

Summary

Akoko Project:

- Completed the sale of Topago Limited (holder of Akoko licences) and, following an initial cash payment of US\$150,000, received during the Quarter the final instalment of US\$250,000. The sale agreement provides for an additional US\$100,000 on commencement of mining, US\$1,250,000 in royalties on the first 50,000oz of production and a 1% royalty on additional production over 50,000oz (Refer ASX announcement dated 26 October 2016 for full terms).

Kpali Project:

- Continued efforts to secure a farm-in partner.

Exploration General:

- Attended to the process of transferring the Julie West prospecting licence to purchaser Azumah Resources Limited which upon completion will release to Castle the final cash consideration of A\$250,000.
- Continued review of the Company's project datasets with the objective of rationalising its large Ghana licence holdings around key target areas and to minimise holding costs.

New Opportunities:

- Generated and reviewed several new project opportunities spanning a range of commodities in various countries with the objective of securing a new focus for the Company.

Corporate:

- End of Quarter cash was \$319,000
- 170M shares and 6M options on issue.
- The increase in cash materially resulted from receipt of the final instalment from the sale of Topago.
- To assist cash flow, the current Directors agreed to accept their fees and any payments for additional services in Castle shares. Shareholder approval will be sought for the 3rd tranche at the next GM.
- Castle holds 564,020 shares in ASX listed ePAT Technologies Limited (ASX: EPT)(~\$17,000) – formerly Minquest Limited.

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Capital Structure
Quoted Shares: 170 million
Unlisted Options: 6m @ 3c

Board
Michael Atkins
Chairman

Stephen Stone
Director

Ian Hobson
Director &
Company Secretary

Licence	Name	Interest beginning of Quarter	Interest end of Quarter
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TOPAGO MINING LIMITED*

PL. 2/398*	Antubia	100%	0%
PL. 2/400*	Boizan	100%	0%
PL. 2/399*	Akoko	100%	0%
PL. 2/425*	Akoko West	100%	0%

CARLIE MINING LIMITED

RLA	Cache	Application	Application
RLA	Jewoyeli	Application	Application
RLA	Takariyili	Application	Application
RLA	Tuole	Application	Application
RL. 10/23	Jang	100%	100%
RL. 10/13	Wa	100%	100%
PL. 10/13	Julie West	0% [^]	0% [^]
ML. 10/13	Julie West	Application	Relinquished
PL. 10/26	Degbiwu	100%	100%
PL. 10/23	Bulenga	100%	100%
PL. 10/25	Charingu	100%	100%
PLA	Kandia	Application	Application
PL. 10/24	Baayiri	100%	100%
RL. 8/27	Gbinyiri	100%	100%
RL. 8/28	Gurungu	100%	100%
RL. 8/31	Jumo	100%	100%
RL. 8/30	Chasia	100%	100%
RL. 8/29	Perisi	100%	100%
RLA	Funsi	Application	Application
PL. 10/47	Kambale	100%	100%

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

[^] Put Option to sell the Julie West PL to Bunda Resources Limited was exercised in October 2015. Bunda's rights were assigned to Phoenix Resources Limited (Azumah Resources Limited) in April 2016.

* Sale agreement for the sale of shares in Topago Mining Limited completed January 2017.

COMPETENT PERSONS STATEMENT

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