

REDCASTLE RESOURCES LIMITED

ACN 096 781 716
SUITE 2, LEVEL 1
1 ALTONA STREET
WEST PERTH WA 6005



ASX: RC1
31 January 2022

REDCASTLE RESOURCES LTD (FORMERLY TRANSCENDENCE TECHNOLOGIES LIMITED) DECEMBER 2021 QUARTERLY ACTIVITIES REPORT

The Board of Redcastle Resources Limited (**RC1** or the **Company**) provides the following report on its activities for the quarter ended 31 December 2021.

During the quarter, the Company has completed re-compliance with Chapters 1 and 2 of the ASX Listing Rules and has been reinstated to official quotation on 24 December 2021. The Board wishes to thank shareholders for their patience.

The Company is now a gold and mineral resources exploration company. Its immediate focus will be pursuing success at its 100% owned Redcastle Gold Project. The Redcastle Gold Project covers a prospective area of 1,088ha, surrounding the locality of the historical Redcastle Mining Centre within the Mt Morgans District of the Mt Margaret Mineral Field of WA, approximately 60km east of Leonora and 60km west of Laverton in the North-eastern Goldfields. Gold was originally discovered at the Redcastle Mining Centre in 1897. The Company has identified immediate target areas based on its review of historical exploration results including drilling programs by previous owners.

Programme of Work Reg ID 100494 has been lodged with the Department of Mines, Industry Regulation and Safety (DMIRS) and assessment is now complete and approval has been granted on 7th January 2022, with an 18-hole 1275-metre RC drilling programme now marked out and due to commence during February 2022. The drilling is to confirm:

- Orientation and continuity of the known mineralisation
- Details regarding the extent of the historic underground workings
- Preliminary geotechnical data

Having raised \$4.5m under its re-compliance prospectus, the Company is well funded to carry out its activities at the Redcastle Gold Project as well as pursuing other opportunities within the mineral resources industry.

The Board has significant expertise and experience in the resources industry particularly with the appointment of Mr Trevor Dixon as technical director. Mr Dixon is an entrepreneur with more than 30 years of experience in the mining and exploration sector in Western Australia. He was a founding vendor to listed companies including Jubilee Mines, Terrain Minerals, Regal Resources and Kin Mining where he served as the founding managing director and former chairman.

Background to the Project

The Project is a gold focused holding consisting of:

- a) one (1) pending Mining Lease (MLA) (which is expected to be granted in the next 3-6 months, following native title negotiations);
- b) one (1) granted Mining Lease (ML); and
- c) nine (9) granted Prospecting Licences (PL's),

covering a prospective area (1,088ha) surrounding the locality of the historical Redcastle Mining Centre within the Mt Morgans District of the Mt Margaret Mineral Field of WA approximately 60km east of Leonora and 60km west of Laverton in the North Eastern Goldfields.

The tenements comprising the Project (**Tenements**) are set out below:

Tenement	Area (ha)	Expiry Date	Status
M39/318	106	15/09/2036	Live
P39/5184	54	15/12/2019	Live
M39/1140	54	-	Pending
P39/5307	155	05/02/2022	Live
P39/5337	58	16/01/2022	Live
P39/5568	151	17/04/2024	Live
P39/5573	123	18/04/2024	Live
P39/5814	197	07/02/2022	Live
P39/5815	172	07/02/2022	Live
P39/5858	57	01/07/2022	Live
P39/6185	15	30/06/2025	Live

Gold was originally discovered at the Redcastle mining centre in 1897.

Gold targets are located within highly altered and sheared mafic rocks that have been intruded by small ovoid granites and porphyries. Several significant historical drill intersections that have never been followed up present as immediate target areas.

The northern portion of the project area hosts the 7.5km long east-west trending mineralised 'Redcastle Reef' (Fig1)

Exploration is focusing on the delineation of structures sub-parallel to the Redcastle Reef that could potentially be concealed beneath the weathered regolith. The majority of mineralised zones in the Redcastle area are open along strike and at depth, they have not been tested beneath the zone of weathering and oxidation, 40-50m (vertical depth). The Redcastle Reef and associated sub-parallel structures are the most obvious target zones.

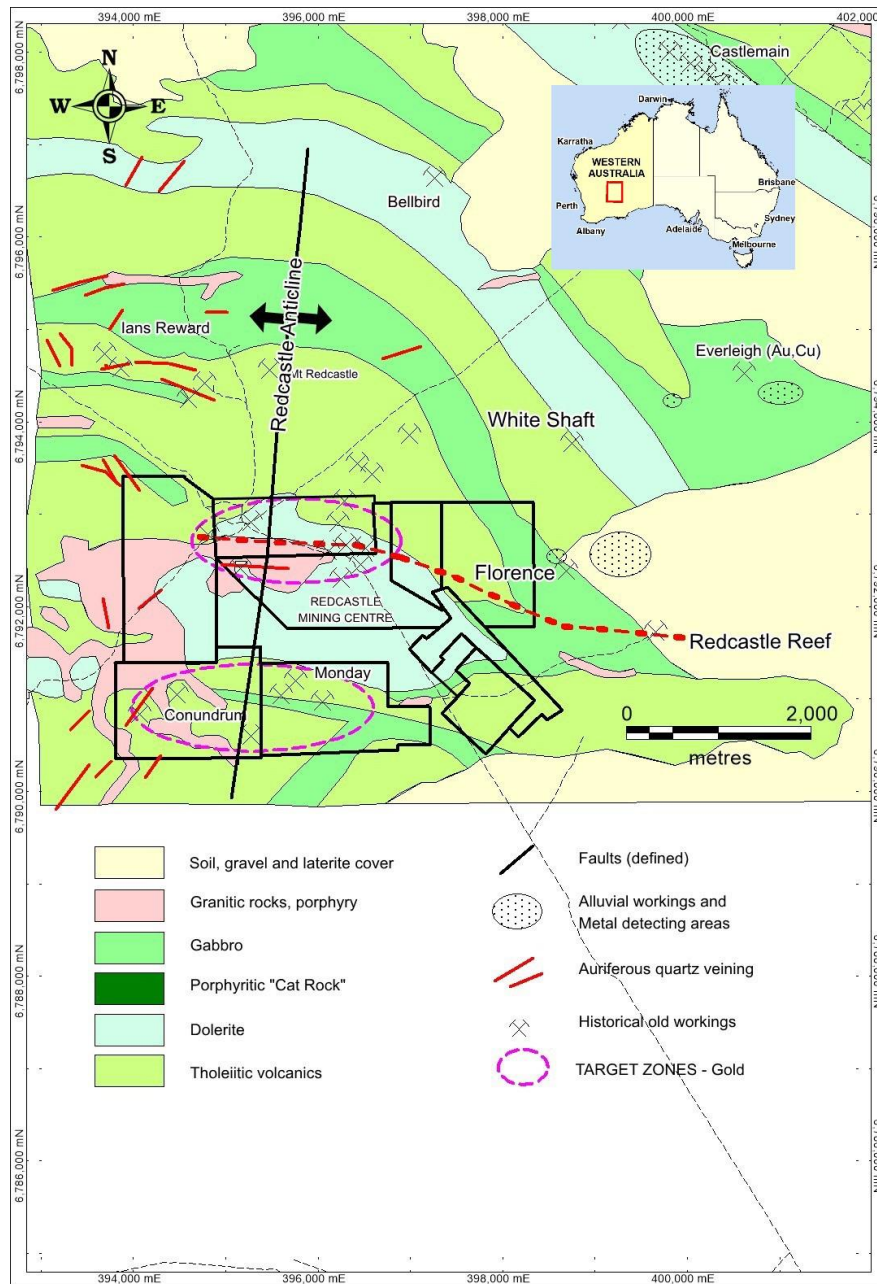


Figure 1 Redcastle tenement holding and regional geology

The source of the alluvial gold on the holdings with the exception of the Redcastle Mining Centre remains unknown however additional mineralisation on site could be sitting directly above an as yet undiscovered sub-parallel reef, related to the Redcastle Reef, that is concealed beneath the regolith.

The Redcastle Reef appears to be a large scale, late stage local dilational feature caused by folding and subsequent brittle fracturing of the mafic greenstone sequence along granitic contacts.

The local greenstone terrain is characterised by open, upright folds, low grade metamorphism and relatively continuous stratigraphy. Regionally the Redcastle Project area is separated by the Keith-Kilkenny Tectonic Zone, to the west, and the Laverton Tectonic Zone to the east with polyphase deformation, variable metamorphic grade, discontinuous stratigraphy and an association with fault bound polymictic conglomerates developed during late extension.

Gold mineralisation is associated with NW trending quartz lodes and the alluvial cover in close proximity to such lodes. The most extensive workings are for eluvial gold but numerous hard rock workings are scattered throughout the Redcastle area. The majority of the district's major producers lie within or immediately adjacent to a major tectonic zone. Gold mines in mafic sequences tend to occur in quartz reefs in dilational fault zones with little host rock alteration.

Following the Acquisition, the Vendors of the Tenements will retain rights to all alluvial gold and a 2% overriding gross royalty over all minerals sold from the Tenements.

Further details with respect to the Project were included in the notice of meeting lodged with ASX on 10 September 2021 and the Prospectus dated 20 September 2021.

BUSINESS MODEL OVERVIEW

Following completion of the Public Offer and the Proposed Acquisition, the Company's proposed business model will be to further explore and develop the identified mineral deposits at the Project. The Company's main objectives on completion of the Public Offer are:

- a) systemically explore the Project for gold through geological mapping, surface sampling and drilling on the Project;
- b) continue to pursue other acquisitions that have a strategic fit for the Company;
- c) focus on mineral exploration or resource opportunities that have the potential to deliver growth for Shareholders;
- d) implement a growth strategy to seek out further exploration and acquisition opportunities; and
- e) provide working capital for the Company.

CHANGE OF NAME

On completion of the Acquisition, the Company has changed its name to 'Redcastle Resources Limited'.

SHARE CONSOLIDATION AND COMPLETION OF RE-COMPLIANCE

During the quarter, the Company completed the 1 for 2.858 share consolidation which was approved by the shareholders at the General Meeting held on 12 October 2021.

Subsequent to the end of the quarter, the Company issued 267,500,000 shares as part of its re-compliance with chapter 1 and 2 of the listing rules, comprising of:

1. 42,500,000 consideration shares to vendors
2. 225,000,000 shares pursuant to the public offer

In addition, 30,000,000 Lead Manager options and 12,000,000 Director options were issued.

The updated capital structure of the Company is as follows:

Description	Number
Ordinary Fully Paid Shares	328,284,155
Unlisted Options (exercisable at \$0.091; expiry 4/12/2022)	6,298,113
Unlisted Options (exercisable at \$0.03; expiry 13/12/2025)	42,000,000

CASH POSITION

At the end of the quarter, the Company had cash reserves of approximately \$4.147 million. The Appendix 5B report attached to this report contains the Company's cash flow statement for the quarter.

- Ends -

For and on behalf of the Board,



Sarah Smith
Company Secretary

This announcement has been approved for release to ASX by the Board of Redcastle Resources Ltd

ASX Listing Rule 5.3.1

Exploration and Evaluation expenditure during the quarter was \$31k. This was spent in the preparation of Tenement Agreements for the Gold Projects.

ASX Listing Rule 5.3.2

There were no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.3

The following table sets out the tenement information reported as required by ASX Listing Rule 5.3.3.

The Tenements cover a prospective area (1,088ha) surrounding the locality of the historical Redcastle Mining Centre within the Mt Morgans District of the Mt Margaret Mineral Field of WA approximately 60km east of Leonora and 60km west of Laverton in the North Eastern Goldfields.

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P39/5815	172	07/02/2022	Live
P39/5858	57	01/07/2022	Live
P39/6185	15	30/06/2025	Live

1. The mining tenement interests acquired during the quarter and their location

See table above.

2. Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Not applicable.

3. Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

ASX Listing Rule 5.3.5

The following table sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Related Party	Amount	Description
Directors	\$18,570	Director Fees
Mirador Corporate	\$56,177	Company Secretarial and Financial Management Fees

ASX Listing Rule 5.3.4

The table below illustrates the expenditure comparison against the 'use of funds table' in the Prospectus dated 21 September 2021.

Use of Funds	Maximum Subscription (\$)	Actual amount spent (\$) in the quarter ended 31 December 2021	Actual amount spent (A\$) year to date
Administrative Costs	1,000,000	524,000	524,000
Wages/Salaries/Contractors	300,000	-	-
Data compilation	70,000	-	-
Geological/Geophysical interpretation	40,000	-	-
Soil Geochemical Survey	100,000	-	-
Follow up RAB/AC drilling	185,000	-	-
Follow up RC drilling	550,000	-	-
Assays	120,000	-	-
Metallurgical test work	10,000	-	-
Field supplies and support	25,000	-	-
Tenement costs	100,000	31,000	31,000
Equipment and consumables	40,000	-	-
Heritage and Environment	15,000	-	-
Administration costs	25,000	-	-
Rehabilitation costs	50,000	-	-
Additional Project Acquisitions	500,000	-	-
Contingency	91,000	-	-
Unallocated Working Capital	1,231,000	-	-

COMPETENT PERSON

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Paul Maher, a Competent Person and consultant of the company who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Paul Maher has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Paul Maher consents to the inclusion in the report of the matters based on the information compiled by him, in the form and context in which it appears.' The Company is not aware of any new information or data that materially affects the information included in the above

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Redcastle Resources Limited

ABN

57 096 781 716

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(31)	(31)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(254)	(517)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(285)	(548)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	(27)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(27)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,500	4,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(270)	(270)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4,230	4,230

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	202	492
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(285)	(548)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(27)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,230	4,230

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,147	4,147

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,147	202
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,147	202

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(75)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>N/A</p> </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(285)
8.2 Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(200)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(485)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,147
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,147
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: N/A</p>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: N/A</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: The Board of Redcastle Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.