappraisal consistent with improved market prices for graphite concentrates and the positive longer-term outlook for the commodity. These are underpinned by its use in the manufacture of lithium-ion batteries which are being increasingly used in electric vehicles, consumer electronics and other electricity storage applications.
- Drilling, a maiden Mineral Resource estimation and preliminary metallurgical test work in 2012 were encouraging enough that Castle committed to a programme of test work to place the Company in a position to make an informed decision as to how best it can take Kambale forward.
- During Q4 2021 near-surface weathered graphitic bulk samples were excavated from the Kambale graphite project and were transport to Perth for test work to produce flotation concentrates for flowsheet design, concentrate characterisation, market positioning and project benchmarking studies to enable identification of possible commercial options.
- Preliminary test work on the graphitic schists achieved fine flake graphite concentrate grades of up to 96.4% and recoveries of 88% using a conventional grind and flotation concentration flowsheet. The three excavated and composited samples provided for test work graded 12.56%, 16.09% and 17.16% total carbon.
- A drilling program is now being designed to delineate the full extent of deposit, to identify areas of highest quality graphite and to provide diamond core for test work on fresh, unweathered material.

EARAHEEDY BASIN, WESTERN AUSTRALIA

During April 2021 Castle applied for five exploration licence encompassing terrane prospective for base and precious metals in the Earaheedy and Yerrida basins base metals provinces. The project comprises the Withnell and the Terra Rosa sub-projects. Both areas have similar stratigraphy to the Chinook-Magazine zinc-lead prospects being explored by ASX Listed Rumble Resources Ltd ("RTR"). The Withnell area and its Sioux prospect are located immediately along strike from Chinook-Magazine. The four Terra Rosa applications are immediately east of the Thaduna copper deposit.

Withnell

- Historical reports, 1:100,000 scale GSWA mapping covering the Withnell application and projections of lithologies to surface indicate that the Withnell licence could host approximately 3.5km strike of the prospective Lower Frere

Formation – Upper Yelma target lithologies, the same horizons that host the Chinook-Magazine prospects being explored by RTR.

- RC and diamond drilling in 1997 by an RGC Exploration Pty Ltd and Carnegie Minerals NL joint venture, intersected low-level zinc and lead anomalism on the Withnell licence, including at the Sioux prospect. It also encountered lithologies similar to that at the Chinook and Magazine zinc-lead discoveries to the west.

- The projected depth of RTR's northeast and shallow dipping mineralised unit onto Castle's Withnell licence, where it abuts the northern boundary of the RTR licence, is undetermined and will need to be confirmed by drilling.

- RTR (ASX release 2 June 2021) refers to the presence of a 'swarm' of northwest trending structures that may have acted as conduits for mineralising fluids to find their way into the now mineralised lithology and possibly favourably influenced the distribution of mineralisation, with the implication being that higher grade zones will be closer to the fractures. Castle is reprocessing and interpreting available open file and multi-client geophysical data to better understand the geology and structure at Withnell and to determine whether a favourable northwest trending structural fabric exists on its licence.

Terra Rossa

- The four contiguous Terra Rossa applications are grouped immediately to the east of the dormant Thaduna copper deposit. They extend north-south for some 40km and host at least six base metal prospects appearing on the GSWA MINEDEX database.

- Most soil sampling and drilling on the Terra Rossa package took place on ELA52/3927 and especially in and around the McDonald Well South copper-zinc target. Here, one of four RC holes to test an EM conductor returned low-level copper and gold.

- The Elmos base metal anomaly was identified by mapping and lag sampling conducted by CRAE in 1994. RAB drilling intersected low-level base metal anomalism.

- The 800m x 300m Terra Rossa base metal anomaly was identified by CRAE at the same time as the Elmos and the nearby Brimstone anomalies were identified. Terra Rossa was tested with a single RAB hole which returned anomalous zinc and copper.

BEASLEY CREEK – PILBARA REGION, WESTERN AUSTRALIA

- The Beasley Creek project lies on the northern flanks of the Rocklea Dome in the southern Pilbara. The strategy is to define structurally controlled gold targets within the various Archean sequences. These lie immediately above and below the 16km east-west striking conglomerate horizons which had been the initial 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.

- Castle geologists undertook a field reconnaissance trip to validate the results of stream sediment sampling conducted during Q1 2021, which obtained gold values in all 47 bulk stream sediment samples collected, with a peak value of 92ppb Au. This work confirmed four anomalous zones associated with several different geological settings. The presence of quartz veining proximal to these, observations of remnant sulphide textures and malachite staining in some veins plus the recovery of small gold nuggets in the same localities, all combined to reinforce the need to progress this increasingly interesting project.

- During Q3 2021 Castle completed a 479 soil sampling and 78 rock chip sampling campaign at priority targets identified from an interpretation of a 2,323 line-km high-resolution aeromagnetic survey, which defined a broad, north-northwest trending anomalous gold corridor with a peak soil value of 202ppb Au and several other samples assaying above 50ppb Au.

- The results will be the final phase of support for the planning of a Castle funded RC and core drilling program on this project. The proposed drilling will test anomalies primarily for older Archean structurally-hosted orogenic-style mineralisation. This is a new style target at Beasley Creek which was originally acquired for its paleo-placer conglomerate gold prospectivity.

- During the year Castle successfully applied for and was awarded $99,375 from the GSWA Exploration Incentive Scheme co-funding initiative for three stratigraphic holes. This drilling will provide an improved understanding of the general stratigraphy at Beasley Creek.

SUCCESS DOME – PILBARA REGION, WESTERN AUSTRALIA

- The Success Dome project comprises an application for an exploration licence in the Ashburton structural corridor and is located midway between the Paulsen's and Ashburton gold deposits. It is prospective for gold and base metals. More locally, Success Dome lies immediately adjacent to the southern margin of the Hamersley Basin and 40km southwest of Castle's Beasley Creek gold project. Major thrust faults and sub-parallel shear zones highlighted in the regional magnetic and gravity data, combined with additional detailed geophysics data from previous explorers, brought this available area to Castle's attention.
- Regional aeromagnetic data was reprocessed and interpreted by Castle's consultants. This work provides enhanced structural information to guide an initial phase of mapping and reconnaissance sampling exploration planned for late 2021.

POLELLE – MEEKATHARRA REGION, WESTERN AUSTRALIA

- The Polelle project, 25km south of Meekatharra and 7km southeast of the operating Bluebird Mine, hosts a mainly obscured and minimally explored greenstone belt. The belt is comprised of a combination of prospective lithological units and major structural features including the Albury Heath shear which hosts the Albury Heath deposit immediately adjacent to the east boundary of Castle's licence. Albury Heath is owned by Westgold and is being considered for mining and processing at its nearby Bluebird plant. Aeromagnetics have indicated that the southwest trending Albury Heath shear and a splay structure are traceable onto the Polelle project area for some 12km.
- An 827 sample point infill soil sampling program during Q4 2021 defined a drill-ready target within an 800m gold anomaly associated with the Albury Heath splay structure. Wide-spaced auger sampling has indicated that gold anomalism could extend south for some 4.2km towards the Lordy Bore area where the splay is interpreted to join the Albury Heath shear zone. This is supported by several anomalous rock chip samples grading up to 4.91g/t Au which were collected by Castle where the splay intermittently outcrops as a quartz vein breccia (refer ASX release 24 February 2021). Given the close association of gold anomalism with these structures, the scope for exploration success at Polelle is considered to be strong.
- Castle is planning to drill the higher priority gold anomalies pending field verification, the securing of access permits and the availability of a drill rig.

WANGANUI – MEEKATHARRA REGION, WESTERN AUSTRALIA

- The Wanganui project is located 33km south-west of the active Meekatharra mining centre and 15km south-west of the operating Bluebird gold mine. The opportunity is to test for down-plunge and along strike extensions to the existing Main Lode North and South deposits, as well as for other similar targets. The Main Lode mineralisation, which can be intermittently traced for at least 1km, is one of at least four structurally related mineralised zones.
- Drilling completed by Castle in Q2 2021 indicated the likelihood of extensions to plunging mineralised structures at Main Lode South. These may be tested as an adjunct to proposed drilling at Polelle but is not considered high priority.

GOLD PROJECTS, GHANA

- Castle is assessing various options to advance and/or monetise its Ghana project interests.
- The Gbiniyiri and Degbiwu licences have been farmed-out to Ghana explorer, Iguana Resources, which is exploring for gold and base metals.
- Castle retains a 4% net smelter precious metal royalty over the Julie West licence, a key component of Azumah Resources Limited's Wa Gold Project, which is at an advanced stage of consideration for development.

Finance Review

The Group began the financial year with a cash reserve of $434,475. During the year, the Group raised $3,432,695 (before costs) from the issue of 343,269,545 fully paid ordinary shares. Funds were used to progress exploration at the Company's gold projects in Western Australia and at its Wa Project in Ghana. Importantly, it provided the Company with greater flexibility to respond to new opportunities.

During the year total exploration expenditure incurred by the Group amounted to $1,387,621 (2020: $433,505). In line with the Company's accounting policies, all exploration expenditure is expensed as incurred. Net administration expenditure incurred amounted to $602,829 (2020: $681,554).

The Group incurred an operating loss after income tax for the year ended 30 June 2021 of $1,990,450 (2020: $775,247).

Going concern

For the year ended 30 June 2021 the Group recorded a loss of $1,990,450 (2020: $775,247) and had net cash outflows from operating activities of $1,942,398 (2020: $449,925), with working capital of $1,661,545 (2020: $337,085).

The Group currently has no cash generating assets in operation and $1,801,005 of available funds at 30 June 2021.

The ability of the Group to continue as a going concern is dependent on securing additional funding through capital raisings and/or sale of interests in projects to continue to fund its operational and marketing activities.

The Group has developed a policy and is evolving procedures to address the health and wellbeing of employees, consultants and contractors in relation to COVID-19. The timing and extent of the impact and recovery from COVID-19 is unknown but it may have an impact on activities and potentially impact the ability for the Group to raise capital in the current prevailing market conditions.

These conditions indicate an uncertainty that may cast a doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- on 14 August 2019 the Group entered into a joint venture arrangement with privately owned Ghana registered company, Iguana Resources Limited, whereby Iguana will sole fund exploration to earn an interest of up to 80% in the Degbiwu and Gbiniyiri prospecting licenses in Ghana ('Licences") spending a total of US$11.7 million in three stages over five years. This will accelerate exploration on the Licences, while allowing the Group to retain exposure to the Licences. Iguana is obliged to meet all statutory expenditure requirements for the Group; and
- the Directors are confident that they will be able to raise additional equity as and when required.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Operating Results for the Year

Summarised operating results are as follows:

	2021	
	Revenues	Results
	$	$
Consolidated Group revenues and loss before income tax expense	**75,587**	**(1,990,450)**

Shareholder Returns

	2021	2020
Basic loss per share (cents)	**(0.3)**	(0.3)

Risk Management

The board is responsible for ensuring that risks, and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has several mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk; and
- implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

CORPORATE GOVERNANCE

The board are committed to achieving and demonstrating the high standard of corporate governance. The Corporate Governance Statement for the Group was approved by the board on 24 September 2021 and can be viewed on the Company's website at www.castleminerals.com.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report no significant changes in the state of affairs of the Group occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 17 July 2021 Castle issued 4,000,000 unlisted incentive options exercisable at 2.2cents expiring 30 June 2023 for technical and company secretarial services.

Other than as detailed above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Remuneration policy

The remuneration policy of Castle Minerals Limited has been designed to align director and executive interests with shareholder and business objectives by providing a fixed remuneration component and offering specific short term and long term incentives designed to encourage improved performance.

The board of Castle Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain qualified and experienced directors to run and manage the Group.

The remuneration policy, setting the terms and conditions for the board members, executive directors and other senior executives, was developed by the board. All executives receive a base salary and superannuation. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements, from time to time.

The executive directors and executives who receive a salary from the Company also receive a superannuation guarantee contribution required by the government, which was 9.5% for the 2021 financial year, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using either the Black-Scholes or Binomial methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $200,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option issues.

Elements of remuneration

- ***Fixed remuneration***

Executive fixed remuneration is competitively structured and comprises the fixed component of the remuneration package. The fixed component includes cash and superannuation to comprise the employee's total employee cost. Fixed remuneration is designed to reward the Executive for the scope of their role, their skills, experiences and qualifications, together with their individual performance.

- ***Short term incentive (STI)***

The Company implemented a short-term incentive plan during the 2020 financial year in respect to the Managing Director. The Managing Director will have the opportunity to earn a discretionary annual incentive award, delivered in the form of cash. The STI is reviewed on a quarterly basis by the Board, who is responsible for determining the achievement of targets and assessing as to whether a bonus amount is paid (including making no payment) based on the achievement of strategic and or business objectives. No STI's have been paid at 30 June 2021.

The objective of a variable STI remuneration is to link the achievement of the Company's operational targets with the remuneration received by the Managing Director charged with meeting those targets. The Company's STI objectives are to motivate the Managing Director to achieve the short-term annual objectives linked to Company success and shareholder value creation, create a strong link between performance and reward, share Company success with the Managing Director as he contributes to it and create a component of the employment costs that is responsive to short and medium terms changes in the circumstances of the Company.

- ***Long term incentive (LTI)***

The LTI offered to directors and executives forms a key party of their remuneration and assists to align their interest with the long-term interest of shareholders. The purpose of the LTI is to link remuneration to an appropriate financial performance indicator, such as share price, over a long measurable period, as determined by the Board. In this regard, options over unissued shares provide a performance linked incentive component in the remuneration package for directors and executives to motivate and reward their performance. The option issue was approved by shareholders at the General Meeting held on 29 June 2020.

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed Group.

	2021 $	2020 $	2019 $	2018 $	2017 $
Revenue	75,587	339,812	82,791	21,138	563,827
Net (loss)/profit	(1,990,450)	(775,247)	(494,738)	(1,615,493)	8,911
(Loss)/earnings per share (cents)	(0.3)	(0.3)	(0.2)	(0.8)	0.0
Share price at year end (cents)	1.4	0.9	0.5	1.6	1.7
Total KMP compensation	379,421	351,697	204,060	219,017	238,570

No dividends have been paid.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2021.

Voting and comments made at the Company's 2020 Annual General Meeting

The Company received 99.4% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Service agreements

Each of the Directors has agreed to letters of appointment with standard terms commencing from their appointments until such time as the Director resigns or is not re-appointed by shareholders when required to stand for re-election, together with standard clauses for dismissal in the case of misconduct. There are no provisions for termination payments other than accrued fees.

Effective from 1 July 2020 up to 30 June 2021 the remuneration for each of the Directors is as follows:

Director	Annual Salary ($)	Time Commitment	Fees for Additional Time
Michael Atkins	80,000	~2 days per month	$1,500 per day in excess of 2 days per month
Stephen Stone	252,000	90% of his available time during normal business hours	N/A
James Guy	40,000	~2 days per month	N/A

Details of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table. The key management personnel of the Group include only the directors as per page 16.

Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Key management personnel of the Group

	Short-Term			Post-Employment	Share-Based Payments		
	Salary & Fees (1)	Non-Cash benefits (3)	Annual and Long Service Leave	Super-annuation	Options	**Total**	**Percentage Performance Related**
	$	$	$	$	$	$	%
Directors							
Michael Atkins							
2021	**73,059**	**-**	**-**	**6,941**	**-**	**80,000**	-
2020	45,662	-	-	4,338	13,600	63,600	-
Stephen Stone							
2021	**230,137**	**-**	**7,421**	**21,863**	**-**	**259,421**	-
2020	156,617	-		14,879	54,400	225,896	-
James Guy (2)							
2021	**36,530**	**-**	**-**	**3,470**	**-**	**40,000**	-
2020	31,964	-	-	3,037	27,200	62,201	-
Total key management personnel compensation							
2021	**339,726**	**-**	**7,421**	**32,274**	**-**	**379,421**	
2020	234,243	-	-	22,254	95,200	351,697	

(1) As a means of conserving cash, from 1 January 2019 to 30 September 2019 Michael Atkins, Stephen Stone and James Guy each agreed to waive their right to cash remuneration in respect of their net director fees, in substitution for subscribing in advance for ordinary shares in the Company. Resolutions were approved by shareholders at the Annual General Meeting of the Company held on 14 November 2019 to issue shares to Directors in lieu of directors' fees for the period 1 January 2019 to 30 September 2019. The issue price of the shares was calculated by reference to the monthly VWAP for the month that the fees were earnt. The directors collectively waived their rights to $94,256 in net directors' fees to subscribe for 13,435,297 ordinary shares in the Company. The closing price of $0.009 on the date of the Annual General Meeting was the grant date fair value of the shares issued, for a total fair value of $120,918. The settlement of this liability by the issue of shares resulted in a net loss for accounting purposes, resulting from the increase in the value of shares issued in respect to directors' fees from the time that the fees accrued to the grant date fair value at the date of issue. This net loss is recognised in the profit or loss for the 2020 financial year of $26,662.

(2) In addition to Mr Guy's non-executive director fee a total of $109,396 (2020: $45,750) was invoiced by James Guy & Associates Pty Ltd, a business of which Mr Guy is principal. James Guy & Associates Pty Ltd provided geological consulting services to the Group during the year. The amounts paid were at usual commercial rates with fees charged on an hourly basis.

(3) The Company had in place Directors & Officers Liability Insurance during the entire year with the premium being $13,853 (2020: $13,338).

Share-based compensation

Options

Options are issued to directors and executives as part of their remuneration from time to time. The options are not issued based on performance criteria but are issued to the majority of directors and executives of Castle Minerals Limited to increase goal congruence between executives, directors and shareholders. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company. There were no options granted to or vesting with key management personnel during the year.

There were no ordinary shares issued upon exercise of remuneration options to directors or other key management personnel of Castle Minerals Limited during the year.

Equity instruments held by key management personnel

Share holdings

The numbers of shares in the Company held during the financial year by each director of Castle Minerals Limited and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below.

There were no shares granted during the reporting period as compensation.

2021	Balance at start of the year	Received during the year on the exercise of options	Received during the year in lieu of Director fees	Other changes during the year (2)	Balance at end of the year (1)
Directors of Castle Minerals Limited					
Ordinary shares					
Michael Atkins	17,841,189	-	-	3,000,000	20,841,189
Stephen Stone	48,961,627	-	-	3,000,000	51,961,627
James Guy	3,318,990	-	-	1,500,000	4,818,990

(1) At year end there are no nominally held shares.

(2) Other changes represent participation in a share purchase plan.

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Castle Minerals Limited and other key management personnel of the Company, including their personally related parties, are set out below:

2021	Balance at start of the year	Granted as comp-ensation	Exercised	Expired	Balance at end of the year	Vested and exercisable	Unvested
Directors of Castle Minerals Limited							
Michael Atkins	2,000,000	-	-	-	2,000,000	2,000,000	-
Stephen Stone	8,000,000	-	-	-	8,000,000	8,000,000	-
James Guy	4,000,000	-	-	-	4,000,000	4,000,000	-

All vested options are exercisable at the end of the year.

Loans to key management personnel

There were no loans to key management personnel during the year.

Other transactions with key management personnel

KMP other services

James Guy & Associates Pty Ltd, a business of which Mr Guy is principal, provided geological consulting services to the Castle Minerals Group during the year. The amounts paid were on arms' length commercial terms and are disclosed in the remuneration report in conjunction with Mr Guy's compensation. At 30 June 2021 there was $13,875 (2020: $16,100) owing to James Guy & Associates Pty Ltd.

Canaccord: Lead Manager on Rights Issue (subsequently withdrawn)

Pursuant to the Mandate to act as Lead Manager to Rights Issue dated on or about 21 February 2020, Canaccord Genuity (Australia) Limited, a company associated with the Chairman, agreed to act as lead manager and bookrunner to the Rights Issue Entitlement Offer made to shareholders on 26 February 2020. The offer was subsequently withdrawn on 23 March 2020. Legal fees of $3,045 were reimbursed to Canaccord in May 2020, in accordance with the lead manager agreement.

Azumah: expense payments

During the 2020 financial year Azumah, who was a related party of the Group until November 2019 as two of the Company's directors, Messrs Atkins and Stone, were also directors of Azumah, on-charged to the Group various administration expenses including office rent and overheads, bookkeeping and office administration staff. The total of expenses on-charged by Azumah during that portion of the 2020 financial year that Azumah was a related party was $6,194. There were no amounts owed to Azumah at either 30 June 2021 or 30 June 2020. Transactions were commercial and at arms' length terms.

End of audited Remuneration Report

DIRECTORS' MEETINGS

During the year the Company held six meetings of directors. The attendance of directors at meetings of the board were:

	Directors Meetings	
	A	**B**
Michael Atkins	6	6
Stephen Stone	6	6
James Guy	6	6

Notes

A - Number of meetings attended.

B - Number of meetings held during the time the director held office during the year.

SHARES UNDER OPTION

Unissued ordinary shares of Castle Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price (cents)	Number of options
29 June 2020	30 June 2023	1.5	15,500,000
25 November 2020	30 June 2022	2.0	20,000,000
20 July 2021	30 June 2023	2.2	4,000,000
			39,500,000

No option holder has any right under the options to participate in any other share issue of the Company or any other Group.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Castle Minerals Limited paid a premium of $13,853 to insure the directors and secretary of the Company. The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

NON-AUDIT SERVICES

The following non-audit services were provided by the Group's auditor, BDO Audit (WA) Pty Ltd or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

BDO Audit (WA) Pty Ltd or associated entities received or are due to receive the following amounts for the provision of non-audit services:

	2021	2020
	$	$
Tax compliance and advisory services	**9,721**	5,150
Total remuneration for non-audit services	**9,721**	5,150

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20.

Signed in accordance with a resolution of the directors.

Stephen Stone
Managing Director
Perth, 24 September 2021

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF CASTLE MINERALS LIMITED

As lead auditor of Castle Minerals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Castle Minerals Limited and the entity it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 24 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2021	Notes	2021 $	2020 $
CONTINUING OPERATIONS			
Revenue	4(a)	**255**	184
Other income	4(b)	**75,332**	339,628
Depreciation expense		**(1,777)**	(2,214)
Salaries and employee benefits expense		**(298,555)**	(186,862)
Tenement acquisition and exploration expenses		**(1,387,621)**	(433,505)
Corporate expenses		**(119,503)**	(74,289)
Administration expenses		**(258,581)**	(196,127)
Loss on settlement of liability	9(b)(3)	**-**	(116,662)
Share-based payment expense	19(c)	**-**	(105,400)
LOSS BEFORE INCOME TAX		**(1,990,450)**	(775,247)
INCOME TAX EXPENSE	6	**-**	-
LOSS AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		**(1,990,450)**	(775,247)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(1,810)**	(6,885)
Other comprehensive income for the year, net of tax		**(1,810)**	(6,885)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		**(1,992,260)**	(782,132)
Basic and diluted loss per share attributable to the members of Castle Minerals Limited (cents per share)	18	**(0.3)**	(0.3)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2021	Notes	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	7	**1,801,005**	434,475
Trade and other receivables		**55,537**	62,649
TOTAL CURRENT ASSETS		**1,856,542**	497,124
NON-CURRENT ASSETS			
Plant and equipment		**9,609**	8,846
TOTAL NON-CURRENT ASSETS		**9,609**	8,846
TOTAL ASSETS		**1,866,151**	505,970
CURRENT LIABILITIES			
Trade and other payables	8	**175,198**	146,648
Employee benefit obligations		**19,799**	13,391
TOTAL CURRENT LIABILITIES		**194,997**	160,039
NON-CURRENT LIABILITIES			
Employee benefit obligations		**3,173**	-
TOTAL NON-CURRENT LIABILITIES		**3,173**	-
TOTAL LIABILITIES		**198,170**	160,039
NET ASSETS		**1,667,981**	345,931
EQUITY			
Contributed equity	9	**30,009,956**	26,809,646
Reserves	10	**1,135,323**	1,023,133
Accumulated losses		**(29,477,298)**	(27,486,848)
TOTAL EQUITY		**1,667,981**	345,931

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2021	Notes	Contributed Equity $	Share-based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
BALANCE AT 1 JULY 2019		25,908,754	674,736	249,882	(26,711,601)	121,771
Loss for the year		-	-	-	(775,247)	(775,247)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	(6,885)	-	(6,885)
TOTAL COMPREHENSIVE LOSS		-	-	(6,885)	(775,247)	(782,132)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	9	908,918	-	-	-	908,918
Share issue transaction costs	9	(8,026)	-	-	-	(8,026)
Options issued during the year	19	-	105,400	-	-	105,400
BALANCE AT 30 JUNE 2020		26,809,646	780,136	242,997	(27,486,848)	345,931
Loss for the year		**-**	**-**	**-**	**(1,990,450)**	**(1,990,450)**
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		**-**	**-**	**(1,810)**	**-**	**(1,810)**
TOTAL COMPREHENSIVE LOSS		**-**	**-**	**(1,810)**	**(1,990,450)**	**(1,992,260)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	9	**3,432,695**	**-**	**-**	**-**	**3,432,695**
Share issue transaction costs	9, 19	**(232,385)**	**114,000**	**-**	**-**	**(118,385)**
BALANCE AT 30 JUNE 2021		**30,009,956**	**894,136**	**241,187**	**(29,477,298)**	**1,667,981**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2021	Notes	2021	2020
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds on sale of mining interests		**-**	272,044
Payments to suppliers and employees		**(738,879)**	(534,596)
Interest received		**255**	184
Government COVID-19 cashflow boost received		**66,842**	-
Fuel tax rebate received		**8,490**	-
Expenditure on mining interests		**(1,279,106)**	(187,557)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	17	**(1,942,398)**	(449,925)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(2,540)**	-
Proceeds on sale of financial assets		**-**	173,846
Payment of rental security deposit		**-**	(12,000)
NET CASH (OUTFLOW)/INLOW FROM INVESTING ACTIVITIES		**(2,540)**	161,846
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**3,432,695**	488,000
Payment of share issue costs		**(118,385)**	(8,026)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**3,314,310**	479,974
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,369,372**	191,895
Cash and cash equivalents at the beginning of the financial year		**434,475**	242,288
Effects of exchange rate changes on cash and cash equivalents		**(2,842)**	292
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	**1,801,005**	434,475

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated Group consisting of Castle Minerals Limited and its subsidiaries. The financial statements are presented in the Australian currency. Castle Minerals Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 24 September 2021. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Castle Minerals Limited is a for-profit Group for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Castle Minerals Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(iii) Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value.

(v) Going concern

For the year ended 30 June 2021 the Group recorded a loss of $1,990,450 (2020: $775,247) and had net cash outflows from operating activities of $1,942,398 (2020: $449,925) and had working capital of $1,661,545 (2020: $337,085).

Notes to the Consolidated Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(a) Basis of preparation continued

The Group currently has no cash generating assets in operation and $1,801,005 of available funds at 30 June 2021.

The ability of the Group to continue as a going concern is dependent on securing additional funding through capital raisings and/or sale of interests in projects to continue to fund its operational and marketing activities.

The COVID-19 pandemic, announced by the World Health Organisation on 31 January 2020, is having a negative impact on world stock markets, currencies and general business activity. The Group has developed a policy and is evolving procedures to address the health and wellbeing of employees, consultants and contractors in relation to COVID-19. The timing and extent of the impact and recovery from COVID-19 is unknown but it may have an impact on activities and potentially impact the ability for the Group to raise capital in the current prevailing market conditions.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- on 14 August 2019 the Group entered into a joint venture arrangement with privately owned Ghana registered company, Iguana Resources Limited, whereby Iguana will sole fund exploration to earn an interest of up to 80% in the Degbiwu and Gbiniyiri prospecting licenses in Ghana ('Licences") spending a total of US$11.7 million in three stages over five years. This will accelerate exploration on the Licences, while allowing the Group to retain exposure to the Licences. Iguana is obliged to meet all statutory expenditure requirements for the Group; and
- the Directors are confident that they will be able to raise additional equity as and when required.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Castle Minerals Limited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(b) Principles of consolidation continued

When the Group ceases to have control, any retained interest in the subsidiary is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Castle Minerals Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(f) Income tax continued

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(i) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(i) Financial assets continued

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

(j) Exploration and evaluation costs

Exploration and evaluation costs are expensed (and not capitalised) in the year they are incurred.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are paid on normal commercial terms.

(l) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Notes to the Consolidated Financial Statements continued

30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

The Group's transactions in Ghana are subject to VAT administered by the Value Added Tax Service of the Republic of Ghana. VAT may only be recoverable once the Group's operations are producing revenue in Ghana. Hence, at the Group's current level of activity, being exploration, VAT is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the respective taxation authorities, are presented as operating cash flows.

(o) Share-based payments

The Group granted benefits to suppliers, employees and consultants in the form of share-based payment transactions.

The share-based payments are measured at fair value equal to the value of goods and services received. For equity-settled transactions with employees the fair value of the equity instruments is measured at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or quoted active market price, using the assumptions detailed in note 19.

(p) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or quoted active market price, using the assumptions detailed in note 19. If any of these assumptions, including the probability of achieving the performance hurdle were to change, there may be an impact on the amounts reported.

Acquisition of assets

In determining whether an acquisition is a business combination or an asset acquisition, management apply significant judgement to assess whether the net assets acquired constitute a 'business' in accordance with AASB 3. Under that standard, a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and necessarily consists of inputs, processes, which when applied to those inputs, have the ability to create outputs.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The executive chairman, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

(ii) Price risk

Given the current level of operations and financial assets held the Group is not exposed to commodity or equity price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

(b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentrations of credit risk for the Group are the cash and cash equivalents and security bonds (as part of other receivables) held with financial institutions, and GST recoverable from the Australian Taxation Office. All material deposits are held with the major Australian banks, or the Australian government, for which the Board evaluate credit risk to be minimal.

As the Group does not presently have any trade receivables, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The carrying values of all financial assets and liabilities of the Group approximate their fair values due to their short-term nature.

Notes to the Consolidated Financial Statements continued

30 JUNE 2021	2021	2020
	$	$

3. SEGMENT INFORMATION

For management purposes, the Group has identified two reportable segments being: exploration activities undertaken in Australia; and, exploration activities undertaken in Ghana, West Africa. These segments include activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the respective geographic location.

Segment performance is evaluated based on the operating profit or loss and cash flows and is measured in accordance with the Group's accounting policies.

Exploration segments

	2021 $	2020 $
Segment revenue and other income – Australia	**-**	-
Segment revenue and other income – Ghana	**-**	278,586
Segment revenue and other income – Total	**-**	278,586
Reconciliation of segment revenue and other income to total revenue and other income before tax:		
Interest revenue	**255**	184
Other revenue and income	**75,332**	61,042
Total revenue and other income	**75,587**	339,812
Segment results – Australia	**(1,225,024)**	(410,921)
Segment results – Ghana	**(162,598)**	256,003
Segment results – Total	**(1,387,622)**	(154,918)
Reconciliation of segment result to loss before tax:		
Corporate depreciation	**(1,777)**	(2,214)
Loss on settlement of liability (note 9(b))	**-**	(116,662)
Share-based payment expense	**-**	(105,400)
Other corporate and administration	**(601,051)**	(396,053)
Loss before tax	**(1,990,450)**	(775,247)
Segment operating assets - Australia	**-**	-
Segment operating assets – Ghana	**-**	-
Segment operating assets – Total	**-**	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	**1,866,151**	505,970
Total assets	**1,866,151**	505,970
Segment operating liabilities - Australia	**58,039**	41,002
Segment operating liabilities – Ghana	**87,682**	9,942
Segment operating liabilities – Total	**145,721**	50,944
Reconciliation of segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	**52,449**	109,095
Total liabilities	**198,170**	160,039

Notes to the Consolidated Financial Statements continued

30 JUNE 2021	2021 $	2020 $
4. REVENUE AND OTHER INCOME		
(a) Revenue from continuing operations		
Interest	**255**	184
(b) Other income		
Government COVID-19 cashflow boost	**66,842**	-
Fuel tax rebate	**8,490**	-
Fair value gains on financial assets at fair value through profit or loss	**-**	61,042
Sale of tenements (final payment upon completion of Julie West sale)	**-**	278,586
	75,332	339,628
5. EXPENSES		
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	**36,623**	22,997
Depreciation	**1,777**	2,214
Expenses relating to short-term leases	**57,796**	32,267
6. INCOME TAX		
(a) Income tax benefit		
Current tax	**-**	-
Deferred tax	**-**	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(1,990,450)**	(775,247)
Prima facie tax (benefit)/expense at the Australian tax rate of 30% (2020: 30%)	**(597,135)**	(232,574)
Tax effect of amounts which are not deductible in calculating taxable income:		
Share-based payments	**-**	31,620
Other	**146**	41,822
	(596,989)	(159,132)
Movements in unrecognised temporary differences	**2,558**	61,629
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**602,561**	174,304
Tax effect of previously unrecognised foreign losses utilised	**-**	(89,601)
Foreign tax rate differential	**(8,130)**	12,800
Income tax expense	**-**	-
(c) Unrecognised temporary differences		
Deferred Tax Assets (at 30%)		
On Income Tax Account		
Capital raising costs	**35,724**	11,062
Foreign exploration tax losses	**6,114,851**	4,824,363
Accruals and other provisions	**8,628**	10,917
Tenement acquisition costs	**166,013**	152,996
Australian carry forward capital losses	**1,345,530**	1,360,322
Australian carry forward tax losses	**1,776,452**	1,245,227
Deferred Tax Liabilities (30%)	**-**	-
Net deferred tax assets	**9,447,198**	7,604,887

Notes to the Consolidated Financial Statements continued

30 JUNE 2021	2021 $	2020 $

6. INCOME TAX CONTINUTED

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group's ability to use losses in the future is subject to the companies in the Group satisfying the relevant tax authority's criteria for using these losses.

Foreign exploration tax losses are incurred in Ghana and are arrived at after adjusting losses reported in financial statements in line with tax principles. Mining concerns are allowed to deduct the losses over a five-year period subsequent to the year in which the loss was incurred.

7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank and in hand	**1,801,005**	434,475
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**1,801,005**	434,475

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

8. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	**40,501**	35,504
Director's fees accruals	**-**	8,003
Other payables and accruals	**134,697**	116,532
	175,198	160,039

Information about the Group's exposure to foreign exchange and liquidity risk is provided in note 2.

9. CONTRIBUTED EQUITY

	Notes	2021 Number of shares	2021 $	2020 Number of shares	2020 $
(a) Share capital					
Ordinary shares fully paid	9(d)	**732,500,818**	**30,009,956**	389,231,273	26,809,646
Total contributed equity		**732,500,818**	**30,009,956**	389,231,273	26,809,646
(b) Movements in ordinary share capital					
Beginning of the financial year		**389,231,273**	**26,809,646**	223,795,976	25,908,754
Issued during the year:					
– Issued for cash at 1 cent per share		**343,269,545**	**3,432,695**		
– Issued for cash at 0.4 cents per share		**-**	**-**	122,000,000	488,000
– Issued as part consideration for tenement acquisition [(1), (3)]		**-**	**-**	30,000,000	300,000
– Issued in lieu of director fees at 0.9 cents per share [(2), (3)]		**-**	**-**	13,435,297	120,918
Transaction costs		**-**	**(232,385)**	-	(8,026)
End of the financial year		**732,500,818**	**30,009,956**	389,231,273	26,809,646

9. CONTRIBUTED EQUITY CONTINUTED

(1) Due to the nature of the assets acquired, the fair value of the transactions was determined by reference to the fair value of the equity instruments issued. The fair value of the shares issued was determined by reference to the closing price of $0.01 on the grant date (settlement date of the acquisitions) of 29 June 2020. The settlement of these liabilities by the issue of shares has resulted in a net loss for accounting purposes, resulting from the increase in the value of shares issued in respect to tenement acquisitions from the time that the price was set in the Sale Agreement to the grant date fair value at the date of issue. This net loss is recognised in the profit or loss for the 2020 financial year of $90,000.

(2) Resolutions were approved by shareholders at the Annual General Meeting of the Company held on 14 November 2019 to issue shares to Directors in lieu of directors' fees for the period 1 January 2019 to 30 September 2019. Each Director had agreed to waive their right to cash remuneration in respect of their net director fees for this period, in substitution for subscribing in advance for ordinary shares in the Company. The issue price of the shares was calculated by reference to the monthly VWAP for the month that the fees were earnt. The directors collectively waived their rights to $94,256 in net directors' fees to subscribe for 13,435,297 ordinary shares in the Company. The closing price of $0.009 on the date of the Annual General Meeting was the grant date fair value of the shares issued, for a total fair value of $120,918. The settlement of this liability by the issue of shares has resulted in a net loss for accounting purposes, resulting from the increase in the value of shares issued in respect to directors' fees from the time that the fees accrued to the grant date fair value at the date of issue. This net loss is recognised in the profit or loss for the 2020 financial year of $26,662.

(3) The settlement of the above liabilities by the issue of shares has resulted in a net loss for accounting purposes, resulting from the increase in the value of shares issued in respect to directors' fees and tenement acquisitions from the time that the fees accrued or the sale price was set to the grant date fair value at the date of issue. This net loss is recognised in the profit or loss for the 2020 financial year of $116,662, as shown in the table below.

	2021 $	2020 $
Issue of 13,435,297 shares at $0.009 per share (fair value)	-	120,918
Directors' fees settled	-	(94,256)
Issue of 30,000,000 shares at $0.01 per share (fair value)	-	300,000
Tenement acquisition costs settled	-	(210,000)
Loss on settlement of liability	-	116,662

(c) Movements in options on issue

	Number of options	
	2021	**2020**
Beginning of the financial year	**15,500,000**	6,000,000
Issued, exercisable at $0.02 on or before 30 June 2022	**20,000,000**	-
Issued, exercisable at $0.015 on or before 30 June 2023	-	15,500,000
Expired on 30 November 2019, exercisable at $0.03	-	(6,000,000)
End of the financial year	**35,500,000**	15,500,000

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Notes to the Consolidated Financial Statements continued

30 JUNE 2021

9. CONTRIBUTED EQUITY CONTINUED

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2021 and 30 June 2020 are as follows:

	2021 $	2020 $
Cash and cash equivalents	**1,801,005**	434,475
Trade and other receivables	**55,537**	62,649
Trade and other payables	**(175,198)**	(146,648)
Employee benefit obligations (current)	**(19,799)**	(13,391)
Working capital position	**1,661,545**	337,085

10. RESERVES

(a) Reserves

Foreign currency translation reserve	**241,187**	242,997
Share-based payments reserve	**894,136**	780,136
	1,135,323	1,023,133

(b) Nature and purpose of reserves

(i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled Group are recognised in other comprehensive income as described in note 1(d) and accumulated within a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

11. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

12. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent Group, its related practices and non-related audit firms:

(a) Audit services

BDO Audit (WA) Pty Ltd - audit and review of financial reports	**29,384**	32,355
Non-related audit firm for the audit or review of financial reports of Group subsidiary Group	**-**	9,481
Total remuneration for audit services	**29,384**	41,836

(b) Non-audit services

BDO (WA) Pty Ltd - tax compliance services	**9,721**	5,150
Total remuneration for other services	**9,721**	5,150

Notes to the Consolidated Financial Statements continued

30 JUNE 2021

13. CONTINGENCIES

Contingent liabilities

Wanganui and Polelle tenement acquisitions

In accordance with tenement acquisition agreements entered during the 2020 financial year for the Wanganui and Polelle projects, the following deferred consideration may become payable in future periods:

- A 1% gross royalty is payable on any gold produced from both projects; and
- A once only milestone payment of $50,000 is payable when either a decision is made to mine ore or an ore reserve of at least 30,000oz gold has been declared on one of the projects.

Beasley Creek tenement acquisition

In accordance with a tenement acquisition agreement entered during the 2018 financial year, the following deferred consideration may become payable in future periods:

- 2,000,000 performance rights to vest into fully paid ordinary shares of the Company, on the date that the Company submits a Form 5 (in the form specified in the Mining Act) stating that the Company has expended $500,000 on the tenement.

Ghana

The mineral licences held in Ghana by the Group through its wholly owned Ghanaian subsidiary, Carlie Mining Limited, are subject to compliance with the Minerals and Mining Act 2006 (Act 703) and various other laws and regulations governing their application, granting, extension, renewal and general operation. Failure to comply with these conditions may render the licences liable for forfeiture. The Group has applied for extensions of term or renewal and/or a reduction in licence area for a majority of its licences and is awaiting approval from the Ghana MINCOM and the Ghana Minister of Lands and Natural Resources for these. Such approvals will be subject to the payment of various fees which the Group will consider and pay on an individual licence basis as-and-when such fees have been determined and presented. There is no guarantee that the obligations and terms pertaining to individual or all of the Group's licences can or will be economically complied with.

Contingent asset

Topago sale

Under the terms of the sale agreement for the disposal of the Group's former subsidiary Topago Mining Ltd ("Topago") the sale consideration includes a cash payment of US$100,000 upon commencement of mining at the Akoko Gold Project, a gross royalty of US$25 per ounce on the first 50,000 ounces of gold produced, and a 1% gross royalty on any additional production over 50,000 ounces of gold. The amounts (in AUD) and the timing of receipt are not able to be determined at the period end and accordingly, no asset has been recognised for the contingent asset.

	2021 $	2020 $
14. RELATED PARTY TRANSACTIONS		
(a) Parent Group		
The ultimate parent Group within the Group is Castle Minerals Limited.		
(b) Subsidiaries		
Interests in subsidiaries are set out in note 15.		
(c) Key management personnel compensation		
Short-term benefits	**347,147**	234,243
Post-employment benefits	**32,274**	22,254
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**-**	95,200
	379,421	351,697

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 17.

(d) Transactions and balances with other related parties

Other services

James Guy & Associates Pty Ltd, a business of which Mr Guy is principal, provided geological consulting services to the Group during the year. The amounts paid were on arms' length commercial terms and are disclosed in the remuneration report in conjunction with Mr Guy's compensation. At 30 June 2021 there was $13,875 (2020: $16,100) owing to James Guy & Associates Pty Ltd.

Azumah: expense payments

During the 2020 financial year Azumah, who was a related party of the Group until November 2019 as two of the Company's directors, Messrs Atkins and Stone, were also directors of Azumah, on-charged to the Group various administration expenses including office rent and overheads, bookkeeping and office administration staff. The total of expenses on-charged by Azumah during that portion of the 2020 financial year that Azumah was a related party was $6,194. There were no amounts owed to Azumah at either 30 June 2021 or 30 June 2020. Transactions were commercial and at arms' length terms.

Azumah: Julie West tenement sale

On 23 October 2019 the Company announced that it had agreed with Azumah to amend the Julie West Put Option and Sale Agreement ("Option Agreement") whereby the parties to that Option Agreement waived the condition precedent requiring the approval (since received) of the Ghana Minister of Mines and Natural Resources to the transfer to Azumah of the Julie West prospecting licence (refer ASX releases 28 September 2015 and 27 April 2016). Accordingly, Azumah made the final cash payment of $250,000 to complete the sale of the Julie West prospecting licence during the 2020 financial year. Pursuant to the Option Agreement, the Group will retain a 4% net smelter precious metal royalty over the Julie West prospecting licence.

15. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of incorporation	Class of shares	Equity Holding*	
			2021	2020
			%	%
Carlie Mining Ltd	Ghana	Ordinary	**100**	100

*The proportion of ownership interest is equal to the proportion of voting power held.

16. EVENTS OCCURRING AFTER THE REPORTING DATE

On 17 July 2021 Castle issued 4,000,000 unlisted incentive options exercisable at 2.2cents expiring 30 June 2023 for technical and company secretarial services.

Other than as detailed above, no other matter or circumstance has arisen since 30 June 2021, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Notes to the Consolidated Financial Statements continued

30 JUNE 2021	2021 $	2020 $
17. CASH FLOW INFORMATION		
(a) Reconciliation of net profit or loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(1,990,450)**	(775,247)
Non-Cash Items		
Depreciation of non-current assets	**1,777**	2,214
Fair value gains on financial assets	**-**	(61,042)
Loss on settlement of liabilities	**-**	116,662
Expenses settled by the issue of shares – Directors' fees	**-**	94,256
Expenses settled by the issue of shares – tenement acquisition	**-**	210,000
Share-based payments expense	**-**	105,400
Net exchange differences	**226**	(6,985)
Change in operating assets and liabilities, net of effects from sale of subsidiary		
Decrease/(increase) in trade and other receivables	**7,112**	(50,649)
Increase/(decrease) in trade and other payables	**29,356**	(84,534)
Increase in employee benefit obligations	**9,581**	-
Net cash outflow from operating activities	**(1,942,398)**	(449,925)

(b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Options issued to suppliers for nil consideration – note 19.

18. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share:	**(1,990,450)**	(775,247)

	Number of shares	Number of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**636,100,851**	238,451,070

(c) Information on the classification of options

As the Group made a loss for the year ended 30 June 2021, the options on issue were considered anti-dilutive and were not included in the calculation of diluted earnings per share. The options currently on issue could potentially dilute basic earnings per share in the future.

19. SHARE-BASED PAYMENTS

(a) Employees and contractors' options

The Group provides benefits to employees (including directors) and contractors of the Group in the form of share-based payment transactions, whereby employees or consultants render services in exchange for options to acquire ordinary shares. The exercise prices of the options granted and on issue at 30 June 2021 range from 1.5 cents to 2 cents per option, with expiry dates ranging from 30 June 2022 to 30 June 2023. All options granted vested immediately upon issue.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share in the capital of the Company with full dividend and voting rights.

The options granted during the 2021 financial year were issued to a contractor as part consideration for capital raising expenses.

Fair value of options granted

The weighted average fair value of the options granted during the year was 0.6 cents (2020: 0.7 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2021	2020
Weighted average exercise price (cents)	**2.0**	1.5
Weighted average life of the option (years)	**1.6**	3.0
Weighted average underlying share price (cents)	**1.2**	1.0
Expected share price volatility	**129.5%**	128.5%
Risk free interest rate	**0.1%**	0.3%

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

Set out below is a summary of the share-based payment options granted:

	2021		2020	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	**15,500,000**	**1.5**	6,000,000	3.0
Granted	**20,000,000**	**2.0**	15,500,000	1.5
Forfeited	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Expired	**-**	**-**	(6,000,000)	3.0
Outstanding at year-end	**35,500,000**	**1.8**	15,500,000	1.5
Exercisable at year-end	**35,500,000**	**1.8**	15,500,000	1.5

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.4 years (2020: 3.0 years), and the exercise prices range from 1.5 cents to 2 cents. The option expiry dates range from 30 June 2022 to 30 June 2023.

(b) Shares issued to suppliers

During the 2020 financial year, 30,000,000 ordinary shares were issued at a deemed cost of $300,000 as part consideration for tenement acquisitions. This amount is included in 'tenement acquisition and exploration expenses' on the statement of profit or loss and other comprehensive income of the Group.

During the 2020 financial year a total of 13,435,297 ordinary shares were issued in satisfaction of directors' fees totalling $94,256. These amounts are included in 'salaries and employee benefits expense' and 'administration expenses' on the statement of profit or loss and other comprehensive income of the Group. The value of the shares issued was $120,918, refer to note 9(b).

30 JUNE 2021	Notes	2021 $	2020 $

19. SHARE-BASED PAYMENTS (cont'd)

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Notes	2021 $	2020 $
Shares issued to suppliers ('tenement acquisition and exploration expenses')	9	-	300,000
Options issued to contractors ('share issue transaction costs')		**114,000**	-
Options issued to employees and contractors ('share-based payment expense')		-	105,400
Shares issued to directors ('salaries and employee benefits expense' and 'administration expenses')	9	-	120,918
		114,000	526,318

20. COMMITMENTS

Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2021 $	2020 $
within one year	**102,000**	102,000
later than one year but not later than five years	**119,000**	221,000
	221,000	323,000

21. PARENT GROUP INFORMATION

The following information relates to the parent Group, Castle Minerals Limited, at 30 June 2021. The information presented here has been prepared using accounting policies consistent with those presented in note 1.

	2021 $	2020 $
Current assets	**1,833,693**	461,860
Non-current assets	**9,609**	8,846
Total assets	**1,843,302**	470,706
Current liabilities	**107,314**	150,096
Non-current liabilities	**3,173**	-
Total liabilities	**110,487**	150,096
Contributed equity	**30,009,956**	26,809,646
Share-based payments reserve	**894,136**	780,136
Accumulated losses	**(29,171,277)**	(27,269,172)
Total equity	**1,732,815**	320,610
Loss for the year	**(1,902,105)**	(802,348)
Total comprehensive loss for the year	**(1,902,105)**	(802,348)

As detailed in note 13, there are contingent liabilities in respect to tenement acquisition agreements that the parent Group has entered or co-signed with a subsidiary Group, and contingent assets of the parent Group resulting from sale of a subsidiary.

Directors' Declaration

In the directors' opinion:

(a) the financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 21 to 41 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the consolidated Group will be able to pay its debts as and when they become due and payable;

(c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2021, comply with Section 300A of the *Corporations Act 2001*; and

(d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Stephen Stone
Managing Director
Perth, 24 September 2021

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Castle Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Castle Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Share Based Payments

Key audit matter	How the matter was addressed in our audit
During the year ended 30 June 2021, the Group issued shares to contractors which have been accounted for as share-based payments. Refer to Note 19, Note 1(o) and Note 1(p) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions. Due to the complex and judgemental estimates used in determining the valuation of the share based payments, we consider the accounting for the share based payment to be a key audit matter.	Our audit procedures in respect of this area included but were not limited to the following: • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Holding discussions with management to understand the share-based payment transactions in place; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists, to assess the reasonableness of management's valuation inputs in respect of volatility; • Assessing the reasonableness of the share-based payment in equity; and • Assessing the adequacy of the related disclosures in Note 1(o), Note 1(p) and Note 19 of the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 17 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Castle Minerals Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 24 September 2021

ASX ADDITIONAL INFORMATION

For the year ended 30 June 2021

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is shown below. All information is current as at 23 September 2021.

Distribution of equity securities – ordinary shares

Spread of holdings	Number of holders	Ordinary shares held	% of issued ordinary shares
1 – 1,000	59	5,408	0.00%
1,001 – 5,000	63	185,052	0.03%
5,001 – 10,000	86	724,400	0.10%
10,001 – 100,000	624	34,809,612	4.75%
Over 100,000	837	696,776,346	95.12%
Total holdings on Register	**1,669**	**732,500,818**	**100.00%**

There were 448 holders of less than a marketable parcel or ordinary shares (calculated at $0.012 cents per share).

Substantial Shareholders

These substantial shareholders have notified the Company in accordance with section 671B of the Corporations Act 2001:

Rank	Holder name	Ordinary shares held	% of issued capital
1	Stepstone Pty Ltd	51,961,627	7.09%

Twenty largest shareholders

The names of the twenty largest shareholders of quoted ordinary shares are:

Holder name	Ordinary shares held	% of issued capital
STEPSTONE PTY LTD	23,202,193	3.17%
MR GEORGE ALEXANDER BONNEY	23,000,000	3.14%
CITICORP NOMINEES PTY LIMITED	21,525,261	2.94%
GLADSTONE SUPER PTY LTD <GLADSTONE SUPER FUND A/C>	20,500,000	2.80%
MR MICHAEL WILLIAM ATKINS	12,107,107	1.65%
CRAWFORD ASSETS PTY LTD	12,000,000	1.64%
COMSEC NOMINEES PTY LIMITED	11,454,512	1.56%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	9,742,163	1.33%
WINDAMURAH PTY LTD <ATKINS SUPER FUND A/C>	8,734,082	1.19%
MR STEPHEN STONE <THE PEARLSTONE A/C>	8,259,434	1.13%
MR VINCENZO BRIZZI & MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	7,950,000	1.09%
MISS YI GU	6,800,000	0.93%
MR KHANH TRAN	6,000,000	0.82%
RMI INDUSTRIES PTY LIMITED	5,904,444	0.81%
MR BRUCE ROBERT LEGENDRE	5,750,000	0.79%
MR MARK EDWARD SANDERS	5,631,637	0.77%
MR NIKOLA ZDUNIC	5,446,286	0.74%
MINING GENERATORS AUSTRALIA PTY LTD	5,000,000	0.68%
MR NICK KATOUNAS	5,000,000	0.68%
MRS ALISON CLAIRE OVENDEN	5,000,000	0.68%
Total	228,581,749	31.21%

ASX ADDITIONAL INFORMATION CONTINUED

For the year ended 30 June 2021

Voting rights

All ordinary shares are fully paid and carry one vote per share without restriction.

Unlisted Options

A. 15,500,000 unlisted options exercisable at 1.5 cents, expiring 30 June 2023.
   The unlisted options carry no dividend or voting rights.
   Number of holders – 4

B. 20,000,000 unlisted options exercisable at 2 cents, expiring 30 June 2022.
   The unlisted options carry no dividend or voting rights.
   Number of holders – 1

C. 4,000,000 unlisted options exercisable at 2.2 cents, expiring 30 June 2023.
   The unlisted options carry no dividend or voting rights.
   Number of holders – 1