

Activities Report

September 2019 Quarter



**ASX & Media
Release**

ASX Code: CDT

25 October 2019

**Principal and
Registered Office:**

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Board:

Michael Atkins
Chairman

Stephen Stone
Managing Director

James Guy
Non-Executive Director

Company Secretary:

Jade Styants

Capital Structure:

Ordinary Shares: 223.8M
3c Options: 6.0M

GHANA

Degbiwu & Gbiniyiri Licences

- On 14 August 2019 Castle's wholly owned Ghana-based subsidiary, Carlie Mining Limited ("Carlie") executed a binding term sheet with private Ghana company, Iguana Resources Limited ("Iguana"), whereby Iguana may earn up to an 80% interest in Carlie's Degbiwu and Gbiniyiri licences ("Licences") in Ghana's Upper West region by spending a total of US\$11.7 million in three stages over five years (Figure 1).
- The farm-out arrangement, which is contingent on the approval of the Ghana Government (not yet received), will see a material increase in exploration on these licences which contain the 107,200 oz gold Kpali Mineral Resource and the intriguing Bundi gold-zinc prospect.

Julie West Licence

- On 23 October 2019 Castle agreed with Azumah Resources Limited ("Azumah")(ASX:AZM) to amend the Julie West Put Option and Sale Agreement ("Option Agreement") whereby the parties to that Option Agreement have waived the condition precedent requiring the approval 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 will make the final cash payment of A\$250,000 to complete the sale of the Julie West prospecting licence.
- The Julie West licence is currently held by Castle's wholly owned Ghanaian subsidiary, Carlie Mining Limited ("Carlie"). The Option Agreement provides for the licence to be purchased by Phoenix Resources Limited ("Phoenix"), a wholly-owned subsidiary of Azumah Resources Ghana Limited, being the company in which Azumah currently holds a majority 57.5% interest.

New Opportunities

- Castle has received a number of enquiries regarding its northern Ghanaian licences held by Carlie. This interest is driven by the improved gold price and the increasing perception of the region's prospectivity to host major gold deposits. Castle will continue to service these enquiries with a view to possibly transacting on its Ghanaian licences.

WESTERN AUSTRALIA

Pilbara Gold Projects – Beasley Creek & Coolyia Creek

- Low level prospecting work was undertaken at these Projects during the Quarter.

NEW OPPORTUNITIES

- Castle continues to review and evaluate for acquisition project opportunities in Australia and overseas.

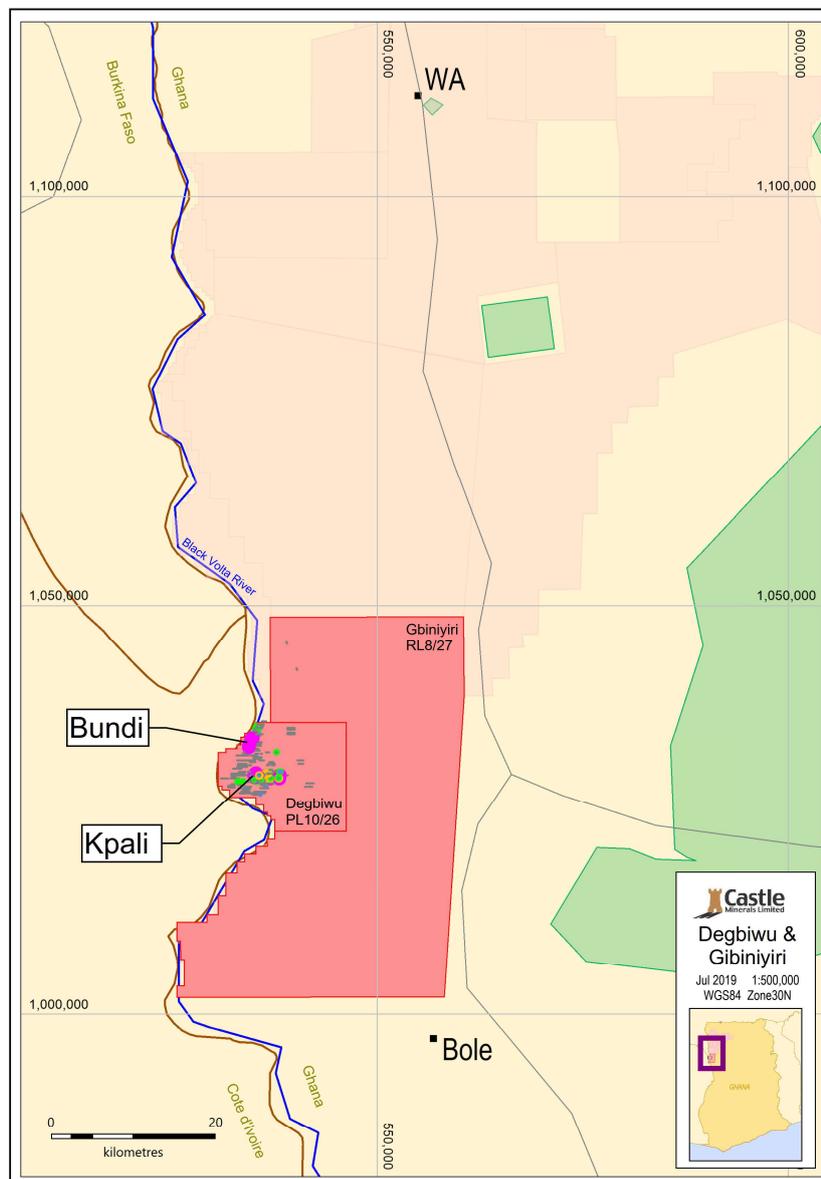
CORPORATE AND FINANCIAL

- Consolidated cash position as at 30 September 2019 was \$299,000.

- On 23 - 24 September 2019 Castle sold its shares in PainChek Ltd (ASX: PCK) to receive net proceeds of \$173,655.
- Following the receipt of \$250,000 from Azumah in regard to the amended Julie West Agreement, Castle will have working capital of approximately \$440,000.
- The Castle annual general meeting will be held on Thursday 14 November 2019 at 9am (WST) at Suite 2, 11 Ventnor Ave, West Perth.

Stephen Stone
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Figure 1: Location of the Degbiwu and Gbiniyiri Licences and Key Prospects



About Castle Minerals Limited

Castle Minerals is listed on the Australian Stock Exchange (ASX: CDT) and headquartered in Perth, Western Australia. In addition to its interest in the Coolyia Creek and Beasley Creek conglomerate-hosted paleo-placer style gold projects in the Pilbara region of Western Australia, it has a large contiguous tenure position in the Upper West region of Ghana, West Africa, a country with a long history of gold exploration and mining. Its Ghana licence holdings encompass large tracts of highly prospective Birimian geological terrane, the host to many of West Africa's multi-million-ounce gold mines. All of Castle's ground in Western Australia and Ghana, whilst at a relatively early stage of exploration, presents a number of targets offering opportunities for discoveries of gold and other minerals.

Cautionary Statement

The Coolyia Creek and Beasley Creek Projects are considered to be of early stage, grass roots exploration status. No Competent Person has done sufficient work in accordance with JORC Code 2012 to conclusively determine if gold is present in conglomerates on the licences or to estimate in what quantities but in each case the general integrity of mapping by the GSWA has been confirmed by geologists engaged by the Company. It is possible that following further evaluation and/or exploration work that the confidence in the information used to identify and acquire interests in the areas of interest in the Pilbara may be reduced when reported under JORC Code 2012.

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 an Executive 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.

Forward Looking Statement

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

SCHEDULE OF TENEMENTS

| Tenement and Name | | Interest at beginning of Quarter | Acquired / Disposed (during the Quarter) | Interest at end of Quarter |
|------------------------------|---------------|----------------------------------|--|----------------------------|
| WESTERN AUSTRALIA | | | | |
| EL45/4965 | Coolyia Creek | 80% | N/A | 80% |
| EL45/4975 | Coolyia Creek | 80% | N/A | 80% |
| EL47/3490 | Beasley Creek | 80% | N/A | 80% |
| GHANA | | | | |
| CARLIE MINING LIMITED | | | | |
| RLA | Cache | Application | N/A | Application |
| RLA | Jewoyeli | Application | N/A | Application |
| RLA | Takariyili | Application | N/A | Application |
| RLA | Tuole | Application | N/A | Application |
| RL. 10/23 | Jang | 100% | N/A | 100% |
| RL. 10/13 | Wa | 100% | N/A | 100% |
| PL. 10/13 | Julie West | 0%^ | N/A | 0%^ |
| PL. 10/26 | Degbiwu | 100% | N/A | 100% |
| PL. 10/23 | Bulenga | 100% | N/A | 100% |
| PL. 10/25 | Charingu | 100% | N/A | 100% |
| PLA | Kandia | Application | N/A | Application |
| PL. 10/24 | Baayiri | 100% | N/A | 100% |
| RL. 8/27 | Gbinyiri | 100% | N/A | 100% |
| RL. 8/28 | Gurungu | 100% | N/A | 100% |
| RL. 8/31 | Jumo | 100% | N/A | 100% |
| RL. 8/30 | Chasia | 100% | N/A | 100% |
| RL. 8/29 | Perisi | 100% | N/A | 100% |
| RLA | Fungsi | Application | N/A | Application |
| PL. 10/47 | Kambale | 100% | N/A | 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. 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, a subsidiary of Azumah Resources Limited in April 2016. Transfer by Ghana Government of the licence to Phoenix Resources Limited has not yet completed.

PREVIOUSLY REPORTED INFORMATION

Additional details, where applicable, can be found in the releases referenced in this report and in the following releases lodged by the Company with the ASX during the quarter:

| Date | Headline |
|------------|--|
| 23/10/2019 | Castle to Receive \$250,000 on Completion of Julie West Sale |
| 15/10/2019 | Notice of Annual General Meeting / Proxy Form |
| 26/09/2019 | Annual Report to shareholders |
| 14/08/2019 | Castle Strikes US\$11.7 Million Farm-Out Agreement |