



CASTILE RESOURCES LIMITED

QUARTERLY ACTIVITIES REPORT

For the Period Ending 31 December 2023

Highlights

Castile advanced the Rover 1 Bankable Feasibility during the December 2023 quarter achieving several significant milestones including:

- Receiving approval from the Northern Territory EPA on the submitted Terms of Reference for the Rover 1 Environmental Impact Study.
- Completing final testing on the proposed gravity gold, pressure oxidation and magnetic separation circuits to further optimise recoveries of metal products.
- Continuing discussions around financing options with government departments and end users of critical minerals.

Planning and preparations were completed for the extensive co-funded exploration activities ahead with:

- The co-funded Passive Seismic Survey using the latest geophysics technology beginning in December on the Rover Mineral Field.
- Permitting and planning being completed on the co-funded Exploration Drilling Program at Pathfinder 35.
- Approvals received and planning completed for intensive groundwork analysis of the known outcropping lithium, niobium & rare earth (REE) anomalies and the surrounding areas at Castile's Milgun Lithium Niobium Project tenements in WA.

Castile continued to promote strong corporate and government relationships with:

- Inclusion in the Federal Government Austrade Critical Minerals Prospectus
- Attending Austrade Critical Minerals Australian Trade Delegation to India.
- Selection by the NT Government to present at the 2024 PDAC Conference representing investment opportunities in the NT.
- Copper added to the Australian Strategic Materials List giving Castile's key metal further prominence in Australia as a priority in the decarbonisation future.

Castile ended the quarter with a cash position of \$3.78M on 31 December 2023.





OPERATIONS

Rover 1 – Advancing the Definitive Feasibility Study

Castile is developing the Rover 1 Project in the prolific gold-copper mining province of Tennant Creek in the NT. The Project will produce 99% copper, gold, 99% cobalt and a high-grade (96.5%) magnetite concentrate. The downstream processing capability of the plant means the 99% copper and 99% cobalt will be available for direct sale to EV and battery manufacturers.

Since completing the Rover 1 PFS in December 2022, Castile has transitioned into the Rover 1 Definitive Feasibility Study (DFS) which will further optimise the production and processing pathways for the project.

The DFS will tighten the costing accuracy and seek to further improve the strong financial outcomes of the successful Rover 1 Project Pre-Feasibility which included:

- A pre-tax NPV_{6.5} of \$451.7 million with an IRR of 46%.
- Total revenues of A\$1.94 billion.
- Pre-tax cash flow of A\$1.02 billion.
- An undiscounted pre-tax net cash flow of A\$686 million.
- Capital cost estimate of A\$279.5 million (Processing Plant A\$160.7M).
- A simple payback (post tax) after 2 years and 7 months of production.

Metallurgical Testing

Metallurgical test work continued during the quarter. Tests completed during the quarter consisted of a review of the gravity gold circuit, pressure oxidation circuits and the low-intensity magnetic separation (LIMS) of magnetite. Results obtained were consistent with historical testing previously released. Ongoing testing this quarter will consider a shorter residence time within the pressure oxidation autoclave with a view to reducing the capital requirement for the processing facility.

Environmental Impact Study

Castile has lodged our Proponent Initiated Environmental Impact Study (EIS) with the NT EPA. As part of this submission, a draft Terms of Reference for this study was included. These Terms of Reference have now been approved. Castile continues background works for this Study into the next quarter. The EIS is the central piece of the environmental approvals process in the Northern Territory. Castile has prepared and presented the submission assisted by Darwin based environmental specialist EcOz Environmental Consultancy. The submission contains a number of third party and in-house studies endorsing the Rover 1 Project as a modern, environmentally sustainable mine development.

EXPLORATION

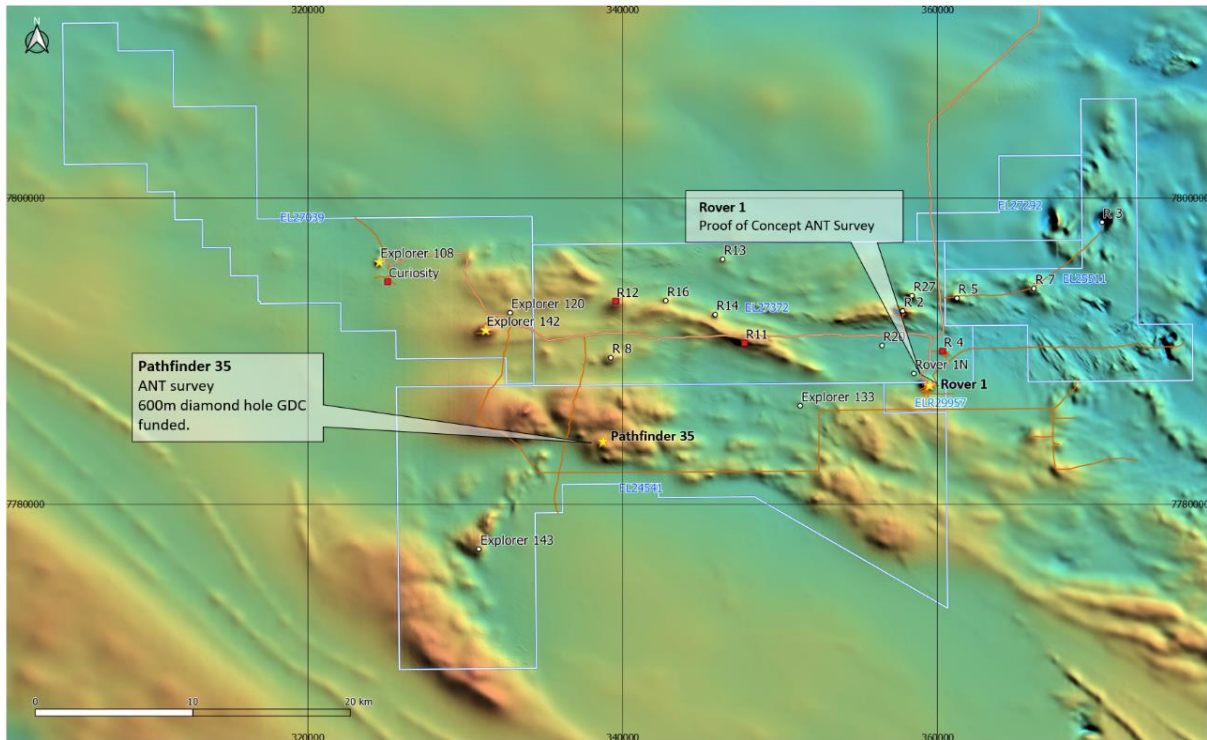


Figure 1: Rover Mineral Field NT Govt Co-Funded Activities.

ROVER MINERAL FIELD PASSIVE SEISMIC PROGRAM

Castile has commenced the Passive Seismic Program with Odyssey Geophysics. An initial ground truthing survey has been rolled out in late December 2023 to fine tune the array to be implemented in February 2024. The survey embraces new technology that provides a low-cost alternative to conventional seismic reflection techniques, removing the requirement for expensive active seismic sources.

The program consists of two parts: undertaking a proof-of-concept trial over the known Rover 1 IOCG deposit and then a roll-out to untested co-incident magnetic-gravity anomalies. The initial trial will allow for validation and calibration of passive seismic geophysical techniques against known geology such as depth to basement and location of subsurface high density/high velocity material (IOCG alteration zones). Once validated, the array will be moved to the Pathfinder area, south of Explorer 142 to test three coincident magnetic-gravity anomalies identified from detailed gravity data collected over the area in 2022. The model will be used to refine the gravity and magnetic forward models and increase the success of subsequent exploratory drilling.

ROVER MINERAL FIELD PATHFINDER 35 DRILLING

The Pathfinder 35 target is considered prospective for copper, gold and cobalt associated with Tennant Creek style Iron Oxide Copper Gold (IOCG) mineral systems and massive sulphide base metal mineralisation. Pathfinder 35 target is located approximately 25km to the west of Castile’s flagship asset, the Rover 1 Project. (Figure 1).

Castile continues to work closely with the Central Land Council (CLC) gaining approvals for this highly prospective target during the December 2023 quarter. The Pathfinder 35 prospect is located approximately 90km west-southwest of the town of Tennant Creek within Aboriginal freehold lands of the Karlantjipa South Land Trust.

Castile mobilised a drill crew to Tennant Creek in late November 2023, however a period of severe thunderstorms cut access to the Rover Project. Due to the forward forecasting of additional rain, it was decided to suspend the Pathfinder drilling until after the Northern Territory wet season in early 2024.

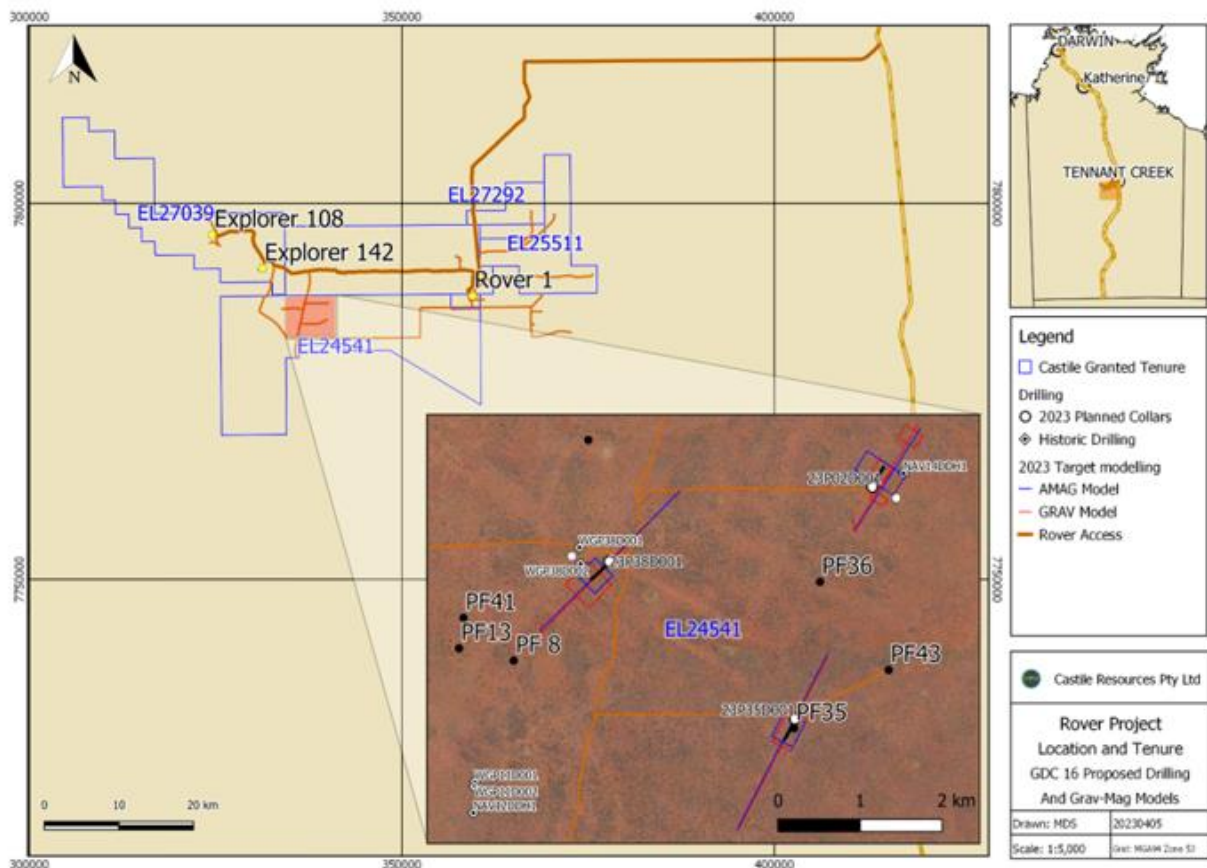


Figure 2: Rover Project Location and Proposed Drilling Site Pathfinder 35

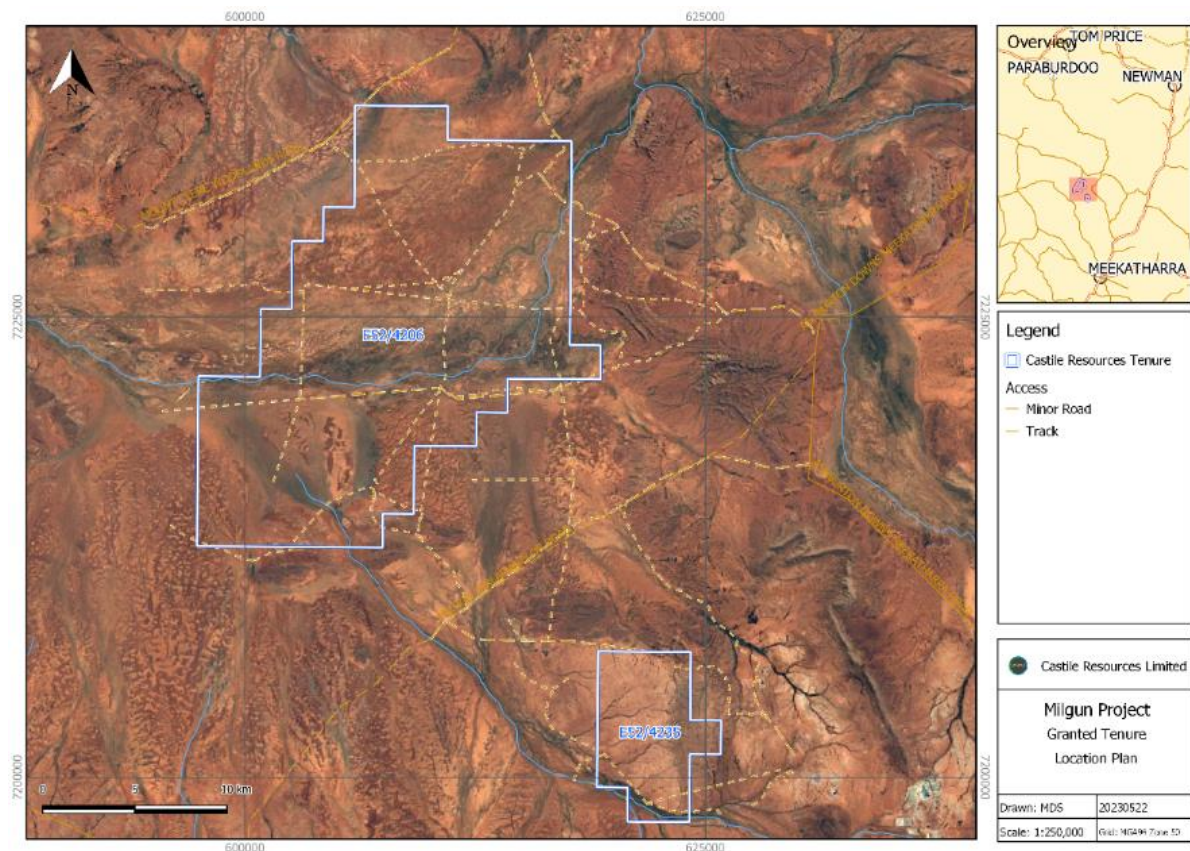
APPROVALS RECEIVED FOR MILGUN LITHIUM NIOBIUM PROJECT

The Milgun Project is located approximately 150km north-northwest of Meekatharra in the Peak Hill Mineral field and comprises tenements E52/4206 and E52/4235.

On December 5th, 2023, the Nharnuwangga Wajarri and Ngarlawangga (“NWN”) Heritage Agreement was entered into with the Jidi Jidi Aboriginal Corporation, allowing Castile to begin reconnaissance exploration and mapping at Milgun.

The Milgun tenements contain Lithium and Niobium anomalies identified by the previous owner who completed 9,000 soil samples in 2011 and 2012. At the time critical minerals were not a priority. Both elements are now classified as Critical Minerals in Australia and the USA.

During the quarter Castile completed planning on an intensive groundwork analysis of the known outcropping lithium, niobium & rare earth (REE) anomalies and the surrounding areas at Castile’s Milgun Lithium Niobium Project tenements in WA. The groundwork is scheduled to begin in late February 2024.



CORPORATE

FEDERAL GOVERNMENT

Castile Attends Critical Minerals Trade Delegation to India

Castile's Managing Director, Mark Hepburn, attended The Australian India Business Exchange (AIBX) Critical Minerals Trade Mission in November 2023 which is the Australian Government and Austrade's' flagship trade and investment program for India.

Figure 3: The AIBX Critical Minerals India Trade Mission meets with Tata Management



The mission met with management from a wide variety of the biggest companies and conglomerates in India. The purpose of the meetings was to discuss the Indian companies' Critical Mineral requirements and how they could shore-up supply chains from Australian producers. From the meetings, it was obvious that India will be requiring a vast amount of copper, cobalt and high-grade magnetite (for "green steel" production) to meet their decarbonisation goals. Castile's strategy of producing end-user 99% copper means we can negotiate directly with these large companies.

The Indian companies included:

- Reliance New Energy
- OLA Battery Innovation Centre
- Exide Energy
- Hindalco (Aditya Birla Group)
- Amara Raja Group
- Coromandel International
- Tata Chemicals
- Godi Energy
- India Energy Storage Alliance (IESA)
- L&T Green Energy
- GFL Group
- National Mineral Development Corporation (NMDC)

India's 2022-2023 copper production was 555,000 tonnes. Demand is forecast to reach 3 million tonnes by 2030 even as it mines only 2.5 percent of the copper it needs

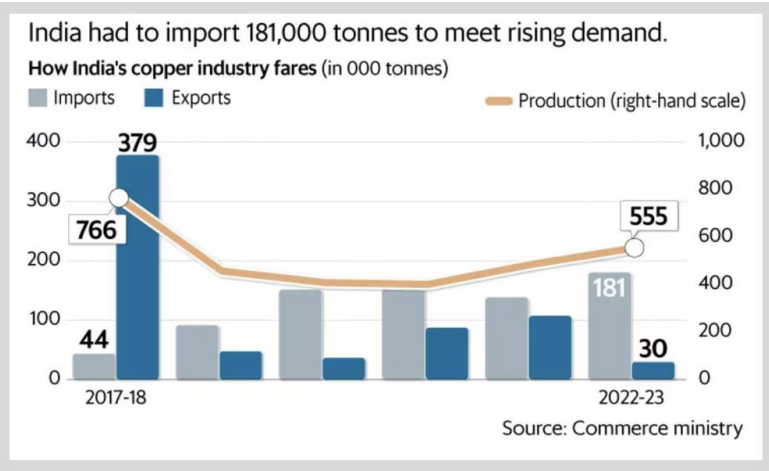


Figure 4: Forecast Copper Demand for India¹

Castile's Rover 1 Project again selected to appear in Federal Government Critical Minerals Prospectus for 2023

The Rover 1 Project has again received strong Federal Government endorsement by being selected to appear in the 2023 Critical Minerals Prospectus released in December 2023.

The Federal Government is heavily aligned with Castile's strategy of producing downstream Critical Minerals in Australia to ensure domestic supply chains for the 2050 Net-Zero Targets.

Castile's flagship asset, the Rover 1 Iron Oxide Copper Gold (IOCG) Project will produce downstream critical minerals in Australia. The project was originally included in the Austrade's 2022 Critical Minerals Prospectus and was selected for 2023 based on the strong enquiry rate received the previous year particularly from India.

Castile has had the opportunity to continue these discussions in India with large conglomerates with varying needs in critical minerals.

Castile's anticipate further opportunities will be generated from our inclusion in the 2023 prospectus.

¹ Source: <https://www.moneycontrol.com/news/opinion/india-needs-an-urgent-push-to-secure-its-copper-resources-10517031.html>



COPPER ADDED TO AUSTRALIAN STRATEGIC MATERIALS LIST

Castile Resources Rover 1 Project has received a boost with copper now added to Australia's Strategic Materials List, underlying the importance of the metal to the transition to net zero emissions.

The new Strategic Materials List contains minerals:

- That are important for the global transition to net zero and broader strategic applications, specifically the priority technologies set out in the Critical Minerals Strategy.
- For which Australia has geological potential for resources.
- In demand from our strategic international partners.

The Strategic Materials List will let the government monitor the market developments for these minerals. It also signals the government's support for their continued development.

The new Strategic Materials List consists of six minerals:

- Copper
- nickel
- Aluminium
- phosphorous
- tin
- Zinc.

The Explorer 108 Project has a large Mineral Resource inventory of zinc which was the subject of a desk top study for future inclusion in the inventory for the Rover 1 infrastructure.

NORTHERN TERRITORY STATE GOVERNMENT

Castile selected again by NTGS to present at the PDAC Conference in Toronto

Castile has been selected by the Northern Territory Geological Survey (NTGS) as their keynote investment opportunity presentation at the Prospectors and Developers of Canada Conference (PDAC) in Toronto. Castile continues regular consultation with the Northern Territory Government as they look to develop on the recommendations of the NT Mineral Task Force. Castile is at the forefront of the downstream processing sector which was strongly endorsed by the Task Force report. The NT government is seeking ways to assist mineral exploration and develop companies by providing infrastructure and promoting financial investment by facilitating meetings with end users of critical minerals and investors.



Social Responsibility

Castile attended meetings with Northern Territory Government representatives regarding the attraction and retention of a qualified workforce for the Rover 1 Project which included training and employment opportunities for the local population in areas surrounding Tennant Creek.

Health Safety, and Covid-19 Business Management Plan

There were no Lost Time Injuries (LTI's) to any Castile staff and no cases of COVID-19 were reported in the December 2023 quarter. Castile will continue to monitor and maintain safety requirements in the new areas of exploration at Pathfinder 35 and the Milgun Lithium Niobium Project Tenements.

Financial Position

Castile's cash position as of 31 December 2023 was \$3.78M. The Appendix 5B for the quarter ended 30 September 2023 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$0.51M including metallurgy studies and testing costs associated with the Tennant Creek projects as well as the activities set out in this report. The total amount paid to directors of the Company, their associates and other related parties was \$0.133M for salary and superannuation.

Tenements

Castile held the following tenements as of 30 December 2023.

Tenement	Project	Location	Interest	Status
EL 24541	Rover	Northern Territory	100%	Renewal Application Submitted 14/12/2023
EL 25511	Rover	Northern Territory	100%	Renewal Application Submitted 14/12/2023.
EL 27039	Rover	Northern Territory	100%	Expiry 14/05/2025
EL 27292	Rover	Northern Territory	100%	Expiry 26/05/2024
EL 27372	Rover	Northern Territory	100%	Expiry 26/05/2024
ELR 29957	Rover	Northern Territory	100%	Expiry 16/09/2028
ELR 29958	Rover	Northern Territory	100%	Expiry 16/09/2028
EL 33121	Rover	Northern Territory	100%	Expiry 3/11/2028
EL 10397	Warumpi	Northern Territory	100%	Expiry 10/09/2025
EL 31794	Lake Mackay JV	Northern Territory	14%	Expiry 27/02/2024
E52/4206	Milgun	Western Australia	100%	Expiry 19/01/2028
E52/4235	Milgun	Western Australia	100%	Expiry 26/03/2028

Warumpi Project, NT

Further geophysical surveys are being considered for the Warumpi tenements in the coming 2024 field season.



Authorised for release by the Board of Castile Resources Limited.

For further enquiries please contact info@castile.com.au or phone +61 8 9488 4480.

Mark Hepburn
Managing Director
Castile Resources Limited

Competent Persons Statements

The information contained in this report relating to Exploration Results, Minerals Resources and Ore Reserves has been previously reported by the Company as referenced in this presentation (Announcements). The Company confirms that it is not aware of any new information or data that would materially affect the information included in the Announcements and, in the case of estimates of Mineral Resources and Ore Reserves that all material assumptions released on 5 December 2022 and technical parameters underpinning the estimates continue to apply and have not materially changed.

The information contained in the report relating to the Rover 1 Pre-Feasibility Study (PFS) was previously announced by the Company on 5 December 2022 and the Explorer 108 Scoping Study (Scoping Study) was announced by the Company on 27 April 2023. The Company confirms that all material assumptions underpinning the PFS and Scoping Study, including financial forecasts and production targets, continue to apply and have not materially changed.

Appendix 5B

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

Name of entity

Castile Resources Limited

ABN

93 124 314 085

Quarter ended ("current quarter")

31 December 2023

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	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(139)	(293)
(e) administration and corporate costs	(206)	(282)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	42	92
1.5 Interest and other costs of finance paid	(1)	(2)
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	(304)	(485)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(2)
(d) exploration & evaluation	(507)	(1,152)
(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 (tenement deposits)	-	(3)
2.6	Net cash from / (used in) investing activities	(507)	(1,157)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(5)	(10)
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	(5)	(10)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,593	5,429
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(304)	(485)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(507)	(1,157)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(10)

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	3,777	3,777

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	3,602	4,413
5.2	Call deposits	184	184
5.3	Bank overdrafts	-	-
5.4	Other (credit cards)	(9)	(4)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,777	4,593

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	125
6.2	Aggregate amount of payments to related parties and their associates included in item 2	8

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.

Comprises Director salaries and superannuation. Note that the amount within item 1.2(d) includes salaries recharged.

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)	(304)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(507)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(811)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,777
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,777
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.7
<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: 29 January 2024

Authorised by: Mark Hepburn, Managing Director of Castile 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.