CASTILE RESOURCES LTD

(ACN 124 314 085)

Prospectus

Offer

For a non-renounceable pro rata entitlement offer to Eligible Shareholders of up to 99,844,305 New Shares on the basis of 1 New Share for every 1 Share held at 5.00pm (WST) on the record date of 4 December 2019, at an issue price of $0.20 per New Share to raise up to $19,968,861 before costs, with a minimum subscription requirement to raise at least $11,000,000 before costs ("**Offer**").

Underwriting

The Offer is partially underwritten by Canaccord Genuity (Australia) Limited.

cg Canaccord Genuity Capital Markets

Important notice

This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered highly speculative.

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IMPORTANT INFORMATION

NOTICE

This Prospectus is issued by Castile Resources Ltd (ACN 124 314 085) ("**Company**").

This Prospectus is dated 3 December 2019 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the existing Shares and the New Shares offered pursuant to this Prospectus to be admitted for quotation on ASX.

No New Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for New Shares pursuant to the Offer must do so using the Entitlement and Acceptance Form attached to or accompanying this Prospectus. Before applying for New Shares investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the New Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Applicants should read this Prospectus in its entirety and persons considering applying for New Shares pursuant to this Prospectus should obtain professional advice.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

COMPETENT PERSON'S STATEMENT

The information in this Prospectus that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Neal Leggo, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Leggo is employed by CSA Global. Mr Leggo has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as an expert and a competent person under the VALMIN Code and JORC Code. Mr Leggo consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Mineral Resources is based on information compiled and conclusions derived by Mr Jake Russell, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Russell is a full-time senior executive of Westgold Resources Limited and Non-Executive Director of the Company. Mr Russell has sufficient experience that is relevant to the Technical Assessment of the Mineral Resources under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as an expert and a competent person under the VALMIN Code and JORC Code. Mr Russell consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

FOREIGN INVESTOR RESTRICTIONS

The offer of New Shares under this Prospectus does not constitute an offer in any jurisdiction outside Australia. The Offer is not made to persons or places to which, or in which, it would not be lawful to make such an offer of securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any regulatory or other consents are required or whether any other formalities need to be considered and followed.

PROSPECTUS AVAILABILITY

ASIC has confirmed that the Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at www.castile.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Share Registry on 1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia).

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Application for New Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

NO COOLING OFF RIGHTS

Applicants have no cooling off rights in relation to Shares for which they apply. This means that an applicant is not permitted or entitled to withdraw its application once submitted, other than in certain specified circumstances as detailed in the Corporations Act.

RISKS

Before deciding to invest in the Company, investors should read the entire Prospectus and in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances including financial and taxation issues. The Shares offered by this Prospectus should be considered highly speculative. Refer to Section 4 for details relating to risk factors.

DISCLAIMER

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Certain statements in this Prospectus constitute forward looking statements. These forward looking statements are identified by words such as "may", "could", "believes", "expects", "intends", and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

This Prospectus uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 4.

FINANCIAL AMOUNTS

All references in this Prospectus to "$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated.

All references in this Prospectus to "USD" are references to the currency of the United States of America.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorsed this Prospectus or its contents, or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are for illustration only and may not be to scale.

DEFINITIONS AND TIME

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 11, or in the Glossary of Terms section of the Independent Geologist's Report.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

CORPORATE DIRECTORY

DIRECTORS

Mr Peter Cook
Non-Executive Chairman

Mr Mark Hepburn
Managing Director

Mr John Braham
Non-Executive Director

Mr Jake Russell
Non-Executive Director

COMPANY SECRETARY

Mr Ben Secrett

REGISTERED OFFICE

Level 6, 197 St Georges Terrace
Perth WA 6000

Telephone: +61 (8) 9488 4480

Facsimile: +61 (8) 6318 4699

WEBSITE

www.castile.com.au

ASX CODE

CST

SHARE REGISTRY

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace
Perth WA 6000

LEAD MANAGER AND UNDERWRITER

Canaccord Genuity (Australia) Limited
Level 4, 60 Collins Street
Melbourne VIC 3000

AUDITOR & INVESTIGATING ACCOUNTANT

Bentleys Audit & Corporate (WA) Pty Ltd
216 St Georges Terrace
Perth WA 6000

INDEPENDENT GEOLOGIST

CSA Global Pty Ltd
Level 2, 3 Ord Street
West Perth WA 6005

LEGAL ADVISER

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth WA 6000

LETTER FROM THE CHAIRMAN

3 December 2019

Dear Shareholder,

As you are aware, the demerger of Castile Resources Ltd from its parent, Westgold Resources Limited, was put to vote by Westgold Shareholders at Westgold's Annual General Meeting held on 25 November 2019 ("**Westgold AGM**").

At the Westgold AGM, Westgold Shareholders approved the Company's separation by demerger from Westgold through the In-specie Distribution of Shares to Westgold Shareholders on the basis of one (1) Share for every four (4) Westgold Shares held at the In-specie Distribution Record Date.

This Prospectus serves as the funding document to provide Castile with the capital it requires to continue to explore and develop its assets as an independent company separate from Westgold.

As a Shareholder, you are offered the exclusive entitlement, but not the obligation, to participate in the raising of this capital through a non-renounceable pro-rata entitlement to subscribe for one (1) New Share for every one Share held at the Record Date at an issue price of $0.20 each to raise up to $19,968,861 before costs, with a minimum subscription requirement to raise at least $11,000,000 before costs. ("**Offer**"). The Minimum Subscription amount of funds will provide the Company with sufficient capital to undertake budgeted exploration programmes, while Full Subscription will allow the Company to accelerate its exploration and development plans while also enabling identification and assessment of additional growth projects.

The Company's assets are located in the Northern Territory and include a number of exciting polymetallic discoveries and prospects ranging from grass roots to being ready for feasibility assessment. I refer you to the Independent Geologist's Report in Section 6 which summarises the assets and merits of the Company's assets and the application of funds raised under the Offer.

As the inaugural Chairman of the Company and having had a long association with the assets from their discovery to today I express my excitement about the potential of the Projects. Rover 1 was a significant virgin and blind discovery made under several hundred metres of cover. Westgold at that point in time (2008) was awarded the Gold Mining Journal "explorer of the year" award for the discovery of Rover 1. Since then the assets have been sidelined by lower commodity prices and the competition with Westgold's (and its previous parent, Metals X Limited) other assets.

This move to separate the Company by demerger and fund the Projects independently is a strong catalyst for the full value of these assets and their potential to be realised with undistracted focus. I firmly believe that this will be great outcome for Westgold Shareholders and those that stay with and enhance their investments in the Company.

Accordingly, I encourage you to thoroughly consider this exclusive and exciting opportunity to join in the exploration and development of the Projects by participating in the Offer.

Further details on the In-specie Distribution can be found in the Notice of Meeting issued by Westgold on 18 October 2019, which is available on the ASX platform. Further details of the Projects are set out in Section 3, the Independent Geologist's Report in Section 6, and the Legal Report on Tenements in Section 7.

The Offer the subject of this Prospectus is partially underwritten by Canaccord Genuity and the minimum subscription amount raised under the Offer will allow the Company to accelerate its exploration and development plans while also enabling identification and assessment of additional growth projects. Canaccord Genuity has agreed to underwrite the Underwritten Amount in accordance with the terms of the Underwriting Agreement.

The Company has assembled an experienced management, exploration and development team who are well qualified to exploit the potential of the Company's mineral assets. The Board has significant expertise

and experience in mineral exploration, project development and corporate management, and will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Projects.

Investors should note that the Company is an early stage mineral exploration company, and that any investment made in the Company should be considered highly speculative. An investment in the Company is subject to risks, including Company specific risks (such as those associated with mining and exploration) and general risks (such as those associated with the share market, government regulation and the economy in general). Detailed information about these risks is set out in Section 4, which I encourage you to read carefully.

On behalf of my fellow Directors, I look forward to continuing the exploration on the Projects and this exciting journey ahead.

Yours faithfully

Peter Cook
Non-Executive Chairman

KEY OFFER DETAILS

Key financial information	Minimum Subscription	Full Subscription
Existing Shares on issue[1]	99,865,816	99,865,816
Shares to be issued under the Offer	55,000,000	99,844,305
Issue price per Share	$0.20	$0.20
Amount to be raised under the Offer (before costs)	$11,000,000	$19,968,861
Shares on issue upon completion of the Offer	154,865,816	199,710,121
Executive Options on issue	2,000,000	2,000,000
Indicative market capitalisation upon completion of the Offer[2]	30,973,163	$39,942,024

Notes:

1. 21,511 Shares are held by Westgold on behalf of Ineligible Westgold Shareholders, which will be placed to institutional or exempt investors in accordance with the Underwriting Agreement. The net sale proceeds of these Shares will then be paid to Ineligible Westgold Shareholders, with the timing of the sale to coincide with a market for Shares being established on ASX. Refer to Section 1.10.
2. Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the table above, the market capitalisation is calculated at the issue price of each Share under the Offer, being $0.20. Please note that there is no guarantee that the Shares will be trading at $0.20 upon the Company listing.
3. Please refer to Section 1.6 for further details relating to the proposed capital structure of the Company.

Important dates	
In-specie Distribution Record Date	28 November 2019
Lodgement of this Prospectus with ASIC	3 December 2019
Completion of In-specie Distribution	3 December 2019
Record Date for the Offer	4 December 2019
Opening Date for the Offer	11 December 2019
Closing Date for the Offer	10 January 2020
Issue of new Shares under the Offer	17 January 2020
Holding statements sent to Shareholders	23 January 2020
Expected date for Shares to commence trading on ASX	29 January 2020

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Entitlement and Acceptance Form as soon as possible after the Opening Date if they wish to invest in the Company.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Shares offered under this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
The Company		
Who is the issuer of this Prospectus?	Castile Resources Ltd (ACN 124 314 085) ("**Company**").	Section 3.1
Who is the Company and what does it do?	The Company is a public company incorporated in Australia on 8 March 2007, which is in the business of mineral exploration and development in the Northern Territory.	Sections 3
What are the Projects that the Company intends to hold an interest in?	The Company holds interests in the following Projects, which are all located in the Northern Territory: • The Rover Project is located 80 km southwest of Tennant Creek, where the Company owns facilities including an office, core yard, work shed and accommodation units. The Company has consolidated a tenement package comprising five exploration licences and two exploration retention licences, all wholly owned. The Rover Project lies within the Rover Mineral Field, which is interpreted to be a westerly extension of the Tennant Creek Mineral Field. • The Warumpi Project is a grass-roots exploration project located approximately 300 km west of Alice Springs and approximately 500 km southwest of the Rover Project. The Company has consolidated a tenement package comprising three exploration licences.	Sections 3, 6 and 7
What are the Company's business plans?	The primary objective of the Company is to focus on mineral exploration of resource opportunities that have the potential to deliver growth of the Company for the benefit of Shareholders. In order to achieve this, the Company initially intends to undertake exploration programs on the Projects as described in Section 3.4 and the Independent Geologist's Report in Section 6.	Section 3.4
What are the Company's key business strategies?	The Company's key business strategies are to: • explore the Projects, including by undertaking follow up drilling and identifying and exploring exploration targets in project areas that have not been effectively tested; • leverage off the experience and skills of the Directors and senior management who collectively have strong track records in corporate management and resource project acquisition, discovery and development; and • make acquisitions of, or investments in, assets that the Company considers are a strategic fit to its operations.	Sections 3.4

Topic	Summary	More information
What is the financial position and performance of the Company?	Based on the proforma consolidated statement of financial position for the Company as at 30 June 2019, and assuming Full Subscription is achieved, the Company will have: • total assets of $36,033,464; • total liabilities of $3,545,440; • net assets of $32,488,024; and • total equity of $32,488,024. The Company notes that, as an early stage mineral exploration company, it has only made losses to date, and expects to continue making losses for the foreseeable future. Further financial information relating to the Company is set out in the Investigating Accountant's Report at Section 5.	Section 5
The Offer		
What is the Offer?	The Company is conducting a non-renounceable pro-rata entitlement offer to Eligible Shareholders of up to 99,844,305 New Shares on the basis of 1 New Share for every 1 Share held at 5.00pm (WST) on the Record Date at an issue price of $0.20 each to raise up to $19,968,861 before costs, with a minimum subscription to raise at least $11,000,000 before costs.	Section 1.1
What is the minimum subscription condition to the Offer?	The minimum subscription is $11,000,000.	Section 1.3
Why is the Offer being conducted?	The principal purposes of the Offer are to: • comply with ASX's requirements for listing the Company on the ASX; • provide funds for the purposes set out in Section 1.5; • provide the Company with access to equity capital markets for future funding needs; and • enhance the public and financial profile of the Company to facilitate further growth of the Company's business.	Section 1.4
How will funds raised under the Offer be used?	It is proposed that funds raised under the Offer will be applied towards: • exploration on the Projects; • acquisition costs; • expenses of the Offer; and • general working capital.	Section 1.5
What is the effect of the Offer on the capital structure of the Company?	The effect of the Offer on the capital structure of the Company will be to increase the number of Shares on issue, as set out in Section 1.6.	Section 1.6

Topic	Summary	More information
Key risk factors		
Investors should be aware that subscribing for New Shares in the Company involves a number of risks. The risk factors set out in Section 4, and other general risks applicable to all investments in listed shares, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 4 for a more detailed summary of the risks.		
Exploration and development	Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. There can be no assurance that exploration on the Projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.	Section 4.1.1
Client Change Regulation	Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company. The efforts of the Australian government to transition towards a lower-carbon economy may also entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change that could significantly impact the Company. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the company. Furthermore, the physical risks to the Company resulting from climate change can be event driven (acute) or longer term shifts (chronic) in climate patterns. These physical risks may have financial implications for the Company, such as direct damage to assets and indirect impacts from supply chain disruption.	Section 4.1.4
Operational risks	The operations of the Company may be affected by various factors, including, among other things: • failure to locate or identify mineral deposits; • failure to achieve predicted grades in exploration and mining; and • operational, metallurgical and technical difficulties encountered in mining. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.	Section 4.1.3
Commodity prices	The value of the Company's assets and potential earnings may be affected by fluctuations in commodity prices and	Section 4.1.5

Topic	Summary	More information
and exchange rates	exchange rates, such as the USD and AUD denominated cobalt and copper prices (among other commodities) and the AUD / USD exchange rate. These prices can significantly fluctuate, and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions.	
Conditions to tenements	Interests in tenements in the Northern Territory are governed by legislation and are evidenced by the granting of leases and licences by the Territory. The Company is subject to the Mining Act and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of rent and prescribed annual expenditure commitments. The Tenements are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to the Tenements, there can be no guarantees made that, in the future, the Tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the Tenements will be satisfied.	Sections 4.1.6 and 7
Land access	There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and land owners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.	Section 4.1.8
Resource and reserve estimates	Whilst the Company intends to undertake exploration activities with the aim of upgrading existing resources or defining new resources, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted. Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.	Section 4.1.9
Future funding needs	The funds to be raised under the Offer are considered sufficient to meet the immediate objectives of the Company. However, further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies.	Section 4.1.12

Topic	Summary	More information
Other key Offer details		
What are the important dates of the Offer?	**Important dates** In-specie Distribution Record Date: 28 November 2019 Prospectus lodged: 3 December 2019 Completion of In-specie Distribution: 3 December 2019 Record Date: 4 December 2019 Opening Date: 11 December 2019 Closing Date: 10 January 2020 New Shares issued: 17 January 2020 Holding statements sent: 23 January 2020 Trading commences: 29 January 2020 The above dates are indicative only and may change without notice.	Key Offer Details
What rights and liabilities attach to the New Shares being offered?	The rights and liabilities attaching to the New Shares are described in Section 10.1.	Section 10.1
Is the Offer underwritten?	Yes, the Offer is partially underwritten by Canaccord Genuity.	Sections 1.8 and 9.4
Will any capital raising or underwriting fees be payable in respect of the Offer?	The Company has engaged Canaccord Genuity as lead manager and underwriter to the Offer. For these services, Canaccord Genuity will receive: • an underwriting fee of 3% (plus GST); and • an offer management fee of 2% (plus GST), of the Underwritten Amount. Peter Cook, a Director, through his nominee entity, Ajava Holdings Pty Ltd, has entered into an agreement with Canaccord Genuity to sub-underwrite the Underwritten Amount up to $5,000,000. Pursuant to the terms of the sub-underwriting, Canaccord Genuity shall pay a fee of 3% (excluding GST) of Mr Cook's respective sub-underwritten value.	Sections 9.4
Will the New Shares issued under the Offer be quoted?	The Company will apply to ASX no later than 7 days from the date of this Prospectus for admission of the Company to the official list of ASX, and official quotation of the New Shares	Section 1.15

Topic	Summary	More information
	offered under this Prospectus under the code, CST.	
How do I apply for New Shares under the Offer?	All Entitlement and Acceptance Forms must be completed in accordance with their instructions and must be accompanied by payment in Australian dollars for the full amount of the application at $0.20 per Share in accordance with the instructions set out in Sections 1.2.	Section 1.2
What are the alternatives for Eligible Shareholders?	The Offer is non-renounceable so Eligible Shareholders cannot trade their Entitlements. An Eligible Shareholder may: • take up all of their Entitlement; • take up part of their Entitlement and allow the balance to lapse; or • allow all of their Entitlement to lapse.	Section 2
What happens if Eligible Shareholders do not accept their Entitlement?	Any Entitlement not accepted will form part of the Shortfall Offer. The Underwriter must apply for the Shortfall Shares in accordance with the terms of the Underwriting Agreement. The Underwriter may appoint sub-underwriters to subscribe for the Shortfall Shares.	Sections 2.6 and 9.4
What will happen to Ineligible Shareholders' Entitlements?	As set out in Westgold's Notice of Annual General Meeting dated 18 October 2019, the Shares to be distributed to Ineligible Westgold Shareholders on the In-specie Record Date of 28 November 2019 will be held by Westgold and will be placed to institutional or exempt investors in accordance with the Underwriting Agreement. The net sale proceeds of these Shares will then be paid to Ineligible Westgold Shareholders, with the timing of the sale to coincide with a market for Shares being established on ASX. Accordingly, there will be no Ineligible Shareholders on the Record Date of 4 December 2019.	Section 1.10
When will I know if my application was successful?	Holding statements confirming allocations under the Offer will be sent to successful applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 23 January 2020.	Section 1.16
Can I speak to a representative about the Offer?	Questions relating to the Offer and completion of Entitlement and Acceptance Forms can be directed to the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).	Section 1.21
Key persons		
Who are the Company's Directors?	The Directors of the Company are: • Mr Peter Cook – Non-Executive Chairman; • Mr Mark Hepburn – Managing Director; • Mr John Braham – Non-Executive Director; and	Section 8.2

Topic	Summary	More information
	• Mr Jake Russell – Non-Executive Director.	
Who comprises the senior management team of the Company?	The Company's senior management team will initially comprise of Mr Mark Hepburn.	Section 8.3
What are the significant interests of the Directors?	The Directors will be remunerated as follows: • as Non-Executive Chairman, Mr Peter Cook will be paid $80,000 per annum inclusive of statutory superannuation from the date the Company lists on the ASX; • as Managing Director, Mr Mark Hepburn will be paid $300,000 per annum exclusive of statutory superannuation from the date the Company lists on the ASX. Prior to listing, Mr Mark Hepburn will have an hourly rate of $150 per hour up to a maximum of $1,200 per day (whichever is the greatest); • as a Non-Executive Director, Mr John Braham will be paid $60,000 per annum inclusive of statutory superannuation from the date the Company lists on the ASX; and • as a Non-Executive Director, Mr Jake Russell will be paid $60,000 per annum inclusive of statutory superannuation from the date the Company lists on the ASX. More information on the security holdings, interests and remuneration of the Directors is set out in Sections 8.5.3 and 8.5.4.	Sections 8.5.3 and 8.5.4
Miscellaneous matters		
What material contracts is the Company a party to?	The material contracts of the Company include: • the Implementation Deed • Transitional Services Agreement; • the Underwriting Agreement; • the employment agreements; • deeds of access, indemnity and insurance for each Director; • Deed of Assignment and Assumption – Rover Royalty and Tenement Transfer Agreement; and • Earn-in and Joint Venture Agreement – Prodigy Gold NL, Independence Group NL, Company and Westgold.	Section 9
Will any New Shares be subject to escrow?	No Shares will be subject to escrow.	Sections 1.7 and 1.16
Will the Company	The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other	Section 1.20

Topic	Summary	More information
pay dividends?	things, the actual levels of profitability and the financial and taxation position of the Company at the relevant time.	
What are the tax implications of investing in New Shares under the Offer?	The tax consequences of any investment in New Shares will depend upon each applicant's particular circumstances. Investors should obtain their own tax advice before deciding to invest.	Sections 10.10

1. DETAILS OF THE OFFER

1.1 OVERVIEW

Under this Prospectus, the Company is conducting a non-renounceable pro-rata entitlement offer to Eligible Shareholders of 99,844,305 New Shares on the basis of 1 New Share for every 1 Share held at 5.00pm on the Record Date at an issue price of $0.20 each to raise $19,968,861 before costs. The Offer is partially underwritten by Canaccord Genuity up to the Underwritten Amount.

The Offer is open to Eligible Shareholders. Eligible Shareholders are those persons who:

- are registered as a holder of Shares at 5.00pm (WST) on the Record Date; and
- have a registered address in an Eligible Country.

Please refer to Sections 1.9 and 1.10 regarding the treatment of overseas Shareholders.

The Entitlements being offered are non-renounceable which means that Eligible Shareholders cannot sell or transfer their Entitlement during the course of the Offer. For information on how to deal with your Entitlement, please refer to Section 2.

The New Shares to be issued under the Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the New Shares can be found in Section 10.1.

Applications for New Shares must be made using your personalised Entitlement and Acceptance Form and received by the Company on or before the Closing Date. Persons wishing to apply for New Shares should refer to Section 1.2 and the Entitlement and Acceptance Form for further details and instructions.

1.2 APPLICATIONS AND PAYMENT

Eligible Shareholders who are on the Company's share register at 5.00pm (WST) on the Record Date, being 4 December 2019, are eligible to participate in the Offer. The number of New Shares to which you are entitled is shown in your personalised Entitlement and Acceptance Form, which is accessible at https://castileoffer.thereachagency.com/.

The Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early. Instructions for accepting your Entitlement are set out in Section 2 and on the Entitlement and Acceptance Form which, if a copy of the Prospectus is requested by a Shareholder, will accompany this Prospectus.

The Entitlements to New Shares are non-renounceable, which means Eligible Shareholders who do not want to take up some or all of their Entitlement cannot sell or otherwise transfer all or part of their Entitlement.

The Offer will open for receipt of acceptances on 11 December 2019 (subject to the Exposure Period not being extended by ASIC) and will close at 5.00pm (WST) (2.00pm (AEDT) for BPAY® on the Closing Date, being 10 January 2020 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Corporations Act and Listing Rules.

1.3 MINIMUM SUBSCRIPTION

The minimum subscription requirement for the Offer is $11,000,000, representing the subscription of 55,000,000 Shares at an issue price of $0.20 each ("**Minimum Subscription**"). No New Shares will be issued until the Offer has reached the Minimum Subscription. Subject to any extension, if the Minimum Subscription has not been achieved within 4 months of the date of this

Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act..

1.4 PURPOSES OF THE OFFER

The principal purposes of the Offer are to:

- comply with ASX's requirements for listing the Company on the ASX;
- provide funds for the purposes set out in Section 1.5;
- provide the Company with access to equity capital markets for future funding needs; and
- enhance the public and financial profile of the Company to facilitate further growth of the Company's business.

1.5 PROPOSED USE OF FUNDS

The Company intends to use the funds raised under the Offer as follows:

Use of Funds	Minimum Subscription		Full Subscription	
	Amount	%	Amount	%
Rover Project - Regional Exploration	$740,000	6.73%	$1,600,000	8.01%
Rover 1 – Infill Drilling	$832,000	7.56%	$1,800,000	9.01%
Rover 1 – Feasibility & Development Studies	$3,600,000	32.73%	$3,600,000	18.03%
Explorer 108 – Extensional Drilling	$740,000	6.73%	$1,600,000	8.01%
Curiosity Prospect - Exploration Drilling	$740,000	6.73%	$1,600,000	8.01%
Explorer 142 – Extensional Drilling	$925,000	8.41%	$1,800,000	9.01%
Warumpi Project – Regional Exploration	$460,000	4.18%	$1,000,000	5.01%
Exploration capital costs - plant & equipment	$660,000	6%	$660,000	3.30%
Working capital reserves	$73,000	0.66%	$2,460,000	12.32%
Corporate and equipment costs	$400,000	3.64%	$400,000	2%
General working capital	$805,000	7.32%	$2,423,861	12.14%
ASX listing and associated costs repayable to Westgold	$450,000	4.08%	$450,000	2.25%

Underwriting fees & expenses	$575,000	5.23%	$575,000	2.9%
Total	**$11,000,000**	**100%**	**$19,968,861**	**100%**

Notes:

1. General working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project such as investments and acquisitions, or in connection with any other item in the table above, as determined by the Board at the relevant time.
2. If the proceeds from the Offer are between the Minimum Subscription and the Full Subscription, the Company intends to allocate the funds between each item on a pro-rata basis, other than fixed expenses of the Offer.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the success of the Company's exploration and evaluation programs, as well as regulatory developments and economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

If the Full Subscription is not raised then this may have an effect on the rate at which any plans are undertaken by the Company, such as exploration programs. Additional funding through debt or equity may be considered by the Board where it is appropriate to accelerate a specific project or transaction.

If the Company decides to make any significant acquisitions of, or significant investments in, companies or other assets that are complimentary to its business, then it is possible that such acquisitions would be funded by additional financing through debt or equity (subject to any necessary Shareholder approvals).

The Board is satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives.

1.6 CAPITAL STRUCTURE

The table below provides a summary of the capital structure of the Company at the date of this Prospectus and upon completion of the Offer.

Capital structure	Existing	Upon completion	
		Minimum Subscription	Full Subscription
Existing Shares	99,865,816	99,865,816	99,865,816
Shares under the Offer[1]	-	55,000,000	99,844,305
Total Shares	**99,865,816**	**154,865,816**	**199,710,121**
Executive Options[2]	2,000,000	2,000,000	2,000,000
Fully diluted share capital	**101,865,816**	**156,865,816**	**201,710,121**

Notes:

1. See Section 1.1 for an overview of the Offer.
2. Executive Options are exercisable at $0.25 each and will expire 3 years from the date of their issue. The Executive Options are on the terms and conditions set out in Section 10.2.
3. Following completion of the Offer, the Company's free float will not be less than 20%.

1.7 ESCROW ARRANGEMENTS

The Executive Options issued to the Managing Director, Mark Hepburn will be subject to escrow for a period of 24 months from the date Shares are quoted on the Official List. Prior to admission to the official list of ASX, the Company will enter into an escrow agreement with Mr Hepburn in relation to the Executive Options in accordance with the Listing Rules.

1.8 UNDERWRITING

The Offer is partially underwritten by Canaccord Genuity. Refer to Section 9.4 for a summary of the terms of the Underwriting Agreement including the fees payable to the Underwriter for underwriting the Offer and the circumstances in which the Underwriting Agreement may be terminated.

Peter Cook, a Director, through his nominee entity, Ajava Holdings Pty Ltd, has entered into an agreement with Canaccord Genuity to part sub-underwrite the Underwritten Amount up to $5,000,000. Pursuant to the terms of the sub-underwriting, Canaccord Genuity shall pay a fee of 3% (excluding GST) of the sub-underwritten value.

The Underwriter reserves the right to enter into sub-underwriting agreements with sub-underwriters to the Offer provided that any fees payable to sub-underwriters appointed to the Offer by the Underwriter are payable by the Underwriter.

1.9 FOREIGN INVESTOR RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of New Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of New Shares offered pursuant to this Prospectus. The receipt of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained. See Section 10.11 for information on selling restrictions that apply to the New Shares in certain jurisdictions outside Australia.

1.10 INELIGIBLE SHAREHOLDERS

The Company notes that at the date of this Prospectus, there are no Ineligible Shareholders.

As set out in the Westgold Notice of Annual General Meeting dated 18 October 2019, Ineligible Westgold Shareholders on the In-specie Distribution Record Date with an address outside an Eligible Country will have their pro-rata entitlement of Shares sold by Canaccord Genuity and the net proceeds paid to the Ineligible Westgold Shareholders, with the timing of the sale to coincide with completion of the Offer and a market for Shares being established on ASX. Following the In-specie Distribution, there was a total of seven (7) Ineligible Westgold Shareholders holding 21,511 Shares.

The Offer is not being extended to any Shareholder outside Australia unless that Shareholder would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Offer.

1.11 RISK FACTORS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 4 of this Prospectus. The New Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.12 EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by ASIC by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. During the Exposure Period, this Prospectus can be viewed online on the Company's website at www.castile.com.au, and hard copies of this Prospectus will be made available upon request to the Share Registry. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period.

1.13 APPLICATION MONIES HELD IN TRUST

All Application Monies will be held in a separate trust account on behalf of applicants until the New Shares are issued pursuant to the Offer. If the Minimum Subscription is not achieved within a period of 4 months of the date of this Prospectus, all Application Monies will be refunded in full without interest, and no Shares will be issued under the Offer. Any interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

1.14 ALLOCATION AND ISSUE OF SHARES

The Board reserves the right to reject any application or to issue a lesser number of New Shares than that applied for. If the number of New Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the New Shares, the issue of New Shares will occur as soon as practicable after the Offer closes. All New Shares issued under the Offer will rank equally in all respects with existing Shares on issue. Holding statements will be sent to successful applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statement will do so at their own risk.

1.15 ASX LISTING AND QUOTATION

The Company will apply to ASX no later than 7 days from the date of this Prospectus for admission of the Company to the official list of ASX, and official quotation of the existing Shares on issue as well as the New Shares offered under the Offer. Subject to any extension, if the New Shares are not admitted to quotation within 3 months of the date of this Prospectus, no New Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant admission of the Company to the official list and official quotation of the New Shares being offered is not to be taken in any way as an indication by ASX as to the merits of the Company or the New Shares.

1.16 ASX WAIVERS AND CONFIRMATIONS

On 10 October 2019, the ASX granted the Company an in-principle waiver from Listing Rule 9.1.3 to the extent necessary to permit the Company not to apply the restrictions in ASX Appendix 9B to Shares issued to Westgold Shareholders under the In-specie Distribution ("**Waiver**").

The Projects, which consist of various mining tenements, spun out by Westgold in connection with the In-specie Distribution are classified assets for the purposes of the Listing Rules. Pursuant

to the Listing Rules, any securities issued to vendors of classified assets, in this case being the Westgold Shareholders pursuant to the In-specie Distribution, will be considered restricted securities and subject to a period of escrow as set out in ASX Appendix 9B (unless a waiver is obtained from the ASX). Such a waiver was granted by the ASX on the basis set out below:

- the Projects have been subject to continuous disclosure for a period in excess of seven years and sufficient disclosure has been made to the market regarding the Projects over this period; and

- Westgold Shareholders have previously acquired shares in Westgold and the Projects held by the Company formed part of the value proposition represented by their investment in Westgold.

The Waiver is subject to the following conditions:

- the Company prominently disclose a summary of the Waiver in this Prospectus; and

- Westgold Shareholders approve the In-specie Distribution prior to the Company making an application to list on ASX (with such approval being obtained at the Westgold AGM on 25 November 2019).

The conditions above regarding Westgold Shareholder approval for the In-specie Distribution and disclosure of the terms of the Waiver in this Prospectus have been satisfied.

In addition to the Waiver, ASX also confirmed ("**Confirmations**"):

- the Westgold Shareholders who received shares pursuant to the In-specie Distribution will be included for the purposes of the Company demonstrating it has satisfied the requirements of Listing Rule 1.1. Condition 8 (being the requirement to have at least 300 non-affiliated security holders holding a parcel of securities with a value of at least $2,000); and

- Westgold Shareholders were not required to approve the disposal of Shares by Westgold pursuant to the In-specie Distribution for the purposes of satisfying Listing Rule 11.4 (disposal of a major asset) given that the Shares and, in turn, the Projects held by the Company, are not material to Westgold and the In-specie Distribution was 'fair in all the circumstances' given that it was a pro-rata offer to Westgold Shareholders.

The Waiver and Confirmations only apply to 2 January 2020 and are subject to any amendments to the Listing Rules. The Company has applied to the ASX for an extension of the Waiver and Confirmations and expects to receive an extension for the Waiver and Confirmations in due course.

1.17 CHESS AND ISSUER SPONSORSHIP

The Company will apply to CHESS. All trading on the ASX in New Shares will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The 2 sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after the New Shares are issued. Holding statements will be sent either by CHESS (for Shareholders who elect to hold New Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of New Shares issued under this Prospectus, and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold New Shares on the CHESS sub-register) or

Shareholder Reference Number (for Shareholders who elect to hold their New Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.18 PRIVACY DISCLOSURE

Persons who apply for New Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for New Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for New Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Share Registry, Computershare, on 1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia).

1.19 FINANCIAL FORECASTS

After considering *ASIC Regulatory Guide 170*, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the Company and, accordingly, financial forecasts are not included in this Prospectus.

1.20 DIVIDENDS

The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the relevant time.

1.21 ENQUIRIES

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Questions relating to the Offer and completion of Entitlement and Acceptance Forms can be directed to the Share Registry on 1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia).

2. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

2.1 ALTERNATIVES

The number of New Shares to which Eligible Shareholders are entitled (your **Entitlement**) is shown on your personalised Entitlement and Acceptance Form which, along with this Prospectus, is accessible at https://castileoffer.thereachagency.com. If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder, you may:

- take up all of your Entitlement (refer to Section 2.2);
- take up part of your Entitlement (refer to Section 2.3); or
- allow all or part of your Entitlement to lapse (refer to Section 2.4).

2.2 TAKING UP ALL OF YOUR ENTITLEMENT

If you wish to take up all of your Entitlement, complete the Entitlement and Acceptance Form to apply for the number of New Shares you wish to take up in accordance with the instructions set out in that form and arrange for payment of the Application Money in accordance with Section 2.5.

Complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form.

2.3 TAKING UP PART OF YOUR ENTITLEMENT

If you wish to take up only part of your Entitlement, complete the Entitlement and Acceptance form by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form).

Complete the Entitlement and Acceptance Form in accordance with the instructions set out in that form and arrange for payment of the Application Money for the New Shares accepted in accordance with Section 2.5.

2.4 ALLOW ALL OR PART OF YOUR ENTITLEMENT TO LAPSE

If you wish to allow all or part of your Entitlement to lapse, you are not obligated to do anything. The number of Shares you hold as at the Record Date and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

You will receive no benefit of New Shares and your Entitlement will become available as part of the Shortfall Offer to be applied in accordance with the terms of the Underwriting Agreement (refer to Section 9.4). It is therefore important that, if you wish to receive an additional benefit under the Offer, you must take action to accept your Entitlement in accordance with the instructions above and set out in the Entitlement and Acceptance Form.

Your Entitlement is non-renounceable and accordingly you cannot transfer, trade or sell your Entitlements.

The Company and the Underwriter, at their discretion, will deal with any New Shares not accepted in accordance with the terms of the Underwriting Agreement.

2.5 PAYMENT

The issue price for New Shares is payable in full on application by a payment of $0.20 per New Share. You may pay the Application Money by cheque or BPAY®.

Option 1: Submitting an Entitlement and Acceptance Form with a cheque

Applicants can post a completed Entitlement and Acceptance Form and accompanying cheque for the Application Monies to the Share Registry. Cheques must be made payable to "Castile Resources Ltd – Trust Account" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Entitlement and Acceptance Forms and accompanying cheques must be received by the Company before 5.00pm (WST) on the Closing Date by being posted to the following address:

Post to:

Castile Resources Ltd
C/- Computershare
GPO Box 505
Melbourne Victoria 3001

Applicants are urged to lodge their Entitlement and Acceptance Forms as soon as possible as the Offer may close early without notice.

An original, completed and lodged Entitlement and Acceptance Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of New Shares specified in the Entitlement and Acceptance Form. The Entitlement and Acceptance Form does not need to be signed to be valid. If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat an application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Option 2: Submitting an Entitlement and Acceptance Form and paying with BPAY®

Applicants can pay their full Application Monies via BPAY® payment in accordance with the instructions set out at https://castileoffer.thereachagency.com/. Applicants can only make a payment via BPAY® if they are the holder of an account with an Australian financial institution.

Applicants need to ensure that their BPAY® payment is received by the Share Registry by no later than 5.00pm (WST) on 10 January 2020. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above.

All applicants

It is the responsibility of applicants outside Australia to obtain all necessary approvals in order to be issued New Shares under the Offer. The return of an Entitlement and Acceptance Form or otherwise applying for New Shares under the Offer will be taken by the Company to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;

- makes the representations and warranties in Section 1.9 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of New Shares under the Offer;
- declares that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Entitlement and Acceptance Form;
- acknowledges that once the Entitlement and Acceptance Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of New Shares it applies for at $0.20 each (or such other number issued in accordance with this Prospectus);
- authorises the Company to register it as the holder(s) of the New Shares issued to it under the Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the New Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the New Shares to be issued to it, including correcting any errors in Entitlement and Acceptance Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Entitlement and Acceptance Form.

HIN and SRN Holdings

If Westgold Shareholders held their Westgold Shares on a CHESS HIN, the Shares issued under the In-specie Distribution were allotted in their CHESS HIN.

If Westgold Shareholders held their Westgold Shares on an ISSUER SRN, the Shares issued under the In-specie Distribution were allotted to an ISSUER SRN. If Westgold Shareholders wish to do so, they need to contact their respective broker to transfer their ISSUER SRN holdings to a CHESS HIN, otherwise the Castile Shares issued will remain on an ISSUER SRN on the Company ISSUER SRN subregister.

2.6 SHORTFALL OFFER

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer and will be subscribed for, or placed by, the Underwriter in accordance with the terms of the Underwriting Agreement. The Underwriter may appoint sub-underwriters to subscribe for the Shortfall Shares.

The issue price for each Share to be issued under the Shortfall Offer is $0.20, being the price at which Shares have been offered under the Offer. There is no top-up facility available for Eligible Shareholders who wish to subscribe for additional Shares above their Entitlement.

2.7 EFFECT OF OFFER ON CONTROL

The extent to which Shares are subscribed for, and issued to, Canaccord Genuity pursuant to the Underwriting Agreement will increase Canaccord Genuity's voting power in the Company.

If the scenario arises, the Underwriter intends to rely on the underwriting exception under item 13 of section 611 of the Corporations Act with respect to its voting power increasing from a shareholding position from under 20% to over 20%, noting that such an exception is available to be relied upon if the issue of securities is to a person as an underwriter and the disclosure document adequately discloses the effect that the acquisition would have on the person's voting power in the entity.

The tables below set out the results of various scenarios and their approximate effect on the Relevant Interests and voting power of the Underwriter based on varying levels of participation in the Offer.

The Company notes, however, that it is unlikely that the Underwriter and Peter Cook will obtain a Relevant Interest in the Company greater than 20% as the Shares which will form part of the Shortfall Offer are intended to be placed to institutional or exempt investors pursuant to the Underwriting Agreement. Further, the Underwritten Amount being underwritten by Canaccord Genuity is $11,000,000 and Peter Cook has agreed to sub-underwrite $5,000,000 of that Underwritten Amount.

Minimum Subscription %	Shortfall	Underwriter		Peter Cook	
		Relevant Interest	Voting Power	Relevant Interest	Voting Power
At the date of this Prospectus					
N/A	N/A	0	0.00%	2,694,763	2.70%
At completion of the Offer					
100%	Nil	0	0.00%	5,389,526	3.48%
75%	25%	7,500,000	4.84%	11,639,526	7.52%
50%	50%	15,000,000	9.69%	17,889,526	11.55%
25%	75%	22,500,000	14.53%	24,139,526	15.59%
3.48%	96.52%	28,956,000	18.70%	29,519,526	19.06%

1. The table assumes Peter Cook applies for his full Entitlement under the Offer and that Minimum Subscription is achieved.

2. The table assumes that the Underwriter and Peter Cook, which though his nominee entity Ajava Holdings Pty Ltd, has entered into an agreement with Canaccord Genuity to part sub-underwrite the Underwritten Amount up to $5,000,000, will take up their proportion of any shortfall concurrently.

3. COMPANY AND PROJECT OVERVIEW

3.1 BACKGROUND

The Company was incorporated on 8 March 2007 as a wholly owned subsidiary of Westgold. In May 2007, the Company acquired the rights to the Rover and Warumpi package of tenements in the Northern Territory from Navarre Resources Limited. The Projects are prospective for copper-gold and associated other base metals mineralisation associated within iron oxide copper gold mineralising systems. Further details of the Projects are set out in this Section 3, as well as the Independent Geologist's Report in Section 6.

In May 2012, Metals X Limited ("**Metals X**") and Westgold announced a merger by scheme of arrangement, which was approved and implemented in October 2012. Castile remained a wholly owned subsidiary of Westgold and, over the next four years, Metals X built a gold division within Westgold which was a wholly owned subsidiary of Metals X.

In August 2016, Metals X announced that it would be demerging its gold division by spinning out and listing Westgold in its own right. The demerger of Westgold took place in December 2016 and Westgold was listed on the ASX on 6 December 2016.

As set out in Westgold's Notice of General Meeting dated 18 October 2019, Westgold has divested its interest in Castile through an in specie distribution of Shares to Westgold Shareholders ("**In-specie Distribution**"), in direct proportion to those shareholders respective interests in Westgold, and to undertake the Offer set out in this Prospectus. The resolution for the In-specie Distribution was passed by Westgold Shareholders on 25 November 2019 with approximately 99% of Westgold Shareholders who voted on the In-specie Distribution resolution voting in its favour.

Prior to the demerger between Metals X and Westgold, Westgold operated as Metals X's gold division. Since the demerger, Westgold has continued to operate exclusively as a gold mining company.

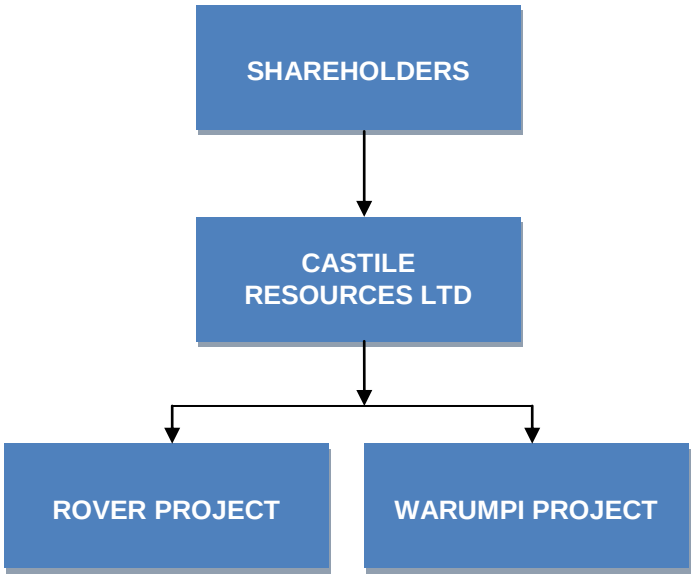
Westgold has to date built its corporate identity around being an exclusive ore pure-play gold miner and has attracted large amounts of investment from gold investment funds because of this profile. In that context, the assets in the Company are considered non-core to Westgold's current operations and there are substantial challenges to develop the projects with Westgold as the markets and investors expect Westgold to remain primarily gold focused.

The Rover and Warumpi Projects contain mineral opportunities other than gold and therefore Westgold has decided that it is in its shareholders' best interests to conduct the In-specie Distribution of Shares to Westgold Shareholders and list Castile on the ASX in its own right to raise the funds required for exploration and development of the Projects without internal competition.

The benefit of such an approach is that Westgold's focus remains exclusively on gold while providing Westgold Shareholders' the opportunity to participate in the development of the Rover and Warumpi Projects.

3.2 CORPORATE STRUCTURE

The corporate structure of the Company at listing will be as follows:



3.3 OVERVIEW OF PROJECTS

3.3.1 ROVER PROJECT

The Rover Project is located 80 km southwest of the township of Tennant Creek. It is situated within aboriginal freehold lands of the Karlantijpa North and Karlantijpa South Land Trust. Access is via an 80 km unsealed graded track from Tennant Creek. Access within the project area is via local exploration tracks. The Stuart Highway is within 50 km in a direct line. The Adelaide to Darwin railway runs in close proximity to the Stuart Highway and there is a loading siding in Tennant Creek.

The Company has consolidated a tenement package comprising five exploration licences and two exploration retention licences, all wholly owned. The Rover Project lies within the Rover Mineral Field, which is interpreted to be a westerly extension of the Tennant Creek Mineral Field.

The Company has an established mobile exploration camp based at the Rover 1 Prospect. It has been constructed to minimise land disturbance following consultation with the Central Land Council. The infrastructure sits atop an elevated pad protecting accommodation quarters in times of rare seasonal flooding. A registered (NT) water bore, storage shed and an operational septic system for the ablution block exists.

3.3.2 WARUMPI PROJECT

The Warumpi Project is a grass-roots exploration project located approximately 300 km west of Alice Springs and approximately 500 km southwest of the Rover Project. The Warumpi Project is accessed from Alice Springs via the Stuart Highway, the Tanami Road and then on the Gary Junction Road (320 km) that passes through the Warumpi Tenements. The small settlement of Mount Liebig is on the eastern boundary of the Warumpi Tenements.

The Company has consolidated a tenement package comprising three exploration licences.

3.4 BUSINESS STRATEGIES AND PLANS

The primary objective of the Company is to focus on mineral exploration of resource opportunities that have the potential to deliver growth of the Company for the benefit of Shareholders. In order

to achieve this, the Company intends to undertake the exploration programs described in this Section below.

The results of the exploration programs will determine the economic viability and possible timing for the commencement of further testing (including pre-feasibility studies) leading into potential mining operations on the Projects.

A key strategy of the Company will be to leverage off the experience and skills of its Directors and senior management who collectively have strong track records in corporate management and resource project acquisition, discovery and development.

In addition to its existing exploration activities, the Company may make acquisitions of, or investments in, assets that the Company considers are a strategic fit to its operations.

3.4.1 ROVER PROJECT

The Company's primary exploration strategy is to focus on the Rover Project by targeting IOCG mineralisation through the reinterpretation of the regional controls on known mineralisation and reinterpretation of an extensive set of geophysical survey data. A significant diamond drilling budget has been allocated for diamond drilling, with six targets selected for drill testing in the short term.

The Company's development strategy is to conduct mining studies on the Rover 1 deposit in preparation for further drilling leading to extensive test work and feasibility studies.

The proposed expenditure on the Rover Project is set out in section 5 of the Independent Geologist's Report in Section 6.

3.4.2 WARUMPI PROJECT

The Company intends to seek to progress further exploration on the Warumpi Project and a modest budget has been allocated for the Warumpi Project to conduct surface geochemical surveys and mapping programs to define targets at the Huron Prospect, followed up with a small drilling program.

The proposed expenditure on the Warumpi Project is set out in section 5 of the Independent Geologist's Report in Section 6.

The proposed expenditure and uses of funds set out within this Prospectus are statements of the Company's intentions as of the date of this Prospectus. As with any budget, intervening events including, but not limited to, exploration success or failure and new circumstances have the potential to affect the manner in which funds are ultimately applied. The Company reserves the right to alter the way the funds are ultimately applied. The Company reserves the right to alter the way funds are applied on this basis.

Further details on the Company's exploration and development of the Projects are set out in the Independent Geologist's Report in Section 6.

4. RISK FACTORS

The New Shares offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before deciding whether to apply for New Shares.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

4.1 SPECIFIC RISKS

4.1.1 EXPLORATION AND DEVELOPMENT

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- securing and maintaining title to mineral exploration projects;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration on the Projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

Prior drilling of long holes through thick cover has resulted in irregular hole spacings, resulting in poorer definition of the geometry and grade, with few holes penetrating at high angles through mineralised zones. As a result of this, underground drilling would be required by the Company to obtain high angle intercepts at regular spacings.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

4.1.2 FUTURE PROFITABILITY

The Company is in the growth stage of its development and is currently making losses. The Company's profitability will be impacted by, among other things, the success of its exploration and mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

4.1.3 OPERATIONAL RISKS

The operations of the Company may be affected by various factors, including:

- failure to locate or identify mineral deposits;
- failure to achieve predicted grades in exploration and mining;
- operational and technical difficulties encountered in mining;
- insufficient or unreliable infrastructure, such as power, water and transport;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction costs; and
- adverse weather conditions.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

4.1.4 CLIMATE CHANGE REGULATION

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

The efforts of the Australian government to transition towards a lower-carbon economy may also entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change that could significantly impact the Company. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the company.

Furthermore, the physical risks to the Company resulting from climate change can be event driven (acute) or longer term shifts (chronic) in climate patterns. These physical risks may have financial implications for the Company, such as direct damage to assets and indirect impacts from supply chain disruption.

4.1.5 COMMODITY PRICES AND EXCHANGE RATES

The value of the Company's assets and potential earnings may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated cobalt and copper prices (among other commodities) and the AUD / USD exchange rate.

These prices can significantly fluctuate, and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, commodity price forward curves, global economic trends, and domestic and international fiscal, monetary and regulatory policy settings.

In the event the Company achieves exploration success leading to viable mining production, the Company's financial performance will be highly dependent on commodity prices and exchange rates.

4.1.6 CONDITIONS TO TENEMENTS

Interests in tenements in the Northern Territory are governed by legislation and are evidenced by the granting of leases and licences by the Territory. The Company is subject to the Mining Act and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of rent and prescribed annual expenditure commitments.

The Tenements held by the Company are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to the Tenements, there can be no guarantees made that, in the future, the Tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the Tenements will be satisfied. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Projects. There is also a risk that the Tenement applications will not be granted to the Company. These events could have a materially adverse effect on the Company's prospects and the value of its assets.

If a tenement holder fails to comply with the terms and conditions of a tenement, the Minister may impose a fine or order that the tenement be forfeited. In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. In certain cases, a third party can institute administrative proceedings under the Mining Act before the Minister seeks forfeiture of the tenement.

For more information on the Tenements see the Legal Report on Tenements in Section 7.

4.1.7 GRANT OF FUTURE AUTHORISATIONS TO EXPLORE AND MINE

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

4.1.8 LAND ACCESS

Native title claims exist over all the Company's tenement areas. There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and land owners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.

This process has hindered exploration in the past and there is risk that future exploration and development activities may encounter delays. In mitigation of this risk, all granted titles have exploration deeds in place which ensures access to the tenure and defines the terms of any subsequent mining agreement.

4.1.9 RESOURCE AND RESERVE ESTIMATES

Whilst the Company intends to undertake exploration activities with the aim of upgrading existing resources or defining new resources, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.

4.1.10 RESULTS OF STUDIES

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

4.1.11 UNFORESEEN EXPENDITURE RISK

Expenditure may need to be incurred that has not been taken into account in this Prospectus. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

4.1.12 FUTURE FUNDING NEEDS

The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed to undertake further exploration activities, or acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer price or may involve restrictive covenants that limit the Company's operations or business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

4.1.13 NATIVE TITLE AND CULTURAL HERITAGE

The effect of present laws in respect of Native Title that apply in Australia is that the Tenements and Tenement applications may be affected by Native Title claims or procedures. This may prevent or delay the granting of exploration and mining tenements, or affect the ability of the Company to explore, develop and commercialise the resources on the Tenements. The Company may incur significant expenses to negotiate and resolve any Native Title issues, including compensation arrangements reached in settling Native Title claims lodged over any of the Tenements held or acquired by the Company.

The Tenements are subject to the provisions of the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth), the Native Title Act 1993 (Cth), the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth), the Heritage Act 2011 (NT) and the Northern Territory Sacred Sites Act 1989 (NT). Accordingly, any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and court injunctions, which may adversely impact on exploration and mining activities.

4.1.14 CROWN LAND

The land subject to the Tenements overlaps with Crown land, including pastoral, historical and general leases. Upon commencing mining operations on any of the Tenements, the Company may need to consider entering into a compensation and access agreement with the lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising.

4.1.15 AGENTS AND CONTRACTORS

The Company intends to outsource substantial parts of its exploration activities pursuant to services contracts with third party contractors. The Company is yet to enter into these formal arrangements. The Directors are unable to predict the risk of financial failure or default or the insolvency of any of the contractors that will be used by the Company in any of its activities or other managerial failure by any of the other service providers used by the Company for any activity. Contractors may also underperform their obligations under a contract, and in the event that their contract is terminated, the Company may not be able to find a suitable replacement on satisfactory terms.

4.1.16 ROYALTIES

All tenements within the Northern Territory, Australia are subject to a Northern Territory Government Minerals Royalty in accordance with the Northern Territory Mineral Royalty Act 1982 (as amended). This royalty is calculated as 20% of the "Net Value" of mine production (i.e. the mineral commodities sold or removed from a mine, regardless of the type of mineral commodity or the underlying land tenure), where "Net Value" equals the gross revenue from the relevant production unit less the operating costs of the production unit for the year, a capital allowance on eligible capital assets expenditure, eligible exploration expenditure and additional deductions as approved by the Northern Territory Minister for Mines.

In the event that State royalties are increased in the future, the profitability and commercial viability of the Projects may be negatively impacted.

4.1.17 ENVIRONMENT

The Company's proposed operations will be subject to State and Commonwealth laws and regulations relating to the environment. As with most exploration projects and mining operations, the Company's proposed operations are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact may give rise to substantial costs for environmental rehabilitation, damage and losses.

The potential environmental impacts of the Company's proposed operations and any future projects could be expected to require statutory approvals to be obtained by the Company. There is no guarantee that such approvals would be granted and failure to obtain any environmental approvals that may be required from relevant government or regulatory authorities may impede or prevent the Company from undertaking its future operations.

Although it is the Company's intention to conduct its activities to the highest standard of environmental obligation, including in compliance in all material respects with relevant environmental laws, if such laws are breached, the Company could be required to cease its operations and/or incur significant liabilities.

4.1.18 ACQUISITIONS

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

4.1.19 MARKET PRICE OF SHARES

Upon the Company being admitted to the Official List and a market being established for Shares, there may be Shareholders who wish to dispose of their interests in the Company. As the ASX has indicated they will not impose mandatory escrow on the Shares, Shareholders may seek to sell their Shares (or a portion of them) shortly after the Shares are quoted. This may result in a significant number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price.

4.1.20 RELIANCE ON KEY PERSONNEL

The Company's success is to a large extent dependent upon the retention of key personnel. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates are not available. Furthermore, there is no guarantee the Company is able to attract, train and retain key individuals and other highly skilled employees and consultants. As a result, the Company's operations and financial performance would likely be adversely affected.

4.1.21 REHABILITATION OF TENEMENTS

In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

4.1.22 SAFETY

Safety is a fundamental risk for any exploration and production company in regards to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

4.1.23 LITIGATION

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's Tenements. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

4.1.24 INSURANCE COVERAGE

The Company intends to maintain adequate insurance over its operations within the ranges that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, the Company may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

4.1.25 WESTGOLD CLASS RULING

Westgold has received a draft Class Ruling from the Australian Taxation Office (ATO) in respect of the availability of demerger tax relief for income tax purposes to Westgold Shareholders in respect of the In-specie Distribution. Westgold Shareholders should note that the tax consequences of the demerger of the Company and the Projects from Westgold are subject to a final Class Ruling from the ATO and that neither the Company nor Westgold can give any guarantee in respect of the content of such ruling.

4.2 GENERAL RISKS

4.2.1 INVESTMENT RISK

The New Shares to be issued under this Prospectus should be considered highly speculative. There is no guarantee as to the payment of dividends, return of capital or the market value of the New Shares from time to time. The price at which an investor is able to trade the New Shares may be above or below the price paid for the New Shares under the Offer. Whilst the Directors commend the Offer, investors must make their own assessment of the risks and determine whether an investment in the Company is appropriate in their own circumstances.

4.2.2 SHARE MARKET

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions may cause the Shares to trade at prices below the price at which the New Shares are being offered under this Prospectus. There is no assurance that the price of the New Shares will increase following quotation on the ASX, even if the Company's earnings increase. Some factors include, but are not limited to, the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of the Company.

4.2.3 CHANGES TO LAWS AND REGULATIONS

The Company may be affected by changes to laws and regulations (in Australia and other countries in which the Company may operate) concerning property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

4.2.4 ECONOMIC RISKS

The future viability of the Company is also dependent on a number of other factors affecting the performance of all industries and not just the mining industry including, but not limited to, the following:

- general economic conditions in jurisdictions in which the Company operates;
- changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- the strength of equity and share markets in Australia and throughout the world;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- natural disasters, social upheaval or war in jurisdictions in which the Company operates.

4.2.5 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

4.2.6 FORCE MAJEURE

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially and adversely affected if any of the events described above occur.

4.3 OTHER RISKS

This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this Section 4 as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares. Therefore, the Shares offered under this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares under this Prospectus.

5. INVESTIGATING ACCOUNTANT'S REPORT

2 December 2019

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The Directors
Castile Resources Ltd
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PERTH WA 6000

Dear Board of Directors

Independent Limited Assurance Report on Castile Resources Ltd Historical and Pro forma Financial Information

We have been engaged by Castile Resources Ltd ("Castile Resources" or "the Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of Castile Resources for inclusion in the Prospectus. The Prospectus (or "the document") is issued for the purposes of raising $19,968,861 (before associated costs) and assist the Company to meet the requirements for listing on the ASX.

Expressions and terms defined in the document have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

Scope

You have requested Bentleys to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested Bentleys to review the following historical financial information (together the "Historical Financial Information") of Castile Resources included in the Prospectus:

- The audited historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2017, 30 June 2018 and 30 June 2019;
- The audited historical Statements of Financial Position as at 30 June 2017, 30 June 2018 and 30 June 2019; and
- The audited historical Statements of Cashflows for the years ended 30 June 2017, 30 June 2018 and 30 June 2019.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principals contained in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information of Castile Resources has been extracted from the financial reports for the years ended 30 June 2017, 30 June 2018 and 30 June 2019, which were audited by Bentleys in accordance with Australian Auditing Standards. Bentleys issued unmodified audit opinions for each of the financial reports.

Pro Forma historical financial information

You have requested Bentleys to review the pro forma historical Statement of Financial Position as at 30 June 2019 referred to as "the pro forma historical financial information."

The pro forma historical financial information has been derived from the historical financial information of Castile Resources, after adjusting for the effects of the subsequent events and pro forma adjustments described in note 2 of section 5.7 of the document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section note 2 of section 5.7 of the document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position or financial performance.

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Castile Resources as at 30 June 2019 to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2019:

(a) During August 2019, Castile Resources acquired two tenements adjacent to the Rover 1 Project for consideration of $650,000 (excluding GST) with associated stamp duty costs of $32,180. The acquisition was funded via a loan from Westgold Resources Ltd ("Westgold");

(b) Subsequent to 30 June 2019, costs totaling $245,278 (being $146,307 on exploration expenditure, $33,516 on capital raising costs and $65,455 on acquisition of plant and equipment) have been incurred as of the date of this report. These costs were funded via a loan from Westgold;

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

(c) The issue of 99,844,305 ordinary shares at $0.20 per share to raise $19,968,861 before costs of $988,000 (of which costs of $33,516 have been paid since 30 June 2019); and

(d) The repayment of costs of the offer funded by Westgold of $98,970. The remaining balance of $249,785 owed by Castile to Westgold will be forgiven.

Directors' responsibility

The directors of Castile Resources are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express limited assurance conclusions on the historical financial information and pro forma historical financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Historical Financial Information

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information for Castile Resources comprising:

- The historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2017, 30 June 2018 and 30 June 2019;
- The historical Statements of Cashflow for the years ended 30 June 2017, 30 June 2018 and 30 June 2019; and
- The historical Statements of Financial Position as at 30 June 2017, 30 June 2018 and 30 June 2019

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 5.2 of the document.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Statement of Financial Position as at 30 June 2019 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in note 1 of section 5.7 of the document.

Restriction on Use

Without modifying our conclusions, we draw attention to section 5.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

Bentleys has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Bentleys makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

Liability

The Liability of Bentleys Audit & Corporate (WA) Pty Ltd is limited to the inclusion of this report in the Prospectus. Bentleys Audit & Corporate (WA) Pty Ltd makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

Declaration of Interest

Bentleys Audit & Corporate (WA) Pty Ltd does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Bentleys Audit & Corporate (WA) Pty Ltd will receive normal professional fees for the preparation of the report.

Yours faithfully

DOUG BELL CA
Partner

Financial Information

5.1 Introduction

This section sets out the Historical Financial Information of Castile Resources Ltd ("Castile Resources" or "the Company"). The Company is presently completing the process to convert to a public company limited by shares after which it will be referred to as Castile Resources Limited. The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Initial Public Offering ("IPO") of Castile Resources. Bentleys Audit & Corporate (WA) Pty Ltd ("Bentleys") has prepared an Independent Limited Assurance Report in respect to the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of this report, within which an explanation of the scope and limitation of Bentleys' work is set out in section 5.

All information present in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Section 5.

5.2 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by Castile Resources as detailed in note 1 of Section 5.7. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 of Section 5.7 as if those adjustments had occurred as at 30 June 2019.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the Historical Financial Information):

- The historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2017, 30 June 2018 and 30 June 2019;
- The historical Statements of Financial Position as at 30 June 2017, 30 June 2018 and 30 June 2019;
- The historical Statements of Cash Flows for the years ended 30 June 2017, 30 June 2018 and 30 June 2019.

The pro forma financial information comprises (collectively referred to as the Pro Forma Financial Information):

- The pro forma statement of financial position as at 30 June 2019, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 had occurred as at 30 June 2019; and
- the notes to the pro forma financial information,

(collectively referred to as the Financial Information).

The Historical Financial Information of Castile Resources has been extracted from the financial reports for the years ended 30 June 2017, 30 June 2018 and 30 June 2019 ("the relevant years"). The financial reports for the relevant years were audited by Bentleys in accordance with Australian Auditing Standards. Bentleys have issued unqualified audit opinions.

5.3 Historical statements of profit or loss and other comprehensive income

Castile Resources Ltd	Audited* 30 June 2019	Audited* 30 June 2018	Audited* 30 June 2017
	$	$	$
Revenue	-	-	-
Debt forgiveness	-	-	41,044,169
Depreciation	(20,284)	(22,429)	(24,603)
Finance costs	-	(1,018)	(6,792)
Impairment of exploration expenditure	(2,429,834)	-	(31,475)
Other expenses	(4,152)	(5,149)	(3,896)
Profit/(loss) before income tax expense	**(2,454,270)**	**(28,596)**	**40,977,403**
Income tax (expense)/benefit	1,749,472	12,144	(6,742,698)
Profit/(loss) after income tax	**(704,798)**	**(16,452)**	**34,234,705**
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income	**(704,798)**	**(16,452)**	**34,234,705**

* Please refer to Section 5.2 with respect to the audit opinions issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Section 5.

5.4 Historical statements of financial position

Castile Resources Ltd	Audited* 30 June 2019	Audited* 30 June 2018	Audited* 30 June 2017
	$	$	$
Current assets			
Cash & cash equivalents	67,816	68,284	67,528
Trade & other receivables	578,725	728,562	97
Prepayments	-	1,731	-
Total current assets	**646,541**	**798,577**	**67,625**
Non-current assets			
Property, plant and equipment	206,966	227,250	249,679
Exploration and evaluation expenditure	15,981,491	18,098,244	17,660,174
Total non-current assets	**16,188,457**	**18,325,494**	**17,909,853**
Total assets	**16,834,998**	**19,124,071**	**17,977,478**
Current liabilities			
Trade & other payables	216	953	48,317
Total current liabilities	**216**	**953**	**48,317**
Non-current liabilities			
Deferred tax liabilities	3,841,624	5,425,162	4,214,753
Total non-current liabilities	**3,841,624**	**5,425,162**	**4,214,753**
Total liabilities	**3,841,840**	**5,426,115**	**4,263,070**
Net assets	**12,993,158**	**13,697,956**	**13,714,408**
Equity			
Issued capital	2	2	2
Retained earnings	12,993,156	13,697,954	13,714,406
Total equity	**12,993,158**	**13,697,956**	**13,714,408**

* Please refer to Section 5.2 with respect to the audit opinions issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Section 5.

5.5 Historical statements of cash flows

Castile Resources Ltd	Audited* 30 June 2019	Audited* 30 June 2018	Audited* 30 June 2017
	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	(3,122)	(8,097)	(7,019)
Interest paid	-	(4)	-
Net Cash Flows from operating activities	**(3,122)**	**(8,101)**	**(7,019)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation	(313,081)	(438,070)	(619,221)
Net Cash Flows from investing activities	**(313,081)**	**(438,070)**	**(619,221)**
FINANCING ACTIVITIES			
Related party borrowings	315,735	446,927	620,089
Net cash flows from financing activities	**315,735**	**446,927**	**620,089**
Net increase/(decrease) in cash held	(468)	756	(6,151)
Cash and cash equivalents at the beginning of the year	68,284	67,528	73,679
Cash and cash equivalents at the end of the year/period	**67,816**	**68,284**	**67,528**

* Please refer to Section 5.2 with respect to the audit opinions issued by Bentleys on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Section 5.

5.6 Historical and Pro-forma statements of financial position

	Notes	30 June 2019 $	Pro forma Subsequent Event Adjustment $	Pro forma Adjustments $	Pro forma balance $
Current assets					
Cash & cash equivalents	3	67,816	-	18,915,406	18,983,223
Trade & other receivables	4	578,725	(927,458)	348,755	22
Total current assets		**646,541**	**(927,458)**	**19,264,162**	**18,983,245**
Non-current assets					
Property, plant and equipment	5	206,966	65,455	-	272,421
Exploration and evaluation expenditure	6	15,981,491	796,307	-	16,777,798
Total non-current assets		**16,188,457**	**861,762**	**-**	**17,050,219**
Total assets		**16,834,998**	**(65,696)**	**19,264,162**	**36,033,464**
Current liabilities					
Trade & other payables		216	**-**	**-**	**216**
Total current liabilities		**216**	**-**	**-**	**216**
Non-current liabilities					
Deferred tax liabilities	7	3,841,624	-	(296,400)	3,545,224
Total non-current liabilities		**3,841,624**	**-**	**(296,400)**	**3,545,224**
Total liabilities		**3,841,840**	**-**	**(296,400)**	**3,545,440**
Net assets		**12,993,158**	**(65,696)**	**19,560,562**	**32,488,024**
Equity					
Issued capital	8	2	(33,516)	19,310,777	19,277,263
Retained earnings	9	12,993,156	(32,180)	249,785	13,210,761
Total equity		**12,993,158**	**(65,696)**	**19,560,562**	**32,488,024**

5.7 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies

(a) Basis of Accounting

The historical financial information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Financial Position are disclosed where appropriate.

The pro forma Statement of Financial Position as at 30 June 2019 represents the audited financial position and adjusted for the transactions discussed in Note 2 to this report. The Statement of Financial Position should be read in conjunction with the notes set out in this report.

(b) Going Concern

The financial information has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company expects to raise via a pro-rata entitlement to raise $19,968,861 before costs. The offer will be partially underwritten by Canaccord Genuity up to $11,000,000 and the amount raised under the Offer will allow the Company to accelerate its exploration and development plans while also enabling identification and assessment of additional growth projects.

The Company has received a letter of financial support from Westgold Resources Limited for a period of at least until 31 January 2020 or until such time that the Company has successfully completed its IPO and entitlement offer.

Based on the factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

(c) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) **Financial Instruments**

Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, or fair value through profit or loss or fair value through OCI.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Trade receivable that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, the Company's financial assets are classified in these categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Company's financial assets at amortised cost include cash, short-term deposits, and trade and other receivables. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of other income in the Statement of Comprehensive Income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that do not pass the SPPI test are required to be classified, and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies the simplified approach in calculating ECLs, as permitted by AASB 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL.

The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of trade and other payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

(e) **Property, plant & equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, or where appropriate, over the estimated life of the mine.

Major depreciation periods are:

- Mine specific plant and equipment is depreciated using – the shorter of life of mine and useful life. Useful life ranges from 2 to 25 years.
- Buildings – the shorter of life of mine and useful life. Useful life ranges from 5 to 40 years.
- Office plant and equipment is depreciated at 33% per annum for computers and office machines and 20% per annum for other office equipment and furniture.
- Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the period the item is derecognised.

(f) **Exploration and evaluation expenditure**

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and:

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit and loss or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Company no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when the new information becomes available.

(g) **Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent adjusted for:

- cost of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares; adjusted for any bonus element.

(h) **Issued capital**

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

(i) **Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

(j) **Income taxes**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided for using the full liability balance sheet approach.

The tax rates and tax laws used to compute the amount of deferred tax assets and liabilities are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable profits.

Deferred tax liabilities are recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or tax loss); and
- taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, including carry-forward tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised except when:

- the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or tax loss); and
- the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures and it is not probable that the temporary difference will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets and deferred tax liabilities are reassessed at each reporting date and are recognised to the extent that they satisfy the requirements for recognition.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Income taxes relating to transactions recognised outside profit and loss (for example, directly in other comprehensive income or directly in equity) are also recognised outside profit and loss.

Tax consolidation

Westgold Resources Limited and its wholly owned Australian resident subsidiaries formed a tax Consolidated Group ("the Tax Consolidated Group") with effect from 1 December 2016. Members of the Tax Consolidated Group have entered into a tax sharing agreement, which provides for the allocation of income tax liabilities between members of the Tax Consolidated Group should the parent, Westgold Resources Limited, default on its tax payments obligations.

The Company has applied the Company allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the Tax Consolidated Group. Members of the Tax Consolidated Group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the Tax Consolidated Group.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the Consolidated Group head company, Westgold Resources Limited. The nature of the tax funding agreement is such that no tax consolidation adjustments are required.

(k) **Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

(l) **Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements have been made as well as the following key estimates and assumptions that have the most significant impact on the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on various factors, including whether the Company decides to exploit the related area interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Castile Resources as at 30 June 2019 to reflect the financial effects of the following subsequent events which have occurred since 30 June 2019:

(a) During August 2019, Castile Resources Ltd acquired two tenements adjacent to the Rover 1 Project for consideration of $650,000 (excluding GST) with associated stamp duty costs of $32,180. The acquisition was funded via a loan from Westgold Resources Ltd ("Westgold");

(b) Subsequent to 30 June 2019, costs totaling $245,278 (being $146,307 on exploration expenditure, $33,516 on capital raising costs and $65,455 on acquisition of plant and equipment) have been incurred as of the date of this report. These costs were funded via a loan from Westgold;

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

(c) The issue of 99,844,305 ordinary shares at $0.20 per share to raise $19,968,861 before costs of $988,000 (of which costs of $33,516 have been paid since 30 June 2019); and

(d) The repayment of costs of the offer funded by Westgold of $98,970. The remaining balance of $249,785 owed by Castile to Westgold will be forgiven.

Note 3: Cash & Cash equivalents

	Pro forma
	$
Cash and cash equivalents	18,983,223
Audited balance as at 30 June 2019	67,816
Subsequent events:	
Funds received from Westgold	927,458
Acquisition of tenements (including stamp duty)	(682,180)
Costs incurred since 30 June 2019	(245,278)
Total	-
Pro-forma adjustments:	
Gross proceeds from entitlement offer	19,968,861
Costs of the offer	(954,484)
Repayment of loan	(98,970)
Total	18,915,407
Pro-forma Balance	18,983,223

Note 4: Trade and other receivables

Included in trade and other receivables as at 30 June 2019, was a non-interest bearing unsecured loan receivable of $578,703 with its ultimate parent entity Westgold Resources Limited ("Westgold"). Westgold are funding the Company's costs until such time that the Company successfully completes its initial public offering.

	Pro forma
	$
Loan - Westgold	-
Statutory receivables	22
Total trade and other receivables (pro forma balance)	22
Audited balance as at 30 June 2019	578,725
Subsequent events:	
Funds received to fund acquisition of tenements	(682,180)
Funds received since 30 June 2019 for working capital	(245,278)
Total	(927,458)
Pro-forma adjustments:	
Repayment of loan to Westgold	98,970
Forgiveness of debt from Westgold	249,785
Total	348,755
Pro-forma Balance	22

Note 5: Property, plant and equipment

	Pro forma
	$
Property, plant and equipment	272,421
Audited balance as at 30 June 2019	206,966
Subsequent events:	
Acquisition of motor vehicle	65,455
Total	65,455
Pro-forma Balance	272,421

Note 6: Exploration and evaluation expenditure

	Pro forma
	$
Exploration and evaluation expenditure	16,777,798
Audited balance as at 30 June 2019	15,981,491
Subsequent events:	
Acquisition of tenements	650,000
Exploration expenditure since 30 June 2019	146,307
Total	796,307
Pro-forma Balance	16,777,798

Note 7: Deferred tax liability

	Pro forma
	$
Deferred tax liability	3,545,224
Audited balance as at 30 June 2019	3,841,624
Pro-forma adjustments:	
Tax effect on capital raising costs	(296,400)
Total	(296,400)
Pro-forma Balance	3,545,224

Note 8: Equity

	Pro forma $
Issued capital	19,277,263

	Number of shares	$
Audited balance as at 30 June 2019	2	2
Subsequent events:		
Costs of the offer paid since 30 June 2019		(33,516)
Total		(33,516)
Pro-forma adjustments		
In specie distribution	99,865,816	-
Shares issued pursuant to prospectus	99,844,305	19,968,861
Costs of the offer	-	(954,484)
Tax effect of costs of the offer	-	296,400
Total	199,710,121	19,310,777
Pro-forma Balance	199,710,121	19,277,263

Executive Options

Pursuant to Mr Mark Hepburn's employment agreement with the Company Mr Hepburn will be issued with 2,000,000 Executive Options each with an exercise price of $0.25 expiring 3 years from the date of issue with the following vesting period:

(i) 1,000,000 Options will vest and become exercisable one year from the date the Options are issued; and

(ii) 1,000,000 Options will vest and become exercisable two years from the date the Options are issued.

The total fair value of the options using a Black & Scholes Option Valuation model are $230,000. No expense has been recognised in the pro-forma financial statements as the options relate to future services to the Company.

The assumptions used in determining the fair value of the options were as follows:

Spot price	$0.20
Exercise price	$0.25
Expiry period	3 years
Expected volatility	100%
Risk free rate	0.62%

Note 9: Retained earnings

	Pro forma $
Retained earnings	13,210,761
Audited balance as at 30 June 2019	12,993,156
Subsequent Events	
Stamp duty on acquisition of tenements	(32,180)
Total	(32,180)
Pro-forma adjustments:	
Loan forgiveness	249,785
Total	249,785
Pro-forma Balance	13,210,761

Note 10: Related Parties

Refer to Section 8 of the Prospectus for the Board and Management Interests.

Refer to note 4 with respect to the Company's loan with its ultimate parent entity Westgold Resources Limited. The Company has also entered into a transitional services agreement with Westgold (refer section 9.2 for further details).

Note 11: Commitments and Contingent Liabilities

At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in this Prospectus.

Note 12: Subsequent Events

Subsequent to 30 June 2019 the following events have occurred which have been reflected in the pro-forma adjustments:

(e) During August 2019, Castile Resources Ltd acquired two tenements adjacent to the Rover 1 Project for consideration of $650,000 excluding GST with associated stamp duty costs of $32,180. The acquisition was funded via a loan from Westgold; and

(f) Subsequent to 30 June 2019, costs totaling $245,278 (being $146,307 on exploration expenditure, $33,516 on capital raising costs and $65,455 on acquisition of plant and equipment) have been incurred as of the date of this report. These costs were funded via a loan from Westgold.

6. INDEPENDENT GEOLOGIST'S REPORT

CSA Global
Mining Industry Consultants

INDEPENDENT TECHNICAL ASSESSMENT REPORT

Castile Resources Ltd – Rover and Warumpi Projects

CSA Global Report № R339.2019

2 December 2019
www.csaglobal.com

Report prepared for

Client Name	Castile Resources Ltd
Project Name/Job Code	WGXITA01
Contact Name	Mark Hepburn
Contact Title	Managing Director
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Division	Corporate

Report information

Filename	R339.2019 WGXITA01 Castile ITAR Rover and Warumpi - FINAL UPDATED.docx
Last Edited	2/12/2019 8:01:00 AM
Report Status	Final

Author and Reviewer Signatures

Coordinating Author	Neal Leggo BSc Hons, MAIG, MSEG	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
Contributing Author	Sam Ulrich BSc (Hons), GDipAppFin, MAusIMM, MAIG, FFin	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
Contributing Author	Alex Whishaw BSc, Grad. Cert. Geostatistics, MAusIMM	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
Peer Reviewer CSA Global Authorisation	Graham M. Jeffress BSc (Hons), RPGeo, FAIG, FAusIMM, FSEG	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.

Executive Summary

CSA Global Pty Ltd (CSA Global) was requested by Castile Resources Ltd (Castile) to prepare an Independent Technical Assessment Report for use in a prospectus to support an initial public offering of shares for Castile to enable a listing on the Australian Securities Exchange (ASX). Westgold Resources Limited (Westgold) proposes to spin-out its wholly owned subsidiary, Castile with existing shareholders participating on an equal basis. The funds raised will be used for the purpose of exploration and evaluation of the project areas.

Castile holds tenure over two exploration projects in the Northern Territory, Rover and Warumpi, together comprising 10 granted tenements covering an area of approximately 2,018 km².

Rover Project

The Rover Project is located 80 km southwest of Tennant Creek (Figure 1), where Castile owns facilities including an office, core yard, work shed and accommodation units. Castile has consolidated a tenement package comprising five exploration licences and two exploration retention licences, all owned 100%. The project lies within the Rover Mineral Field, which is interpreted to be a westerly extension of the Tennant Creek Mineral Field, with Proterozoic-aged rocks of the Warramunga Province hosting gold-copper-bismuth mineralisation across both fields.

Mineral Resources have been defined for three prospects within the Rover Project: Rover 1, Explorer 108 and Explorer 142, with drilling targets defined at a number of other prospects. The prospective host rocks, which are Proterozoic in age, are buried beneath 100–200 m of younger cover rock. Thus, geophysical methods are necessary to define targets and deep drilling is required to test them.

The most significant mineral asset is the Rover 1 gold-copper-bismuth deposit located in the east of the project area, which is at an advanced stage of exploration. Mineral Resources have been estimated by Castile for Rover 1 in conformance with the JORC Code (2012) as detailed in Table 1. CSA Global has undertaken a high-level technical review of the estimate, finding no material issues with the resource model.

Table 1: Mineral Resource estimates for the Rover 1 deposit

Class	Tonnes (Mt)	Gold (g/t)	Silver (g/t)	Copper (%)	Bismuth (%)	Cobalt (%)
Indicated	3.62	1.49	2.13	1.06	0.17	0.05
Inferred	3.28	2.02	2.00	1.36	0.10	0.07
Total	**6.90**	**1.74**	**2.07**	**1.20**	**0.14**	**0.06**

Notes: Mineral Resources are reported at a 2.5 g/t AuEq block cut-off and classified in accordance with the JORC Code (2012). Tonnage is reported as dry tonnes. Rounding has been applied to appropriately reflect the precision of the estimate.

Geologically, Rover 1 is hosted within an ironstone alteration lithology of the Warramunga Formation situated within a turbiditic sequence of fine grain shales, mudstones, greywackes, and haematite-rich sediments, metamorphosed to lower greenschist facies. Multiple hydrothermal alteration zones of magnetite-quartz-haematite-chlorite bodies and associated chlorite alteration, which host the copper-gold-bismuth-cobalt mineralisation, occur within a sub-vertical structural corridor, approximately 200 m wide, trending east-west over at least 600 m. The main mineralisation zones (Jupiter and Western) are situated within antiformal hinge zones of local folds.

The Explorer 108 lead-zinc deposit is located in the west of the project area. It is estimated to contain a Mineral Resource of 11.9 million tonnes (Mt) at 11.1 g/t Ag, 2.0% Pb, 3.2% Zn, above a lower cut-off grade of 2.5% combined Pb-Zn which is classified as Indicated and Inferred (Table 3). Explorer 142 is a small

copper-gold deposit located in the west of the project area which is estimated to contain an Inferred Mineral Resource of 0.17 Mt at 0.21 g/t Au and 5.2% Cu (Table 3).

The surface geology of the Rover Project area is dominated by Palaeozoic cover rocks of the Wiso basin which unconformably overlie the Proterozoic sequence which hosts all the known mineral deposits. Thus, geophysical methods form the primary exploration tools, penetrating under the cover which is typically 100–200 m thick. Aeromagnetic surveys led to the discovery of Rover 1 by Geopeko in the 1970s, who were targeting iron oxide copper-gold (IOCG) mineralisation analogous to the rich deposits being mined 80 km to the north at Tennant Creek. The Tennant Creek mining district is known for high grade Proterozoic gold deposits associated with magnetite-hematite-rich ironstones which are classified as IOCG-type deposits. It has produced ≈157 tonnes (t) of gold, 345,000 t of copper, 14,000 t of bismuth, 220 t of selenium and 56 t of silver from 130 mines, with the majority of this production derived from 12 deposits.

Significant exploration was carried out between 1971 and 1982 but was halted in 1982 when land ownership reverted to the traditional Aboriginal owners. It was not until 2006 that successful negotiations allowed access to continue exploration on the Rover Project. CSA Global has reviewed the historical exploration, finding it to be of sound quality and forming a strong basis for continued exploration.

Two other targets identified by historical explorers, Explorer 108 and Explorer 142, have been converted to Mineral Resources by Westgold exploration drilling. Potential exists at all three known deposits (Rover 1, Explorer 108 and Explorer 142) to increase current Mineral Resources by deeper drilling down plunge and targeted drilling for extensions and repetitions within the deposit environs.

Numerous magnetic anomalies remain as targets under the deep cover of the Wiso basin sediments. Castile has collected a significant geophysical dataset with high quality aeromagnetic, gravity and electromagnetic survey data serving as a valuable tool for deep targeting. High concentrations of magnetite provide very strong magnetic anomalies, the high density of the ironstones and massive sulphides develop strong gravitational field anomalies, while the sulphide minerals associated with IOCG mineralisation is readily detected by electromagnetic methods due to their electrical conductivity. Despite the thick cover, the strength of the magnetic, gravity and electromagnetic anomalies typically associated with IOCG mineralisation, means it can be detected at surface. Coincident anomalies are considered the most prospective targets for discovery by the company, and CSA Global concurs with this focus.

Castile has outlined a three-year plan, with an initial six-month period of target assessment which will see the testing of six targets. Insights gained during this initial phase will confirm exploration concepts or direct the modification of hypotheses for subsequent targeting and assessment. Castile has two advanced targets (Curiosity and Explorer 142) and four priority targets (Pathfinder 2, Pathfinder 20, Rover 5 and Rover 7) which were defined by previous operators and have been slated for early review and testing.

The Curiosity prospect is a significant induced polarisation and magnetic anomaly south of Explorer 108. Castile consider that the lead-zinc dominated mineralisation at Explorer 108 may represent the distal phase of a zoned mineralised system, with Curiosity potentially being the copper-rich member.

The Explorer 142 copper-gold-bismuth deposit is located 28 km west of Rover 1. It has one of the largest magnetic signatures in the project area and is earmarked as an advanced target ready for early drill testing, post-listing.

The Tennant Creek gold field has historically been one of Australia's richest fields noted for its high-grade gold mines and rich polymetallic deposits such as Warrego, Nobles Nob, Peko, Geko, Juno, and White Devil which all individually produced over 18 t of gold and/or 2 Mt of copper. The overall zonation of mineralisation in the Rover 1 deposit is similar to deposits in the Tennant Creek district, especially the rich Warrego deposit. CSA Global considers this to provide strong support to assigning a high prospectivity rating to the Rover Project.

Warumpi Project

The Warumpi Project is a grassroots exploration project located approximately 300 km west of Alice Springs and approximately 500 km southwest of Rover (Figure 1). Castile has consolidated a tenement package comprising three exploration licences. Joint ventures are in place with other explorers active in the Western Springs area. Limited historical exploration has been completed throughout the region prior to activities by Castile, due primarily to its relative inaccessibility, harsh arid environment, lack of water sources and poor grazing conditions. Geologically, the area is poorly understood due to limited outcrops, weathered profile and a thin veneer of aeolian sands masking vast areas the region. The Warumpi Province dominantly comprises high-grade metasedimentary to igneous rock types. The Inyalinga Granulites to the north, which consists of high-grade calc-silicate rocks and unclassified Yaya Metamorphic Complex to the south, consist of a multitude of migmatites and altered granites.

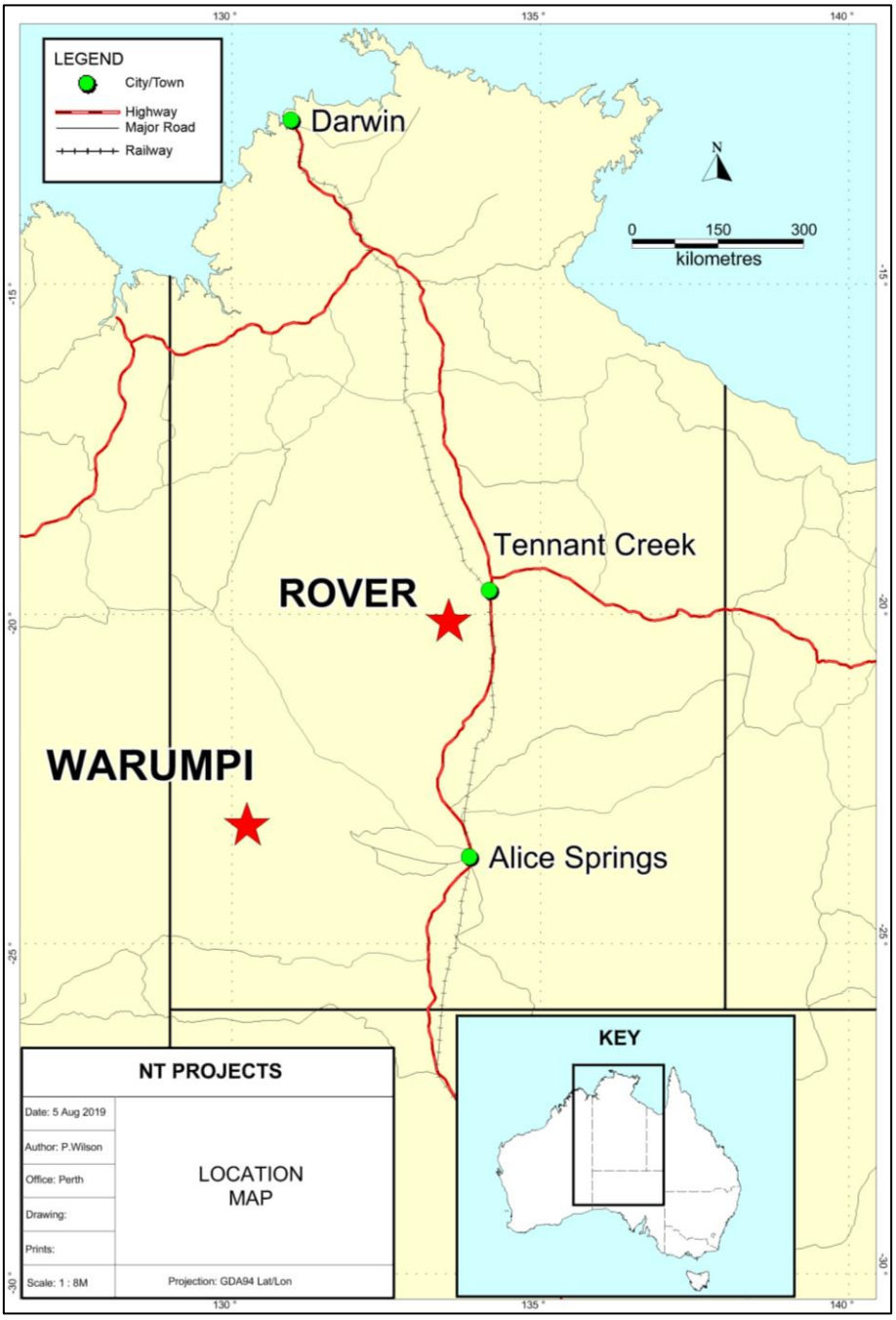

Figure 1: Location of Castile's project areas

The highlight of work to date is the discovery of surface copper-zinc-silver mineralisation at the Huron prospect through geochemical sampling. Castile considers the area to be significantly underexplored and prospective for the discovery of substantial deposits of base metals. CSA Global concurs, given their success identifying mineralisation the Huron prospect.

Exploration Strategy and Budget

Castile has advised CSA Global that its exploration strategy is to focus on the Rover Project and that it intends to seek to progress further exploration on the Warumpi Project through joint venture arrangements. The exploration strategy for the Rover region is to target IOCG mineralisation utilising their re-interpretation of the regional controls on known mineralisation and re-interpretation of an extensive set of geophysical survey data. A significant diamond drilling budget has been allocated for diamond drilling, with six targets selected for drill testing in the short term.

Castile's development strategy is to conduct mining studies on the Rover 1 deposit in preparation for further drilling leading to extensive testwork and feasibility studies. CSA Global considers the Rover Project to hold significant exploration potential and development opportunity.

A modest budget has been allocated for Warumpi to conduct surface geochemical surveys and mapping programs to define targets at the Huron prospect, followed up with a small drilling program. CSA Global considers the Warumpi Project to hold good early-stage exploration potential but concurs with Castile's strategy to focus funds on the more advanced Rover Project.

CSA Global has reviewed Castile's planned expenditure for their projects for an initial three-year period following listing on the ASX, which are considered consistent with the exploration potential of the projects and considered adequate to cover the costs of the proposed programs.

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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global), a member of the ERM Group of Companies, was requested by Castile Resources Ltd (Castile or "the Company") to prepare an Independent Technical Assessment Report (ITAR or the "Report") for use in a prospectus to support an initial public offering (IPO) of shares for Castile to raise approximately A$19,970,000 and enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the project areas.

Castile holds tenure in the Northern Territory comprising 10 granted tenements covering an area of approximately 1,854 km².

Westgold Resources Limited (Westgold) plans to demerge its polymetallic assets in the Northern Territory to provide its shareholders the opportunity (if they so desire) to participate in their further exploration and development whilst maintaining their interests in Westgold as a pure-play Australian gold producer. The proposed spin-out will see the Westgold's wholly owned subsidiary, Castile separated and listed with existing shareholders of Westgold participating on an equal basis.

Metals X demerged its gold assets forming Westgold in December 2016 and Castile was included in the assets of the demerged entity. Some of the activities reported on herein were during the time when Westgold was trading under its previous name, Metals X; for consistency, the name Westgold is always used in this report.

1.2 Compliance with the VALMIN and JORC Codes

This report has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2015 ("VALMIN[1] Code"), which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC[2] Code and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Reports.

1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the projects on information made available to the principal authors by Westgold/Castile, along with technical reports prepared by consultants, government agencies and previous tenement holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with Castile's management for information contained within this assessment. This report has been based upon information available up to and including 2 December 2019.

CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report, or used in its preparation, has been provided by Castile in the form of documentation and digital data.

Castile was provided a final draft of this report and requested to identify any material errors or omissions prior to its lodgement.

[1] Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. < http://www.valmin.org >

[2] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). < http://www.jorc.org >

Castile has warranted to CSA Global that the information provided for preparation of this report correctly represents all material information relevant to the projects. Full details on the tenements is provided in the Independent Solicitor's Report elsewhere in the prospectus.

CSA Global has not independently verified the legal status or ownership of the property or any of the underlying agreements. This information should be contained within the Independent Solicitors Report and described therein under Summary of Material Agreements, elsewhere in the prospectus.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government sources or the ASX. The authors of these reports have not consented to their statements used in this ITAR, and these statements are included in accordance with ASIC Corporations (Consent and Statements) Instrument 2016/72.

1.4 Authors of the Report

CSA Global is a privately owned, mining industry consulting company headquartered in Perth, Western Australia (WA). CSA Global provides geological, resource, mining, management and corporate consulting services to the international mining sector and has done so for more than 30 years.

This ITAR has been prepared by a team of consultants from CSA Global's Perth, WA office. The individuals who have provided input to the ITAR have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The consultants preparing this ITAR are specialists in their fields of geology and exploration, in particular, relating to gold and base metals.

The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this report. The Competent Persons' individual areas of responsibility are presented below:

- Principal author – Mr Neal Leggo (Principal Consultant Geologist with CSA Global in Perth, WA) responsible for the Rover project section of the report.
- Contributing author – Mr Sam Ulrich (Principal Consultant Geologist with CSA Global in Perth, WA) responsible for the Warumpi Project section of the report.
- Contributing author – Mr Alex Whishaw (Senior Resource Geologist with CSA Global in Perth, WA) responsible for the Mineral Resource review of the Rover 1 deposit)
- Peer reviewer – Mr Graham Jeffress (Manager Corporate of CSA Global in Perth, WA) responsible for the entire report.

Neal Leggo is a geologist with over 30 years' experience including management, mineral exploration, consulting, resource geology, underground operations and open pit mining. He has worked in a variety of Australian geological terranes and specialises in copper, gold, silver-lead-zinc and iron ore for which he has the experience required for code-compliant reporting. Neal also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands and industrial minerals. He provides a range of consulting services including code-compliant (JORC, NI 43-101, VALMIN) reporting and valuation, technical studies, reviews and management of exploration projects.

Sam Ulrich has over 25 years' experience in gold, copper and uranium mineral exploration and resource development in Australia, China, Laos, Indonesia and the Kyrgyz Republic. He has worked at all stages of exploration with extensive experience in Archaean lode/orogenic gold deposits. Sam has completed numerous independent technical reports (IGR, QPR) and valuations of mineral assets.

Alex Whishaw is a qualified geologist with over 16 years' experience in iron ore, manganese, gold and various commodities. He has advanced qualifications in geostatistics and brings significant experience in resource estimation, grade control procedures, and reconciliation at mining, processing and shipping

phases. Alex has experience in geological and analytical GIS reporting from small exploration to large operational environments.

Peer review was completed by Graham Jeffress, a geologist with over 30 years' experience in exploration geology and management in Australia, Papua New Guinea and Indonesia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally, including gold exploration in the Yilgarn, and iron oxide copper-gold (IOCG) exploration in the Olympic and Mount Isa terranes. Graham has completed numerous independent technical reports (IGR, CPR, QPR) and valuations of mineral assets.

1.5 Independence

Neither CSA Global, nor the authors of this report, has or has had previously, any material interest in Castile or the mineral properties in which Castile has an interest. CSA Global's relationship with Castile is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to Castile at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. The fee for the preparation of this report is approximately A$34,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Castile. No member or employee of CSA Global has, or has had, any shareholding in Castile.

There is no formal agreement between CSA Global and Castile as to Castile providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this Document

This report has been prepared by CSA Global at the request of, and for the sole benefit of Castile. Its purpose is to provide an independent technical assessment of Castile's Rover and Warumpi projects in the Northern Territory.

The report is to be included in its entirety or in summary form within a prospectus to be prepared by Castile, in connection with an IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this report are given in good faith and in the belief, that they are not false or misleading. The conclusions are based on the reference date of 2 December 2019 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.6.2 Practitioner/Competent Person's Statements

The information in this report that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Neal Leggo, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Leggo is employed by CSA Global. Mr Leggo has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and 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 Leggo consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled and conclusions derived by Mr Jake Russell, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Russell is a full-time senior executive of Westgold Resources. Mr Russell has sufficient experience that is relevant to the Technical Assessment of the Mineral Resources under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and 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 Russell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to metallurgical results is based on information compiled and conclusions derived by Mr Geoff Cheong, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgists. Mr Cheong is a full-time senior executive of Westgold Resources. Mr Cheong has sufficient experience that is relevant to the metallurgical assessment of the project under consideration, the style of mineralisation and types 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 Cheong consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.6.3 Site Inspection

No site visit was made to the projects by CSA Global. CSA Global concluded that there is little additional material information to be gained from a site visit. This is due to the relatively early stage of the projects, the availability of high quality satellite imagery of the project areas and the access to them, the lack of outcrops and features of interest requiring inspection, and the availability of drill core/cuttings elsewhere.

1.7 About this Report

This report describes the prospectivity of Castile's Rover and Warumpi projects in the Northern Territory (Figure 1).

The geology and mineralisation for the project areas is discussed, as well as past exploration work done, and the results obtained there from. A great wealth of data pertains to the work done on the projects and an effort was made to summarise this to constrain the size and readability of the report. Maps of the areas are presented and statistics on the drilling are provided.

2 Rover Project

2.1 Location, Access and Infrastructure

The Rover Project is located 80 km southwest of the township of Tennant Creek (Figure 1). It is situated within Aboriginal freehold lands of the Karlantijpa North and Karlantijpa South Land Trust. Access is via an 80 km unsealed graded track from Tennant Creek. Access within the project area is via local exploration tracks. The Stuart Highway is within 50 km in a direct line. The Adelaide to Darwin railway runs in close proximity to the Stuart Highway and there is a loading siding in Tennant Creek.

Castile has an established mobile exploration camp based at the Rover 1 Prospect. It has been constructed to minimise land disturbance following consultation with the Central Land Council. The infrastructure sits atop an elevated pad protecting accommodation quarters in times of rare seasonal flooding. A registered (NT) water bore, storage shed and an operational septic system for the ablution block exists.

The camp is predominately constructed of 6 m Royal Wolf accommodation containers that can be trucked in and out on short notice. The camp is serviced with an operational kitchen mounted onto a 10 m trailer. Power is supplied to the camp with a 55 kVA generator. Fuel for the generator and exploration activities is brought in when needed (44-gallon drums or 2,0000-litre pods).

Castile has established a driller's laydown area and core processing yard (Figure 2). This area has minimal environmental impact with portable core logging racks setup under removable shade cloth posts. The exploration camp also contains a fenced-off rubbish dump, which is periodically cleaned out by external earthmoving contractors and taken to the Tennant Creek town dump.

Castile owns an office in Tennant Creek including a core yard with work shed, accommodation, kitchen, bathroom and showers, and a separate office block across the road at 17 Irvine Street.

Figure 2: Layout of the Rover exploration camp

2.2 Climate, Topography and Landforms

The Rover Project area has an arid, temperate climate with long hot summers and short, mild winters. At Tennant Creek the average maximum temperatures range from 24°C to 38°C, with an average of 22 days per year exceeding 40°C. Minimum temperatures range from 12° to 25°C (Figure 3). There are 9–10 hours of sunshine per day with an average of 155 clear days per year. Prevailing winds are from the east to southeast.

Most rain falls during the summer months, with occasional storms occur at other times of the year. Average annual rainfall is just over 450 mm. The dry season (May to October) in Tennant Creek is relatively sunny with cool nights and mornings. The wet season (November to April) is hot and humid with occasional rainfall.

Topography in the Rover Project area is subdued, with little in the way of relief.

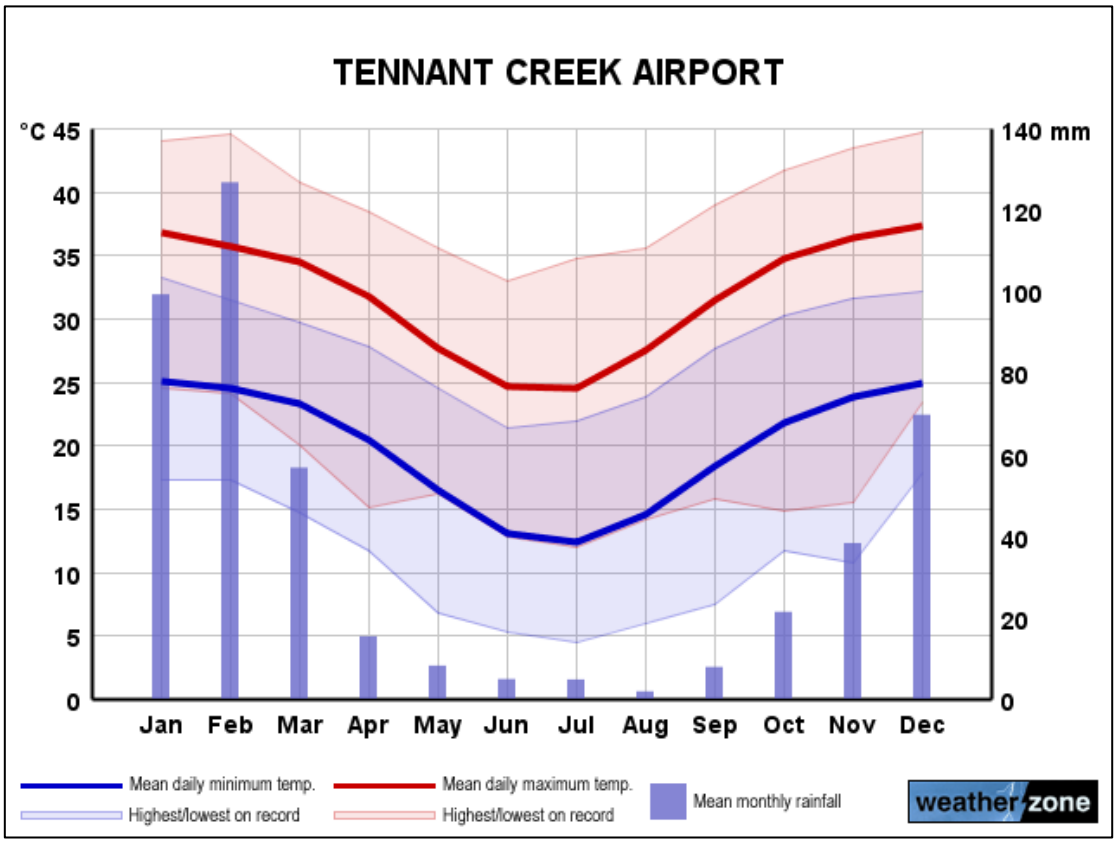

Figure 3: Tennant Creek weather
Source: www.farmonlineweather.com.au

2.3 Tenure

Castile has consolidated a tenement package to form its Rover Project which comprises five granted exploration licences (ELs) and two granted exploration retention licences (ELRs). The total tenement area is approximately 1,054 km². Table 2 provides the ID number for each tenement and its key details. The location of each tenement is shown in Figure 4. All tenements are held 100% by Castile. Full details on the tenements (agreements, royalties, Native Title, Crown Reserves etc.) are provided in the Independent Solicitor's Report elsewhere in the prospectus.

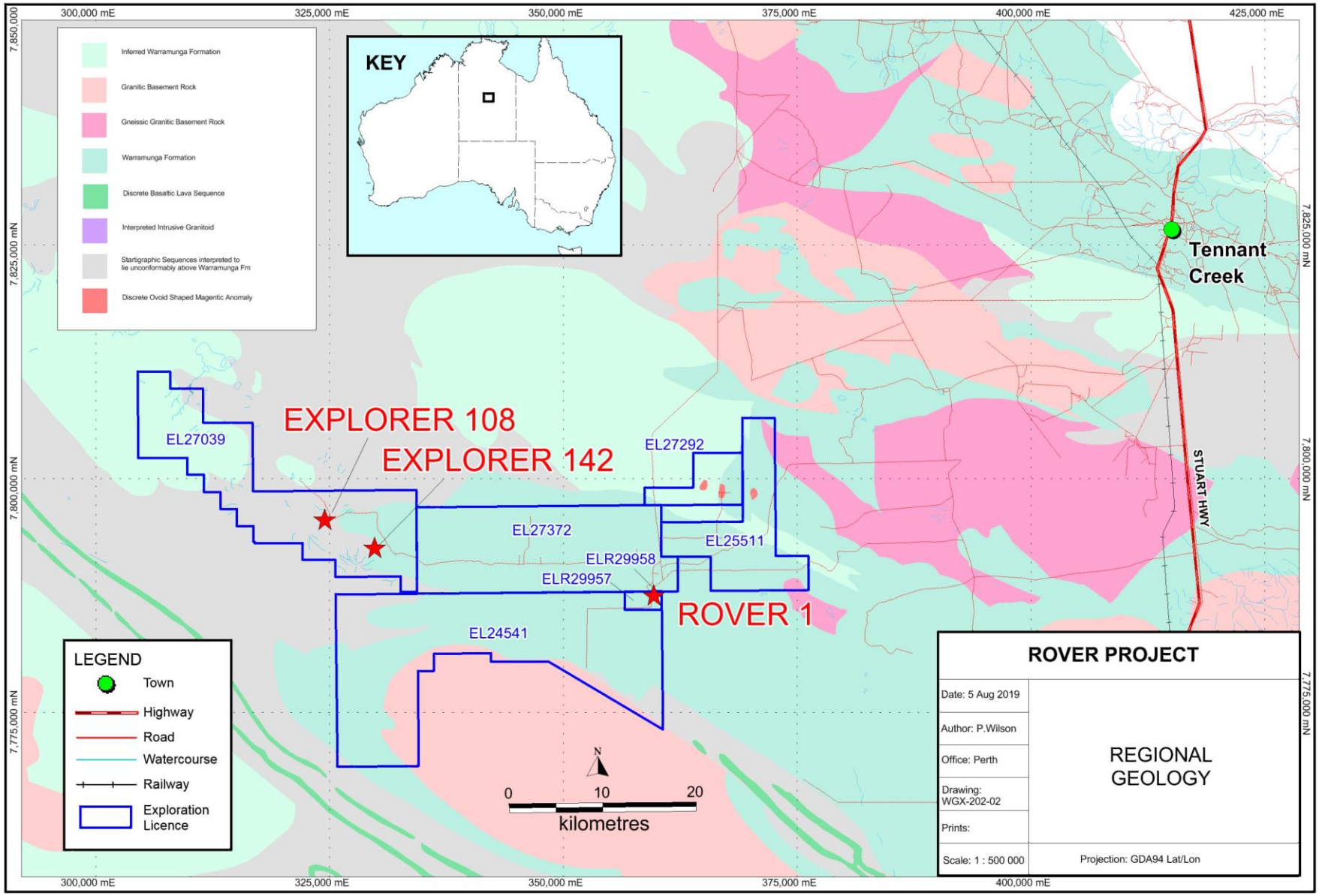

Figure 4: Rover Project tenement location and regional geology map (Source: Castile)

Table 2: Rover Project tenements

Tenement ID	Type	Status	Holder name	Grant date	End date	Area (km²)
EL24541	EL	Renewed retained	Castile Resources Ltd	18 Dec 2007	17 Dec 2019	388.15
EL25511	EL	Renewed retained	Castile Resources Ltd	18 Dec 2007	17 Dec 2019	122.69
EL27039	EL	Renewed retained	Castile Resources Ltd	15 May 2009	14 May 2021	248.34
ELR29957	ELR	Granted	Castile Resources Ltd	17 Sep 2013	16 Sep 2023	7.718
ELR29958	ELR	Granted	Castile Resources Ltd	17 Sep 2013	16 Sep 2023	0.03
EL27372	EL	Renewed retained	Castile Resources Ltd#	27 May 2010	26 May 2020	248.59
EL27292	EL	Renewed retained	Castile Resources Ltd#	27 May 2010	26 May 2020	38.76

#Transfer of title to Castile in progress
Source: Castile, 2019

Castile has informed CSA Global that all granted titles have exploration deeds in place which ensures access to the tenure and defines the terms of any subsequent mining agreement. The terms of the agreement are subject to confidentially clauses and therefore unable to be referenced.

An Exploration Licence (EL) provides exclusive rights for the holder to undertake exploration activities within the licence area and to apply for a mining title.

An Exploration Retention Licence (ERL) grants the holder the right to retain an area of land under title where there is evidence of an economic orebody which requires further assessment. This assessment may involve the conduct of further exploration, feasibility studies or waiting for market and economic conditions to change before production commences.

2.4 Regional Geology

The Rover Mineral Field is interpreted to be a westerly extension of the Tennant Creek Mineral Field. The Tennant Creek region contains three different geological provinces, the Warramunga Province, the unconformably overlying Palaeo- to Mesoproterozoic Davenport Province to the south and Tomkinson Creek Province to the north. To the east and west, the younger Palaeozoic Georgina and Wiso basins overlie the Proterozoic rocks of the Tennant Creek region. The Proterozoic Aileron Province of the Arunta region occurs to the south of the area, the contact between it and the Tennant Creek region being obscured by a Palaeozoic basin cover sequences (Figure 4).

Known outcrop of the 1860–1850 Ma Warramunga Province is approximately centred on the township of Tennant Creek, and contains the Warramunga Formation. This is a weakly metamorphosed turbiditic succession of partly tuffaceous sandstones and siltstones that includes argillaceous banded ironstones locally referred to as “haematite shale”.

Rocks of the Warramunga Formation show open to closed folding about approximately east-west oriented upright axes, and exhibit a well-developed, axial-planar, slaty cleavage. An 1850–1845 Ma deformation, the Tennant Event (part of the Barramundi Orogeny) is contemporaneous with predominantly felsic magmatism of the Tennant Creek Supersuite. Two overprinting cleavages and associated kink bands are also present, which are attributed to the superimposition of the ≈1700 Ma Davenport Event deformation.

Volcano-sedimentary rocks of the Warramunga Province are intruded by granite and porphyry of the Tennant Creek Supersuite (≈1850 Ma), the Treasure Suite (≈1810 Ma) and the Devils Suite (≈1710 Ma). The Tennant Creek Supersuite includes the Tennant Creek, Cabbage Gum, Channingum, and Hill of Leeders granites, and the Mumbilla Granodiorite. In the Warramunga Province, the Treasure Suite includes felsic and mafic volcanic rocks, porphyry granophyre, monzodiorite, diorite and dolerite. However, granite is not represented in outcrop. The Devils Suite is represented by the Warrego Granite and Gosse River East Syenite. Lamprophyre intrusions are penecontemporaneous with the Devils Suite.

The whole area is largely covered by a veneer of unconsolidated Cenozoic cover.

2.4.1 Mineralisation Styles

Consideration of the geology of the Rover Project tenements suggests several styles of mineralisation that either occur, or could occur, within the region. There are two potential forms of hydrothermal mineralisation: IOCG and, to a lesser extent, banded iron formation (BIF) hosted gold.

Geoscience Australia (2015) provide a succinct summary of IOCG mineralising systems as illustrated in schematic fashion in Figure 5 and summarised below:

- Geological setting: Possibly associated with distal retro-arc environments where early subduction-related processes led to metasomatism of the upper mantle. Subsequent melting of enriched mantle driven by influx of significant heat drove the production of high temperature A- and I-type magmas associated with potassium-rich melts that are at least temporally associated with the deposits.
- Fluid source: Two distinct fluid types are noted during deposit formation:
  - A highly oxidised fluid, considered to be either meteoric or groundwaters
  - Deep-sourced high-temperature brines.
- Metal source: May be either coeval magmas (felsic and/or mafic) or sedimentary and igneous rocks that were leached by the ore fluids (meteoric). Alternatively, direct magmatic-hydrothermal sources may also be possible.
- Metal deposition: Mixing of large volumes of oxidised ground water (meteoric or basinal) with the deep-sourced iron-rich brines of intermediate redox state. Alternatively, and perhaps augmenting this process, the reaction of reduced sulphur in the deep fluids with wall rocks rich in ferrous iron (Fe2+) minerals such as magnetite, siderite and chlorite may also cause precipitation (sulphidation). Chemical modelling has shown that higher-grade copper and gold mineralisation is expected in zones where hematite has replaced earlier magnetite. The implication of these findings is that hematite-rich alteration zones in IOCG systems are more favourable for higher grade copper-gold-U mineralisation in comparison to magnetite-rich zones.

The Tennant Creek historic mining district is best known for high-grade Proterozoic gold deposits associated with magnetite-haematite-rich ironstones which are classified as IOCG-type deposits. Discovered in 1925 and mined until 2005, it has produced ≈157 tonnes (t) of gold, 345,000 t of copper, 14,000 t of bismuth, 220 t of selenium and 56 t of silver from 130 mines, with the majority of this production derived from 12 main deposits (Donnellan, 2013). The ore comprises free gold and copper-bismuth sulphides within magnetite-haematite-chlorite±quartz ironstones. The ironstone bodies average 200 m × 40 m × 290 m, extending from surface to 600 m depth, but commonly are mineralised between 100 m and 400 m below surface. Most ironstones are barren, but where mineralised provide excellent economic returns due to their bonanza gold grades despite their small alteration footprint. Airborne and ground magnetics, electrical geophysics (induced polarisation (IP) and electromagnetic), geochemistry and gravity have contributed to discoveries (Cuison et al., 2013).

The Tennant Creek gold field has historically been one of Australia's richest fields noted for its high-grade gold mines and rich polymetallic deposits such as Warrego, Nobles Nob, Peko, Geko, Juno, and White Devil which all individually produced over 18 t of gold and/or 2 million tonnes (Mt) of copper. The overall zonation of mineralisation in the Rover 1 deposit is similar to deposits in the Tennant Creek district, especially the rich Warrego deposit. Copper is concentrated around the upper margins of the quartz-magnetite ironstones and in the silicified haematitic shales that form an alteration transition to a chlorite alteration envelope.

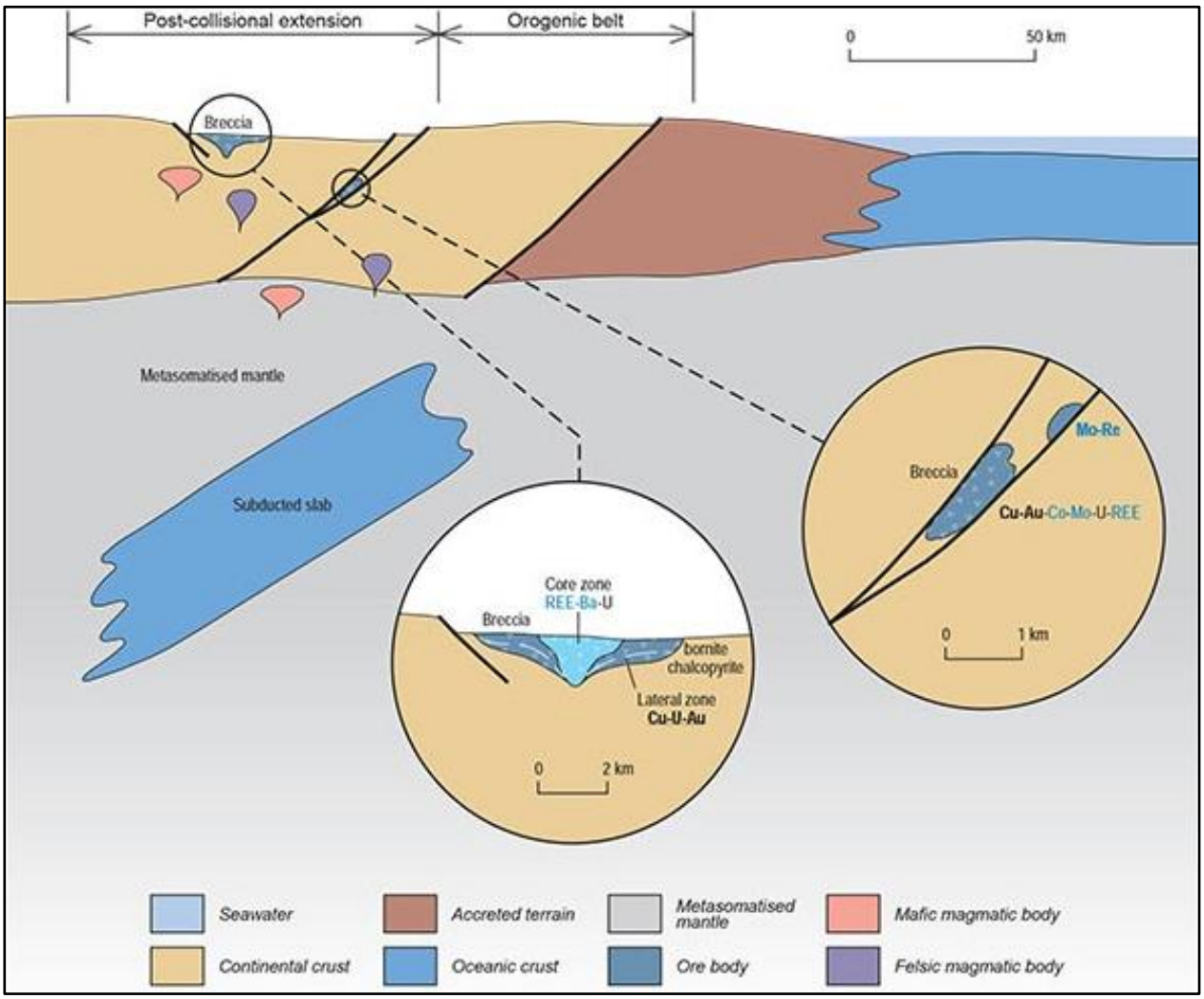

Figure 5: Diagrammatic sketch of the IOCG mineral system

Note: The above diagram illustrates location of deposit types within the overall setting and likely distribution of critical and other commodities within and around these deposit types. In the commodity lists, blue indicates critical commodities, underlined bold indicates major products, bold indicates commonly recovered by-products, underlined normal font indicates commodities with limited recovery as a by-product (usually during downstream processing), and normal text indicates commodities that are geochemically anomalous, but not recovered.
Source: Geoscience Australia website, 2019

2.5 Local Geology

The Rover Project area is entirely covered by recent sediments. These blanket extensive flat-lying Cambrian siltstones, dolomitic siltstones and dolomites of the Wiso Basin, which unconformably overlie the Proterozoic basement. Cover to the Proterozoic basement has a westward thickening trend from less than 70 m in the east to in excess of 200 m in the west. Outcrops of the Woodenjerrie Beds, the Junalki Formation, the Ooradidgee Group and the Hatches Creek Group, with minor granite and porphyry have been mapped about 20 km east of EL25511. Warramunga Formation rocks do not outcrop in the region. However, the Northern Territory Geological Survey (NTGS) regional geological interpretation recognises the presence of Warramunga Formation within the Rover Field.

Westgold geologists correlate meta-sedimentary rocks from drill core at Explorer 142 and the nearby Rover 1 prospect to characteristic Warramunga Formation sequences that host the numerous copper gold deposits in the Tennant Creek area. The magnetic signature of the area is also similar to the response seen from the Warramunga Formation around Tennant Creek. Detailed aeromagnetic data strongly suggests that the Warramunga Formation sedimentary sequence covers an area in excess of 1,000 km² and most likely represents a fold or thrust belt repeat of the Warramunga Formation of the Tennant Creek region.

In addition, the metallogenic model that applies to the Tennant Creek Field appears to apply well to the Rover Field. The presence of abundant ironstone and extensive alteration and associated copper-gold mineralisation provides added indirect evidence that the host rocks of the Rover Field correlate with the Warramunga Formation. To the south of the tenement group, magnetic responses indicate that rocks of the Hatches Creek Group underlie Phanerozoic cover.

The following descriptions of the geology of the three main deposits are sourced from internal company reports by Castile.

2.5.1 Deposit Geology – Rover 1

Rover 1 is a gold-copper deposit hosted within an ironstone alteration lithology in the Warramunga Formation which was discovered by drilling a geophysical target through 100 m of young cover. It contains credit concentrations of silver-bismuth and cobalt. It is interpreted to be an IOCG type deposit. A Mineral Resource has been estimated (Section 2.7.1). The Rover 1 deposit is situated within a sedimentary package consisting of haematite-rich sediments grading from banded to massive haematitic shales through to laminated BIFs, cherty siltstones and chert. The iron-rich shales are tentatively correlated with the Black Eye Member of the Carraman Formation. The sediment package has been metamorphosed to lower greenschist facies. Up to 110 m flat-lying Cambrian sediments of the Wiso Basin, unconformably overlying the Proterozoic rocks of the Warramunga Group at Rover 1.

Stratigraphy

The Rover 1 deposit lies in a turbiditic sequence of fine grain shales, mudstones, greywackes, in close association with units of haematite-rich sediments grading from haematitic shales through to argillaceous BIFs. Typical sedimentary structures of soft sediment slumping, graded bedding, crossbedding and rip-up clasts have been identified in the sediments. Unusual breccias which may be clastic dykes have also been identified. Possible soft sediment slumping, and folding has deformed a mudstone with 1–2 cm bands of fine grain sandstone sometimes appearing as boudins and contorted layers. The sandy bands in different intersections vary in colour with calcite (white), weak haematite (pale red- brown) and chlorite (pale green) alteration. Buff coloured cherty siltstones and cherts occur stratigraphically above and within the iron-rich sediments. Minor felsic intrusive dykes, volcaniclastic and tuffaceous units with devitrified shards have also been identified. A quartz-feldspar rich unit of possible igneous origin has been intersected in two holes north of the ironstones. The iron-rich shales are tentatively correlated with the haematitic-rich shales and BIFs in the Tennant Creek area. The BIFs or haematitic shales were previously assigned to the Black Eye Member of the Carraman Formation (which is now named the Warramunga Formation) as part of the Warramunga Group. The Warramunga Group is no longer formally used as a stratigraphic name.

Structure

The main mineralisation zones at Rover 1, the Jupiter Zone and Western Zone are situated within antiformal hinge zones of local parasitic folds. Interpreted late stage east-west compression has resulted in moderate easterly plunges in the Western Zone, while further east at Jupiter, the plunge appears to be moderate to the west. A steep axial-planar cleavage has been identified locally in parasitic folds and is interpreted to represent the larger regional fold axis.

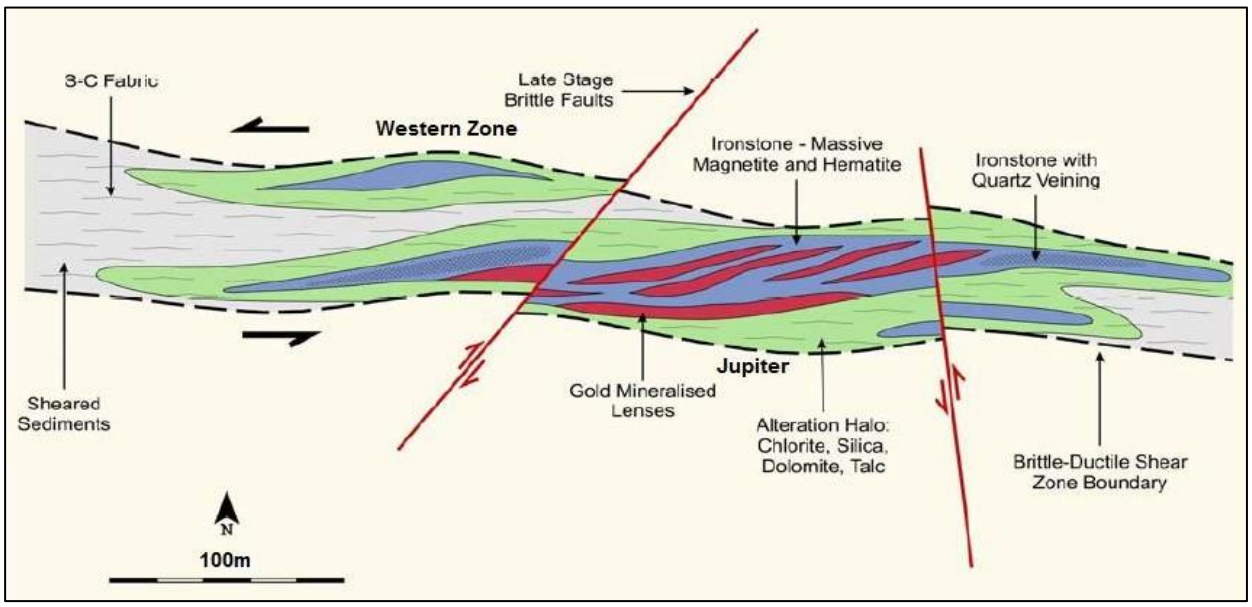

Figure 6: Schematic geology plan of the Rover 1 deposit

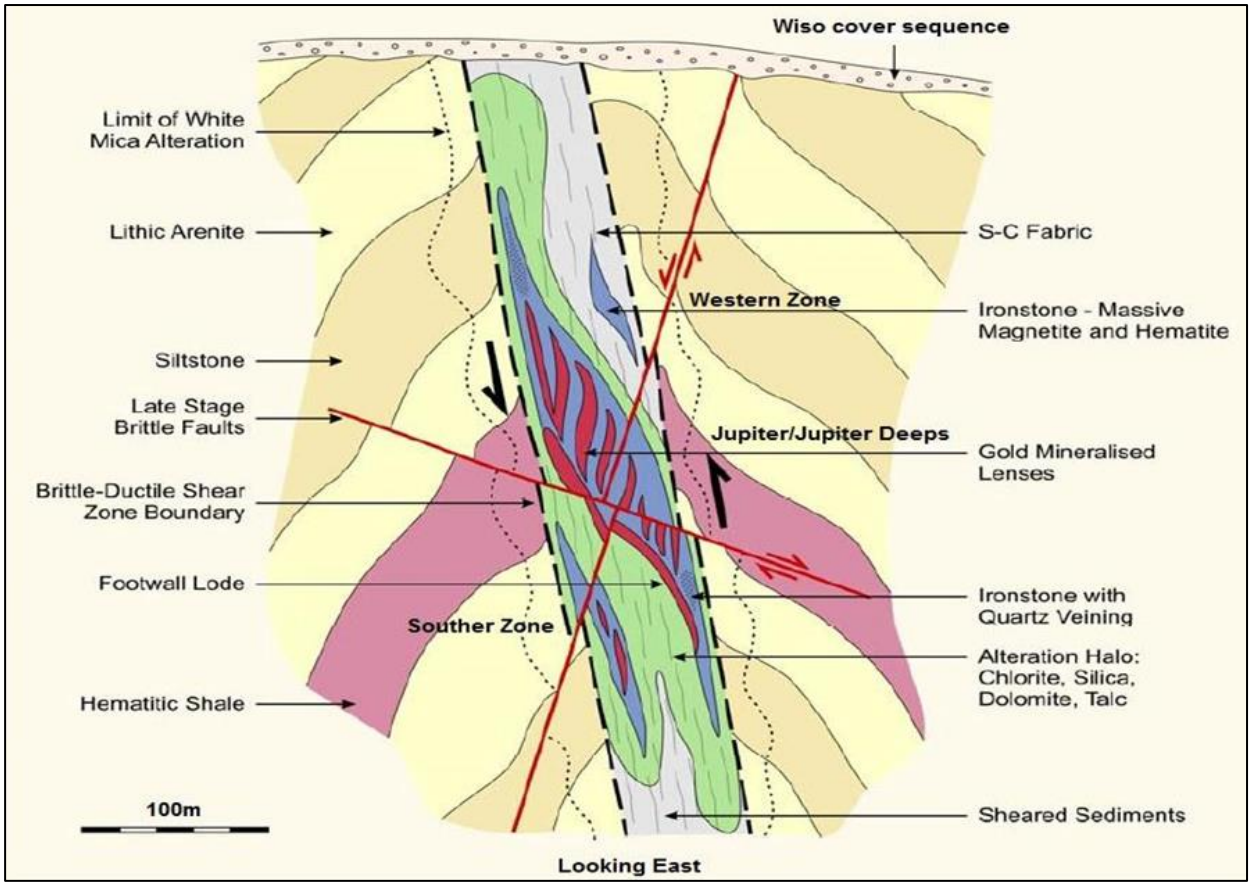

Figure 7: Schematic geology section looking east of the Rover 1 deposit

Slickensides on bedding planes indicate bedding plane slip. Often two or three different directions are present as separate layers in chlorite-rich layers indicating a complex history of movement. Bedding plane slip was probably extensive during an initial folding episode as the east-west folds were developed. The highly contorted BIFs, shales, finely banded siltstones and sandstones suggest that competency contrast of these units with the more massive sandstones and greywackes of the turbidites has had an influence upon the geometry of the regional and parasitic folds, complicating the interpretation of stratigraphy and geometry.

Alteration and Mineralisation

Multiple hydrothermal alteration zones of magnetite-quartz-haematite-chlorite bodies and associated chlorite alteration which host the copper-gold-bismuth-cobalt mineralisation occur within a sub-vertical structural corridor, approximately 200 m wide, trending east-west in excess of 600 m. Chlorite alteration associated with the development of the ironstones overprints the regional lower greenschist chlorite in this corridor. Locally it varies from narrow, extremely intense zones to wider zones of moderate alteration. The width of the chlorite zones does not necessarily reflect the width of the ironstone bodies or the expected width along-strike or up-dip. Intense chlorite margins to the magnetite bodies vary in width from 30 cm to 20 m.

Sediments adjacent to the ironstones and chlorite zones often show no deformation. Within the chlorite alteration zones, early tensional and shear-parallel quartz veins indicate progressive deformation with increased rotation and overprinting by subsequent veins with continued movement in the shear zones. These veins also occur within the ironstone and are tentatively interpreted as indicating domains of shearing prior to the initial development of the ironstones. Sub-vertical, parallel, lenticular bodies of magnetite with varying quartz and haematite and minor chlorite constitute the ironstones within east-west structural zones defined by chlorite-magnetite alteration. They trend east-west, are sub-vertical, with the long axis dipping steeply to the west. Their position suggests they are in structures sub-parallel to the axial plane and may lie in the axial plane of two parasitic anticlines. The cross-section shape varies from lenticular to tabular to bulbous, with strike and depth extensions usually thinning and grading into magnetite veins and stringers in chlorite alteration or magnetite veins in sediments.

The upper and lateral margins of the ironstones on occasion have diffuse hydrothermal alteration boundaries with adjacent argillaceous haematite-rich shales. The bodies are commonly zoned with a massive magnetite-quartz upper zone consisting of diffuse, irregular-banded, fine grain magnetite and quartz.

The ironstones are hosted by intensely chloritised sediments. However, the halo of intense chloritisation where textures of the sediments are completely destroyed varies from less than a metre in width to upwards of 20 m, with strong alteration up to 50 m away.

Zones of intense chlorite alteration which appears to be later than the ironstone formation also host a later pyrite-chlorite phase which is associated with a brighter green chlorite alteration surrounding the pyrite grains. The chlorite alteration zone is best developed on the northern margin of the corridor. Later chlorite alteration as tension gash fill in magnetite and other brittle minerals, shear lamellae, selvedges to earlier magnetite and quartz veins, and vein infill is intimately associated with copper-gold-bismuth mineralisation.

Significant silicification of the haematitic shales and BIF units occurred during the early development of the ironstones, producing brittle red and white jasperoidal lithologies. Where these jasperoidal lithologies have been subsequently fractured, veined or intensely brecciated with quartz infill ± magnetite, they have provided excellent hosts for copper-bismuth mineralisation. Gold mineralisation is often present if copper-bismuth is accompanied by chlorite ± pyrite as veinlets in the same fractures. In general, the jasperoidal development is seen as a peripheral margin and cap to the ironstones.

Dolomite, calcite and undifferentiated carbonate alteration occur in various forms as interstitial grains with magnetite- quartz-haematite in the more massive ironstones, primarily as veins and space filling gangue. Carbonate is also associated with late stage mineralisation often occurring with haematite ± quartz ±(chalcopyrite) in veins.

Copper in the form of chalcopyrite occurs around the upper margins of the quartz-magnetite ironstones and in the silicified BIF or haematitic shales that often form an alteration transition to the adjacent chlorite alteration envelope. Although copper levels in the upper quartz-magnetite portion of the ironstones is usually very low, pervasive sub-economic copper levels can persist throughout this zone. Higher levels of

copper are dominantly contained in the lower massive magnetite portion or in massive magnetite "veins" identified in the magnetite-quartz zones. The massive magnetite zones grade laterally and at depth into magnetite chlorite stringer zones. Gold content increases where the content of magnetite veining and chlorite alteration decreases and there is an increase in early haematite dusted quartz veins and indurated sediments and fine chlorite veining related to the mineralisation phase. The transition from massive magnetite copper mineralisation to magnetite quartz chlorite stringer gold mineralisation is also the zone of increased bismuthinite mineralisation.

Where the magnetite, magnetite quartz and magnetite quartz chlorite stringer zones and sediments have been overprinted by intense pyrite chlorite alteration, mineralisation zoning patterns are often locally more complex.

The bulk of the mineralisation is not in the magnetite-quartz ironstones but in the peripheral and lower magnetite-quartz chlorite stringer and massive magnetite components, with strong control along the northern ironstone structure. Chalcopyrite content is higher in brittle domains: macro-fractures (e.g. breccia fill and veins) and micro-fractures (tensions gashes, crack-seal). The dominant host is the massive magnetite, generally in the lower portion of the ironstones.

The gold mineralisation appears to favour ductile zones of deformation with chlorite as an indication of the preferable chemical conditions. The quartz stringer zones with later magnetite-chlorite veins are the dominant host for the gold mineralisation. Haematitic pale red-brown dusting of indurated quartz-chlorite-sericite shales is often associated with similarly dusted contorted multiple phase quartz veins. It is possible that this alteration with less silica and only minor haematite is a less intense equivalent of that seen in the haematitic-rich shales. Significant gold mineralisation often occurs where these indurated sediments and veins are hosts to later magnetite ± chlorite veins with subsequent micro-shear related chlorite ± pyrite ± (chalcopyrite ± bismuthinite) veins.

Gold mineralisation generally occurs in three distinct settings. Gradational variations between these styles and the host rocks results in the boundaries of the mineralised zones generally being soft boundaries. The dominant gold structures are associated with massive magnetite and stringer zone and northern ironstone.

Mineralisation Zones

Massive magnetite mineralisation is associated with high pyrite content and high-grade copper/bismuth mineralisation in the massive magnetite ironstones, and commonly with early pale reddish-brown haematite stained multistage contorted quartz veins.

Siltstone breccia mineralisation occurs below or adjacent to massive magnetite ironstones. The breccias contain altered indurated/silicified/bleached/chloritised siltstone with stockwork of heterogeneous vein material with schistose chlorite, clear granular quartz and abundant sulphide. These domains are irregular in shape and often have a ductile component where the chlorite alteration is well developed in the breccia fill and the clasts have been rotated. The sulphides include subhedral pyrite and sporadic areas of chalcopyrite ± bismuthinite against which the pyrite is often partly euhedral. Total sulphide content is generally 5–20%. Chalcopyrite and bismuthinite also occur as inclusions in pyrite and along micro-fractures. Gold grains occur in bismuthinite or next to chalcopyrite between pyrite grains. The chalcopyrite and bismuthinite are commonly seen as complex, very fine-grained intergrowths. The stockwork veins can also contain magnetite.

Stringer zone mineralisation is associated with higher gold grades and are characterised by multi-stage contorted quartz veins, multiple reactivation with later variable magnetite veins, and later fine chlorite ± pyrite veins. Stringers zones with multi-stage quartz veins, low chlorite content and high chalcopyrite content are often high in bismuthinite but low in gold. Most veins regardless of composition appear to develop much more readily in massive mudstones, shales and banded to laminated interbedded siltstones and fine grain sandstones than the more massive bedded greywackes and sandstones. These veins tend

to be steeply dipping to the south, striking east-west, with a less dominant set with a similar strike but dipping more shallowly to the north.

Massive pyrite zones are characterised by intense pyrite and chlorite development, containing up to 90% pyrite. These zones are usually unmineralised with low gold, copper, bismuth and cobalt. At depth in the roots of the chlorite zone of the ironstone complexes, gold is occasionally associated with these zones if minor stringers or veins of magnetite are present.

Copper mineralisation occurs in several distinct settings. The hosts in order of decreasing chalcopyrite content are:

- Massive magnetite domains in the ironstone complexes
- Massive magnetite veins in magnetite stringer vein zones
- Magnetite-quartz ironstones, massive pyrite ±(chlorite), siliceous jasperoidal alteration zones and quartz veins in most lithologies.

Chalcopyrite also occurs in micro-fractures along the boundaries of chlorite-magnetite-pyrite-quartz veins, chlorite-pyrite veins and generally any assemblage that can be fractured or sheared to create dilation at any scale.

Massive magnetite mineralisation is characterised by high grade copper within the massive magnetite portions of magnetite bodies. Chalcopyrite and pyrite occur as veins, disseminated blebs and patches, fine stockwork fracture-filling veins and in tension gashes in the magnetite. Granular and microcrystalline pyrite tends to occur as blebs, irregular stringers and bands with chalcopyrite occurring in brittle structures.

Jasperoidal rock mineralisation is characterised by intense silicification of the haematitic shales and BIF units and associated quartz stockwork veining create a brittle host for copper mineralisation. Chalcopyrite ± quartz ± haematite ± carbonate ± pyrite veins occur as fracture-filling veins crosscutting both early quartz veins and the siliceous host rock, and as selvages along reactivated quartz veins and in fractures within the veins. Increased gold values and bismuthinite often occur when fine chlorite veining is associated with chalcopyrite.

Bismuth and Cobalt

Bismuth occurs as bismuthinite as an accessory to copper or gold mineralisation. Typically, bismuthinite is observed in the transitional zone from the copper (massive magnetite ironstone) mineralisation to gold-copper mineralisation (magnetite-chlorite stringer/massive magnetite transition) to gold only mineralisation (quartz-magnetite-chlorite-pyrite stringer zones in sediments). Bismuthinite commonly occurs within chlorite selvages associated with chalcopyrite and/or gold in stringer zones, and with chalcopyrite in more massive pyrite chlorite zones. Bismuth generally follows the gold content with a ratio of Bi:Au of 1:10 for the magnetite stringer zone, 1:1 for the massive magnetite ironstone and 10:1 for the magnetite-quartz ironstone.

Significantly elevated cobalt values are found in the Rover 1 deposit. No cobalt minerals have been identified. There is no simple correlation of cobalt with other metals, although copper and cobalt have a close relationship in the ironstones. However, cobalt grades can be significantly elevated without copper in the sediments, usually related to high pyrite content. Further research is needed to establish the distribution and mineralogy of cobalt.

Metal Zonation

The overall zonation of mineralisation in the Rover 1 deposit is similar to deposits in the Tennant Creek Field (e.g. Warrego) to the northeast. Copper in the form of chalcopyrite occurs around the upper margins of the quartz-magnetite ironstones, silicified BIF and haematitic shales. Although copper levels in the upper quartz-magnetite portion of the ironstones are usually low, pervasive sub-economic copper levels

can persist throughout this zone. Highest grades of copper are dominantly contained in the lower massive magnetite and magnetite-quartz zones. The massive magnetite zones grade laterally and at depth into magnetite-chlorite stringer zones where an intense chlorite alteration zone hosts the magnetite veins. A strong decrease in copper content usually occurs at this transition point.

Gold content increases where the content of the early magnetite veining and chlorite alteration decreases and there is an increase in early haematite dusted quartz veins, indurated sediments and fine chlorite veining related to the mineralisation phase. The transition from massive magnetite-copper mineralisation to magnetite-quartz-chlorite stringer gold mineralisation is also the zone of increased bismuthinite mineralisation.

The broad metal zoning is defined with copper dominant in the ironstones and strongly concentrated in the lower massive magnetite zones along-strike. Gold values are generally anomalous in the ironstones, elevated to significant values when with high copper. Below the ironstones in the sediments, gold reaches high concentrations with extremely high-grade intersections (greater than 100 g/t Au for 1 m intervals) in the magnetite-quartz-chlorite stringer zones and indurated chlorite-magnetite-quartz stockwork/breccia zones. Gold values decrease with depth as the development of these zones decrease.

The preferential gold-bearing structural features have continuity along-strike and down-dip within the indurated and variably chloritised finer grain sediments. These structures appear to be a combination of quartz-magnetite-chlorite veined stockworks, shear-controlled quartz-magnetite- chlorite filled breccias, and quartz-magnetite-chlorite veined stringer zones, all with modest pyrite and chalcopyrite content. The preferential hosts for the gold mineralisation are a combination of indurated variably chloritic sediments, variably silicified with multiple quartz vein episodes and magnetite-chlorite veins. The preferred deformation type of these host formations is ductile indicated by the presence of schistose chlorite lamellae, veins and micro-shearing.

2.5.2 Deposit Geology – Explorer 108

Explorer 108 is a lead-zinc deposit hosted by a sequence of felsic volcanics and sediments which Castile has previously tested with 49 drillholes (Figure 8). Basement rocks are covered by approximately 100 m of younger sediments.

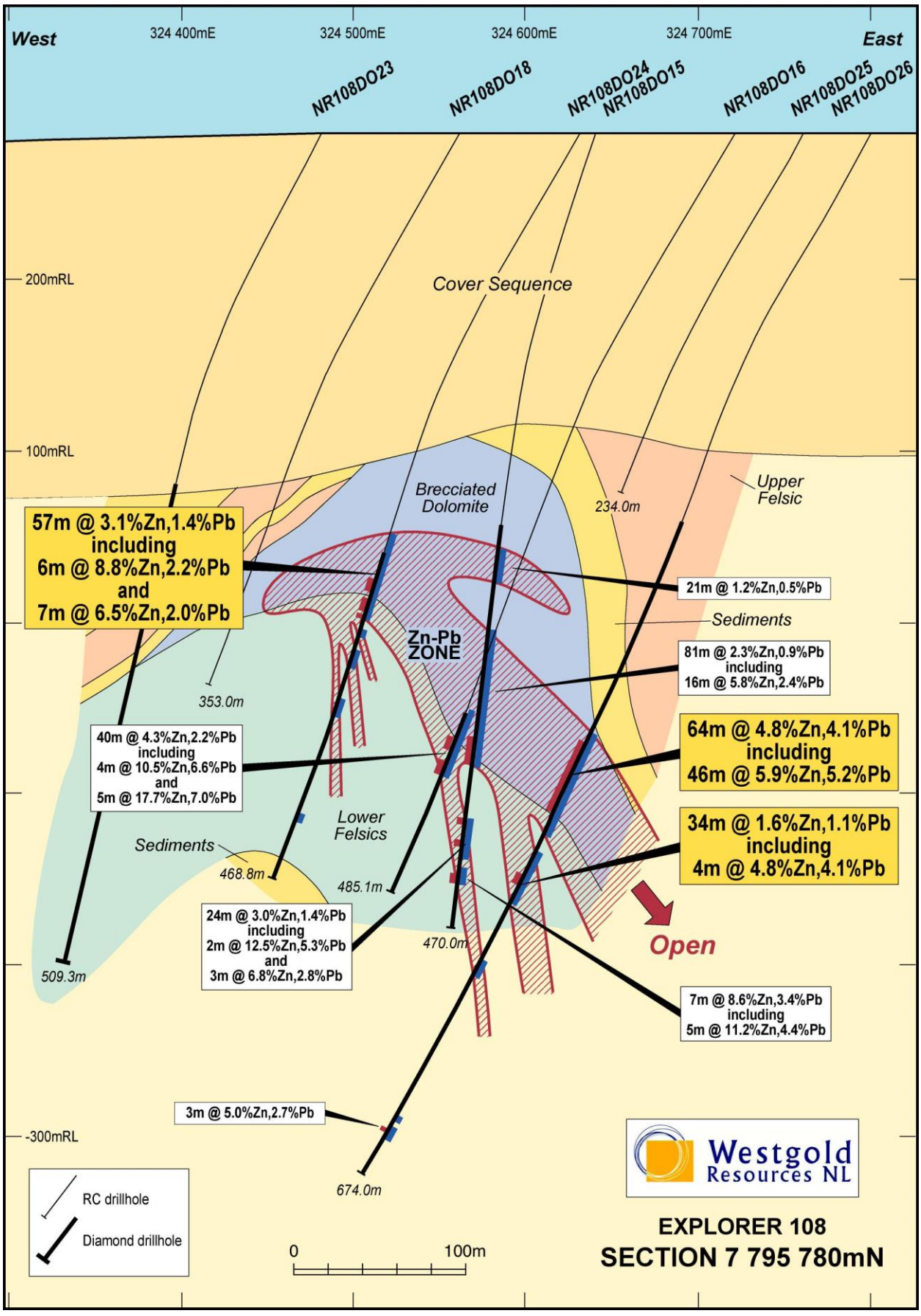

Figure 8: Explorer 108 – schematic cross-section 7,795,780 mN (MGA 1994 Zone 53)

Two main horizons of clastic sediments, the Lower Clastic Unit and Upper Clastic Unit, comprise sandy siltstones. Separating these clastic units is a 100–150 m thick felsic volcanic unit. Dolomite units are common near the base of the Upper Clastic Unit which often show a spatial correlation with lead-zinc mineralisation.

The deposit stratigraphy is folded about northeast-trending upright folds. Unaltered volcanics and clastic sediments generally show a very weak foliation. However, a pervasive fabric is locally developed in high-strain zones that coincides with the sheared-out limbs of folds. A strong fabric is also characteristic for areas containing lead-zinc mineralisation. A large-scale anticlinal fold structure is interpreted with a sub-vertical eastern limb and a more gently dipping western limb. The overall strike of the fold is north-northwest at the scale of the study area.

The main mineralised zone at Explorer 108 is associated with dolomite-rich units located near the contact of the Upper Clastic Unit with underlying felsic volcanics. The main minerals that constitute the dolomite-rich units include dolomite, chlorite, talc, silica, magnetite and haematite. The main dolomite body defines a broad zone grading 1–5% combined lead and zinc. The better grades are generally associated with chlorite-rich and moderately haematite-rich dolomite. Mineralisation consists of irregular, generally narrow, domains or veins of semi-massive sphalerite and galena with gangue sulphides.

A high-grade zone up to 20–30 m thick occurs at the lower contact of the dolomite and appears to have an overall easterly dip in the core of the interpreted anticline. The zone is relatively dolomite poor, is chlorite-rich and contains a strong fabric with occasional light-coloured and boudinaged silica-dolomite domains.

Discrete zones of lead-zinc mineralisation are present in the underlying felsic volcanics. The zones can be up to 15 m wide and are interpreted as sub-vertical shear-hosted lead-zinc lodes due to their foliated and locally brecciated nature. This mineralisation occurs as stringers of semi-massive galena and sphalerite in chlorite-rich foliated zones up to 15 cm wide.

2.5.3 Deposit Geology – Explorer 142

The Explorer 142 deposit also occurs within the Rover 1 mineral field and also occurs below a 100–120 m cover of Cambrian sediments of the Wiso Basin. The deposit is hosted within a 20 m wide, east-west striking haematitic shear that continues over a distance greater than 400 m. The near vertical shear is interpreted to have formed along the southern limb of an anticline fashioned during a north-south shortening event where normal faulting of the north block has been thrust down. The geological host to the sub-vertical shear consist of inter-bedded sedimentary units which are capped with an unconformity and overlying young cover sediments approximately 220 m thick.

Copper mineralisation is predominately hosted with the haematite altered shear zone. Mineralisation has been interpreted to splay to the south and also to the north, where it appears to penetrate into the hangingwall sediments. Copper mineralisation has been intersected in drilling from the base of the unconformity 220 m below the surface to depth of 590 m, with a strike extent of approximately 400 m. Due to a lack of drilling data, no known plunge component has yet been defined.

2.6 Mining and Exploration History

2.6.1 Historical Mining

No historical production has been undertaken at the Rover Project.

2.6.2 Exploration History

The Rover Project area has had an extensive exploration history, with multiple owners and joint ventures. Exploration in the Rover area was carried out between 1971 and 1982 but was halted in 1982 when land ownership reverted to the traditional Aboriginal owners. It was not until December 2007 that Westgold

Resources successfully negotiated access to continue exploration at Rover 1 and surrounding tenement areas.

From 1982 to 2005, the project was owned by Normandy Mining Limited (acquired by Newmont Mining Corporation in 2002) and Acacia Limited (acquired by AngloGold Ashanti Limited). No groundwork was undertaken during this 23-year period, but some airborne photography and magnetic surveys were carried out. AngloGold Ashanti acquired 100% interest in the project in 2005 but sold it to Navarre Resources Limited (Navarre) in the same year. Later in 2005, Westgold agreed to fund Navarre, with an option to acquire 100% of the project.

Historical exploration completed in the Rover Project area is as follows:

The four 250,000 sheets on which the project lies were mapped by NTGS between 1978 and 1999.

The BMR flew aeromagnetics over the region in 1956 and 1960, which were used for early exploration. Other recent surveys include the 2000 Wiso Survey, (covers the Green Swamp Well 1:250,000 map sheet area) the 1998 Tennant Survey, (covers the Tennant Creek 1:250,000 map sheet) and the 1999 Bonney Well Survey (covers the Bonney Well and part of the Lander River 1:250,000 map sheets).

The Tennant Creek Region gravity survey, at station spacings of between 200 m and 12,000 m, was completed in 2001, covering parts of the Tennant Creek and Bonney Well 1:250,000 map sheets.

A total of only 12 prior tenements had been held over the area of Castile's present combined reporting tenements. These were:

- AP2451: Covered ELR29958 and southwest corner of EL25511.
- AP2653: Covered north and east sections of EL25511
- EL228: Pegged to replace AP2451
- EL436: Covered east half of EL24541and the entire ELR29957
- EL543: Covered east section of EL25511
- EL703: Covered central block of EL24541
- EL813: Covered east half of EL8994 and northwest block of EL24541
- EL954: Same area as EL436
- EL981: Covered east part of EL8823 and west half of EL8994
- EL983: Covered all of EL8823
- EL1286: Covered east part of EL8823 and all of EL8994
- EL1849: Same area as EL228.

AP2653

Bridge Oil held this tenement in 1971, and flew aeromagnetics at 1/5 mile spacing, locating four anomalies (three in EL25511 in the RCR). Modelling suggested that the anomaly sources were deep-seated, and the ground was relinquished.

EL543

This covered areas explored under previous tenure in 1965 to 1970. The BMR aeromagnetic surveys of 1956 and 1960 had located the Explorer 15 anomaly (not in the RCR area), and auger, percussion and diamond drilling has intersected a pipe-like gabbroic intrusion beneath 15 m of Cambrian sediments. In 1972/3 Peko Wallsend (Geopeko) carried out low-level aeromagnetics over previous AtoP's 2654 and 3387, and located an additional three prospects, Explorers 81, 94 and 95. Explorers 94 and 95 are in the RCR, and probably coincide with anomalies two and one located by Bridge Oil. Ground magnetics and one gravity profile over Explorer 94 was completed, but the targets were not considered worthy of follow-up.

AP2451/EL228/EL1849

In 1971, this area was held by AOM who completed airborne magnetics, locating the Rover 1 to Rover 7 anomalies. Rover 1 is within EL24989, and Rovers 5 and 7 are within EL25511. AP2451 was converted to EL228 in 1972, and then to EL1849 from 1979 to 1983. A large amount of the work completed was in areas outside Castile's RCR. In 1973, Rovers 1, 2 and 4 were gridded and covered with detailed ground magnetics, and 1 diamond drillhole was completed on Rover 1. This intersected 124 m of Cambrian sediments overlying cleaved sandstone, haematitic shale and pink-red cherts. Abundant chlorite and quartz-chlorite veining with disseminated pyrite-chalcopyrite was intersected. Between 1974 and 1977, further diamond drilling intersected high-grade copper and gold mineralisation associated with strongly altered (quartz-jasper-hematite-magnetite) lode material. The high-grade copper zone was seen to be distinct from the high-grade gold zone. A total of 14 diamond holes were completed at Rover 1, which located three separate ironstone bodies. Mining leases were pegged over the prospect areas to retain them. Rovers 5 and 7 were defined by ground magnetics and gravity. One diamond drillhole was completed at Rover 5. However, the hole deviated and did not intersect the planned target.

EL436/EL954

Sabra Pty Ltd held EL436 in 1972 and carried out mapping and airborne magnetic interpretation. From 1974 to 1976, the area was held under EL954 by Geopeko, who completed low level aeromagnetics. This defined 12 anomalies, one of which was in EL24541 (Explorer 126). Definition of Explorer 126 by ground magnetics was followed by the drilling of one diamond hole into the prospect. This located Warramunga Group sediments beneath 190 m of Cambrian cover, although did not intersect mineralisation. The hole deviated excessively, and it is doubtful that it tested the magnetic anomaly.

EL703

AOM held EL703 from 1973 to 1977, being under joint venture with Geopeko from 1975. They completed aeromagnetics, which defined nine anomalies. Two of the anomalies, Navigator 12 and 14 were defined by ground magnetics and each was followed up with a single diamond drillhole. In both cases, the magnetic anomalies were explained by disseminated magnetite in porphyry.

EL813/EL981/EL983/EL1286

The western half of Castile's RCR was explored by Geopeko under four tenements. These covered all of EL27039, and the western two blocks of EL24541. Initial work was on EL813 in 1973, consisting of an aeromagnetic survey. This located Explorer 111, which was judged to be too deep to be of economic interest, and the ground was dropped. From 1974 to 1976, the ground to the west of EL813 was covered by EL981 and EL983, where aeromagnetic surveys in 1974 located the Explorer 143, 144, 145 and 146 anomalies. Of these, only Explorer 143 is within the RCR, in the area now covered by EL24541. Ground magnetics were completed over Explorer 143, and a detailed aeromagnetic survey was flown over the area surrounding it. This located the prominent magnetic ridge trending northwest through the southwest boundary of EL24541. Modelling did not define any discrete anomalies worthy of follow-up work.

EL1286 was held by Geopeko from 1979 to 1982. It covered all of the area now covered by EL8994, and the eastern portion of EL8823. Geopeko completed ground magnetic and gravity surveys over Explorers 108, 111, 120 and 142, and drilled diamond holes into each. Explorer 111 was found to be caused by disseminated magnetite in Warramunga Formation volcanics and siltstones. Explorer 120 was tested with two holes and found to be caused by minor mineralisation in magnetite-bearing sediments.

Six diamond holes were completed into Explorer 108, locating lead-zinc mineralisation in dolomitised sediments. The first diamond hole completed on the 1 km-long Explorer 142 anomaly intersected magnetite-hematite alteration within siltstones, argillites and porphyroid of the Warramunga Formation. Copper-cobalt-(gold) mineralisation was intersected over the interval 427–454 m which assayed 27 m at 1.22% Cu, including 11 m at 2.37% Cu. Copper values ranged up to 8.8% over a single metre, with cobalt up

to 1.9%. Gold values were elevated, with a maximum of 1.3 g/t Au. This was followed up by detailed ground magnetic and gravity surveys. Magnetic interpretation suggested that the anomaly was caused by a steeply-dipping dyke-like body whose top lies about 300 m below surface. Interpretation of the gravity suggested that the top of the body was at 200 m depth. An additional five diamond drillholes were completed into the anomaly, with one hole per section on c. 100 m-spaced sections. All holes were routinely measured for magnetic susceptibility and density, and logged for resistivity and SP. Two holes, 100 m apart along-strike, intersected copper-cobalt-gold mineralisation. Three intersected minor mineralisation, and one intersected no mineralisation. Four holes, including the two mineralised holes, were surveyed for three component downhole magnetics, which indicated that the two holes containing minor or no mineralisation did not intersect the anomaly source.

EL8823/EL8994

These two tenements were granted to Normandy Exploration Pty Ltd (later Newmont) in March 1999, following the signing of the Babylon Agreement which allowed access onto the Aboriginal Lands. In 1998, Normandy conducted a review of historical assay from drilling in the areas of EL8994. A total of 700 preserved coarse rejects and pulps from drilling at Explorers 108 and 142 were re-assayed for gold, silver, arsenic, bismuth, cobalt, copper, iron, lead and zinc. Results showed that the previous assayed results were of a variable quality and should only be used for semi-quantitative interpretation. There was a high level of confidence found in the accuracy of high-grade base metals intersections but low confidence in the accuracy of gold intersections (Clifford, 1998). During 1999, Newmont flew aeromagnetics at variable 100–200 m line spacing and a mean terrain clearance of 40 m, and low-level colour aerial photography at 1:25,000 over the tenements. In the ensuing five years, access difficulties due to sensitive Aboriginal sites, coupled with the internal restructuring of Normandy and the takeover by Newmont precluded any work on the ground.

Until 2005, the tenement was held within the Desertex Joint Venture, a joint venture between AngloGold Ashanti Australia Limited and Newmont Mining. In early 2005, Newmont withdrew from the Desertex Joint Venture, leaving AngloGold with 100% equity. AngloGold subsequently decided to divest the project and Navarre acquired the project in late 2005.

During early 2006, Navarre successfully completed a helicopter supported heritage clearance of proposed work programs through the Central Land Council in accordance with the requirements of the exploration agreement.

Between early 2006 and the end of 2007, Navarre/Castile/Westgold completed a regional gravity survey (500 m x 1,000 m spacing) over EL8994 and the eastern portions of EL8823. This was infilled to 50 m x 400 m and 50 m x 200 m spacings over the Explorer 108, 120 and 142 anomalies, and to 25 m x 200 m spacing in selected areas. This survey suffered very slow production rates caused by poor vehicle access and related issues.

In 2006, Navarre commenced diamond drilling at Explorer 108 and completed eight holes for 3,378.8 m, which intersected a number of significant lead, zinc, silver, copper and gold zones in the basement rocks. A further three diamond drillholes for 1,900.3 m were completed at the Explorer 142 copper-gold prospect, intersecting up to 10 m at 2.98% Cu with elevated gold, bismuth and cobalt. An orientation surface IP survey was conducted over Explorer 108 without success.

In 2007, trial downhole electromagnetic and three-component magnetic surveys were run in selected holes from Explorers 108 and 142. These both had problems with access into holes, and the electromagnetic surveys were abandoned early into the program. At Explorer 108, a total of 41 RC/DDH holes were drilled for 16,304 m in 2007, and a preliminary Inferred Resource of 8.7 Mt at 5.6% combined Pb and Zn, 20 g/t Ag, 0.3 g/t Au was estimated.

EL24989

This tenement covers a very small window of vacant crown land over the Rover 1 prospect. It was granted to Castile on 7 March 2007. During 2007, an ultra-detailed gravity survey with station spacing of 25 m x 50 m was completed over the tenement. The survey was integrated with a 50 m x 200 m spaced gravity survey over the northeast part of EL24541. An ultra-detailed ground based magnetic survey was also completed over the tenement during the period and extended into EL24541.

During the 2008–2009 reporting period, Westgold carried out an extensive program of aeromagnetic surveys, gravity surveys, diamond drilling and metallurgical testing within the project area and defined a major IOCG deposit at Rover 1. This is detailed in the Annual Report for 2008.

During the 2009–2010 reporting period, Westgold carried out diamond drilling at Rover 1, Rover 3, Rover 5, and Explorer 108, gravity data acquisition at Rover 1, Rover 5 and Rover 143, downhole magnetic and electromagnetic surveys and the estimation of a maiden resource for Rover 1. The estimated Rover 1 resource was 5.3 Mt at 6.1 g/t AuEq for 1,037,600 AuEq ounces (Runge, 2010). Deep drilling at Explorer 108 deposit demonstrated that the mineralised system continued at depth and has zones of increasing gold content at these levels. Drilling at Rover 3 and Rover 5 failed to locate the magnetic targets.

During the 2010–2011 reporting period, Westgold carried out diamond drilling at Rover 1 and Explorer 142, aeromagnetic data acquisition over a large part of the RCR, downhole magnetic, IP and gravity measurements and the completion of a scoping study for the Rover 1. Drilling discovered down-plunge extensions to the Rover 1 mineralisation and demonstrated that the Explorer 142 mineralisation continues at depth.

During the 2011–2012 reporting period, Westgold carried out resource drilling and mine development studies at Rover 1, geophysics acquisition and target generation within the broader Rover Field and a regional exploration drilling program utilising both diamond and RC drill rigs.

During the 2014–2015 reporting period, Castile successfully completed NTGS co-funded drilling at the Curiosity prospect 1 km south of the Explorer 108 deposit. The drilling targeted encouraging follow-up IP programs at the prospect earlier in the year and intercepted base metal mineralisation including 11.7 m at 3.73% Pb, 4.86% Zn, 33 g/t Ag, 1.02 g/t Au and 0.24% Cu. Resource definition drilling at the Rover 1 deposit also recommenced with two holes completed through the upper portion of the Jupiter Deeps. The aim of the ongoing program was to convert the upper portion of the Jupiter Deeps orebody from Inferred to Indicated resource category for ongoing development studies. High-grade mineralisation was intercepted in WGR1D059-2A1 of 20.87 m (downhole) at 14.5 g/t Au, 6% Cu, 0.22% Bi, 0.08% Co from 836.3 m.

During the 2015–2016 reporting year, resource definition drilling continued on the Jupiter Deeps zone at Rover 1 deposit. Four holes were drilled into the upper portion of the deposit for a total of 2,598 m. Strong copper and gold mineralisation was intersected in all holes. In EL27039, mineralisation intercepted in initial drilling at the Curiosity prospect in 2014–2015 was followed up with a downhole electromagnetic program. A weak off-hole electromagnetic response proximal to a deep-seated magnetic signature 100 m south of known mineralisation at the prospect was tested with a single drillhole. No mineralisation was intercepted near the modelled electromagnetic source, but minor chalcopyrite and hematite dusted quartz veining in a chloritic shear with magnetite stringers was intercepted near the end of the hole. This weak zone of mineralisation is indicative of proximal stringer zones associated with Tennant Creek style IOCG's similar to that intercepted below the Rover 1 deposit.

In 2016–2017, a magnetic remanence study was completed on selected samples from the Rover field. Rehabilitation of 20 diamond drillholes, including grouting to 130 m, was completed on EL29957.

In 2017–2018, the ongoing review of the previous exploration results continued, and this included an assessment of targets at the Curiosity prospect in EL27039, a prospectivity review of EL25511 and EL24541. Planning for further rehabilitation work on drillholes within ELR29957 was also undertaken.

2.6.3 Assessment of Historical Exploration

Much historical exploration within the Rover Project occurred during the 1970s, when the Tennent Creek field was in strong production, with a second phase of exploration activity commencing around 2005. CSA Global considers that historical exploration has been of sound quality and forms a strong basis for continued exploration, but that significant opportunities remain for the discovery of more IOCG-style mineralisation with the tenements.

2.7 Mineral Resources

The Rover Project consolidated Mineral Resources are presented in Table 3, which combines the estimates for three deposits: Rover 1, Explorer 108 and Explorer 142.

Table 3: Rover Project consolidated Mineral Resources (Rover 1, Explorer 108 and Explorer 142 deposits)

Project	Gold			Silver			Copper			Bismuth			Cobalt			Lead			Zinc		
	kt	Grade (g/t)	koz Au	kt	Grade (g/t)	koz Ag	kt	Grade	kt Co	kt	Grade	kt Bi	kt	Grade	kt Co	kt	Grade	kt Pb	kt	Grade	kt Zn
Indicated																					
Explorer 108				8,438	14.32	3,886	5,689	0.36%	20.3							8,438	2.05%	172.8	8,438	3.41%	288.1
Explorer 142																					
Rover 1	3,618	1.49	173	3,618	2.13	248	3,618	1.06%	38.3	3,618	0.17%	6.2	3,618	0.05%	1.8						
Subtotal	**3,618**	**1.49**	**173**	**12,056**	**10.66**	**4,134**	**9,307**	**0.63%**	**58.7**	**3,618**	**0.17%**	**6.2**	**3,618**	**0.05%**	**1.8**	**8,438**	**2.05%**	**172.8**	**8,438**	**3.41%**	**288.1**
Inferred																					
Explorer 108				3,430	3.32	366										3,430	1.88%	64.3	3,430	2.81%	96.5
Explorer 142	176	0.21	1				176	5.21%	9.2												
Rover 1	3,282	2.02	213	3,282	2.00	211	3,282	1.36%	44.6	3,282	0.10%	3.3	3,282	0.07%	2.3						
Subtotal	**4,458**	**1.93**	**214**	**6,712**	**2.67**	**577**	**3,458**	**1.56%**	**53.8**	**3,282**	**0.10%**	**3.3**	**3,282**	**0.07%**	**2.3**	**3,430**	**1.88%**	**64.3**	**3,430**	**2.81%**	**96.5**
Total																					
Explorer 108				11,868	3.32	4,252	5,689	0.36%	20.3							11,868	2.00%	237.2	11,868	3.24%	384.6
Explorer 142	176	0.21	1				176	5.21%	9.2												
Rover 1	6,900	1.74	386	6,900	2.07	459	6,900	1.20%	83.0	6,900	0.14%	9.4	6,900	0.06%	4.1						
GRAND TOTAL	**7,076**	**1.70**	**388**	**18,768**	**7.81**	**4,710**	**12,765**	**0.88%**	**112.5**	**6,900**	**0.14%**	**9.4**	**6,900**	**0.06%**	**4.1**	**11,868**	**2.00%**	**237.2**	**11,868**	**3.24%**	**384.6**

2.7.1 Rover 1 Mineral Resource Estimate

The Rover 1 deposit is located approximately 70 km southwest of Tennant Creek, in the northern parts of of ELR29957 and ELR29958 (Figure 4). It was discovered in the 1970s by Geopeko drilling a blind geophysical target, with subsequent drilling by Castile and Navarre (Section 2.6.2). A Mineral Resource was estimated for the deposit by Castile in 2011 (Westgold, 2011a) with a minor adjustment and update (Russell, 2019) recently announced to the market (Westgold, 2019). The Rover 1 deposit is estimated to contain a Mineral Resource of 6.9 Mt at 1.74 g/t Au, 2.07 g/t Ag, 1.2% Cu, 0.14% Bi, 0.06% Co for 386 koz gold, 459 koz silver, 83 kt copper, 9.4 kt bismuth and 4.1 kt cobalt; which is classified as Indicated and Inferred as detailed in Table 4.

Table 4: Mineral Resource estimates for the Rover 1 deposit

Class	Tonnes (Mt)	Gold (g/t)	Silver (g/t)	Copper (%)	Bismuth (%)	Cobalt (%)
Indicated	3.62	1.49	2.13	1.06%	0.17%	0.05%
Inferred	3.28	2.02	2.00	1.36%	0.10%	0.07%
Total	**6.90**	**1.74**	**2.07**	**1.20%**	**0.14%**	**0.06%**

The Mineral Resources were reported at a 2.5 g/t AuEq (gold equivalent) block cut-off where equivalent gold grades are calculated using the following formula:

- AuEq = Au + Ag x 0.0136 + Bi x 4.6753 + Co x 13.0909 + Cu x 1.9793

The Mineral Resources were reported as dry tonnes and classified into Indicated or Inferred categories by Castile in accordance with the JORC Code (2012). Rounding has been applied to appropriately reflect the precision of the estimate. "Table 1" commentary on the criteria specified by the JORC Code are provided in Westgold (2019), a copy of which is provided as Appendix 1.

CSA Global considers the Mineral Resource estimate to have been reported in conformance with the JORC Code (2012).

As Rover 1 is the primary mineral asset of Castile, CSA Global has undertaken a high-level technical review of the resource block model created by Castile from which the Mineral Resource is reported. Comments from this review, which used Surpac Vison software, are incorporated through the following subsections.

Geology

The geology of the deposit is described in Section 2.5.1 and illustrated in schematic plan and long section in Figure 9 and Figure 10. Appendix 2 provides details of the significant intersections shown in the figures.

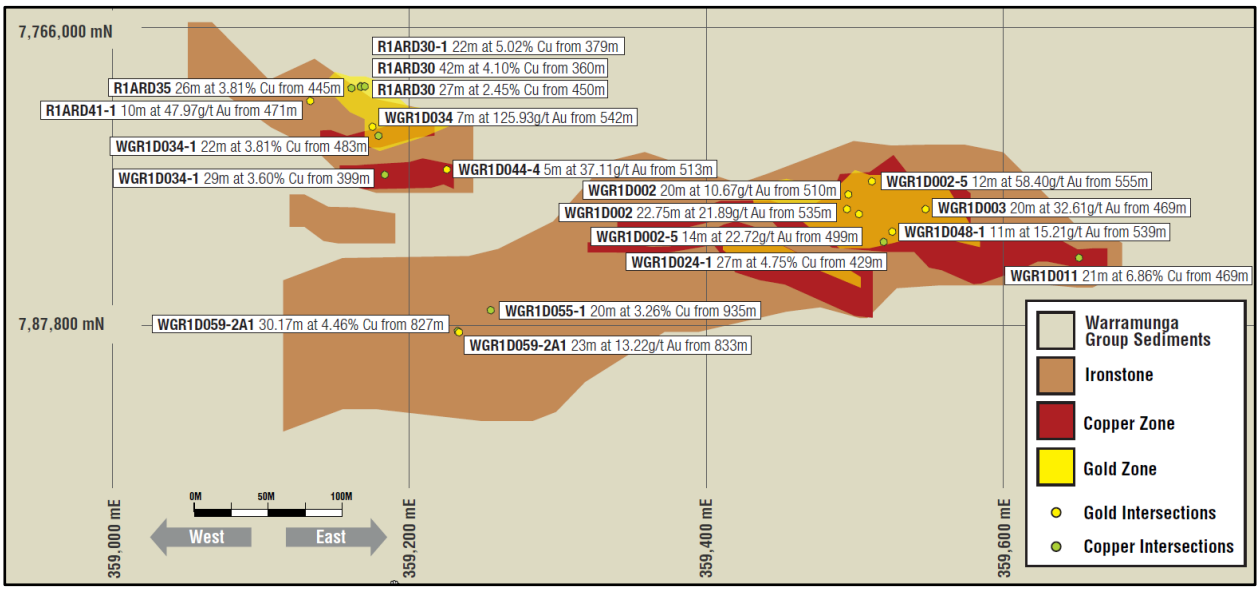

Figure 9: Schematic plan view of Rover 1 deposit, showing significant intersections > 5g/t-metres Au and >5%-metres Cu

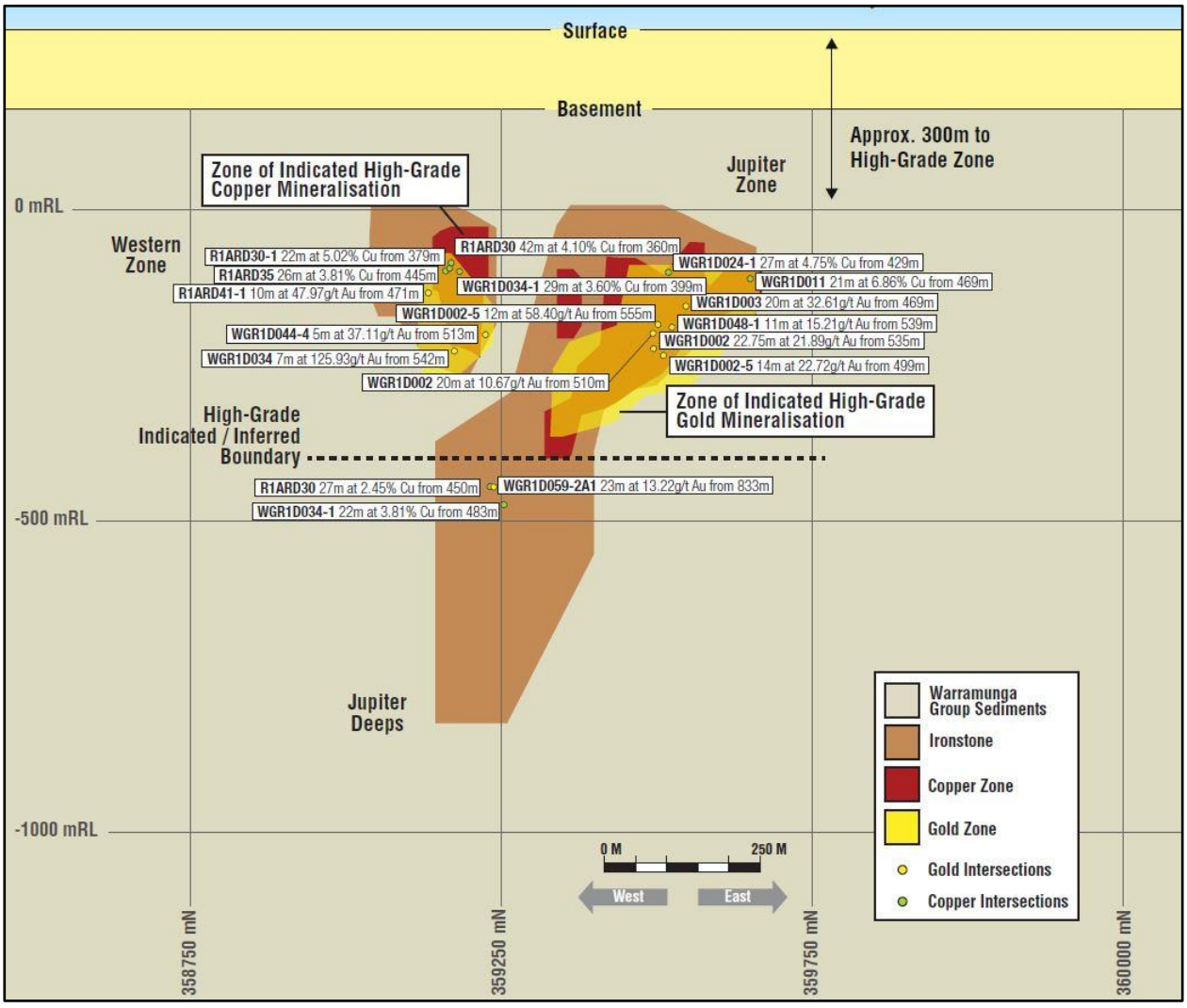

Figure 10: Schematic long section view of Rover 1 deposit looking west, showing significant intersections >5g/t-metres Au and > 5 %-metres Cu

Source: Castile

Drillhole Data

The Rover 1 database contains 188 drillholes totalling 84,990 m of drilling. Drill density is variable with 20–40 m section spacing over mineralised zones, but with the drillhole spacing on section varying greatly due to the steep orientation of the drilling in relation the deposit.

Geopeko drilled 34 diamond drillholes into Rover 1 between 1970 and 1982. Few details of these historical drillholes are provided in the resource report (Russell, 2019) or recorded in the Rover database supplied to CSA Global. Information about methods and accuracy of collar survey, downhole survey, sampling, subsampling, analytical methods, quality assurance/quality control (QAQC) and data recording are lacking. These 34 holes were included in the Mineral Resource comprising 18% of the 188 drillholes. The effect on the historical data on the accuracy of interpretation, estimates and classification was not discussed in the Table 1 commentary or the resource report.

The remaining drillholes used in the resource estimate were drilled by Navarre and Westgold in the period 2005 to 2011. The methods used for these drill programs is described in the Table 1 commentary of Westgold (2019) and Russell (2019) and were of mining industry good practice, thus the results can be considered reliable.

The drillhole database contains a total of 32,129 density measurements determined on drill core using the simple water immersion technique. Values range from 1.05 t/m^3 up to 8.56 t/m^3, with a mean of 3.00 t/m^3.

Estimation Methodology – Rover 1

Three-dimensional (3D) block models are used for resource estimation at the Rover Project. All modelling and estimation work was undertaken by Westgold utilising Surpac Vision.

The drillhole data was validated prior to interpretation and estimation. Sectional and plan view interpretations of the orebody were undertaken to create the outline strings that form the basis of the 3D orebody wireframe. Wireframing was completed using a combination of automated stitching algorithms and manual triangulation to create an accurate 3D representation of the subsurface mineralised body.

Defined drillhole intersections within the mineralised body were used to flag the appropriate sections of the drillhole database tables for compositing to allow for grade estimation.

Statistical analysis was undertaken on the composited data to assist with determining estimation search parameters and top cuts etc. Variographic analysis of individual domains was undertaken to determine appropriate search parameters. In the case of smaller populations, variography would only provide partial guidance as to the appropriate estimation parameters, which were then incorporated with observed geological and geometrical features to determine the most appropriate search parameters.

A block model was then created and flagged with the interpretation wireframes. The block dimensions used in the model were 20 m east-west x 5 m north-south x 10 m vertical with sub-cells of 5 m x 1.25 m x 2.5 m. Statistics for both low and high-grade domains were assessed to select appropriate high-grade cuts. High-grade cuts used in the low-grade domain were 15 g/t Au, 20 g/t Ag, 3% Bi, 1% Co and 10% Cu, while those used in the high-grade domain were 100 g/t Au, 50 g/t Ag and 5% Bi. High-grade cuts were not applied to cobalt and copper in the high-grade domain.

Grade estimation was undertaken using the created wireframes as constraints, the created downhole composite files as informing data, and the search parameters deemed appropriate from statistical studies and geological interpretation. Ordinary kriging estimation method was employed for estimation of all grades.

CSA Global's high-level technical review found:

- The high-grade gold wireframes appeared to visually encapsulate the higher-grade gold assays.

- The high-grade copper wireframes appeared to visually encapsulate the higher-grade copper assays.
- Westgold developed the enveloping ironstone geological model with the most simplistic interpretation that fitted the data, which avoided elaborate and complex interpretations based on structural geology in areas with limited or no drilling support to reduce the error in volume support. CSA Global agrees with this approach.
- There are volumes of low-grade mineralisation and high-grade mineralisation outside of the ironstone. Westgold has highlighted this as a risk. However, the assays provide evidence that the mineralisation is present, and the modelling appears to correlate with the continuity established elsewhere.
- The gold and copper cut-off parameters for the low-grade mineralisation were 0.5 g/t Au and 0.4% Cu. CSA Global determined that these values correlate reasonably well with the wireframes provided when reviewed in 3D with the drillhole assays; therefore, CSA Global believes the geological model is not a risk.
- CSA Global undertook global statistics of data inside the low-grade gold domains which provided broad confirmation of the geological modelling approach.
- Top cuts of 100 g/t Au and 1.6 g/t Au were applied to the high-grade and low-grade gold domains respectively – these appear to be aggressive, equating to the 99.5 quantile, but is defendable based on the statistics presented in the resource report.
- CSA Global considers that the strategy not to top cut the high-grade copper domain, and top cutting the low-grade copper domain at 1.2% Cu is defendable.
- Using the large number of density values available (32,129), density was estimated into model blocks using inverse distance weighting techniques.
- The level of detail provided in the accompanying JORC Code Table 1 commentary is adequate, but could be more detailed.

Metal Equivalence – Rover 1

No metal equivalent gold grades are stated in the Mineral Resources reported by Castile (Westgold, 2019). Solely for the purpose of integrating individual grades, Castile calculated a gold equivalent (AuEq) grade for each block in the model from each block's grades of gold, silver, copper, cobalt and bismuth using the following formula which was developed by Runge (2010):

- AuEq = Au + Ag x 0.0136 + Bi x 4.6753 + Co x 13.0909 + Cu x 1.9793.

This was based on metal prices prevailing in 2010 and applied equal recovery for all metals. The AuEq block value was only used in applying a cut-off grade to determine the resource. Castile has reported only the individual metal grades for the Mineral Resource.

Classification – Rover 1

Resource classification was assessed by Castile (Russell, 2019) using a combination of drill data density, data quality, data integrity, geological domaining and geological continuity.

- All mineralised zones intersected only on a single section were classified Inferred
- All material below the 400 m level (i.e. Jupiter Deeps) was classified as Inferred
- All material within the ironstone domain (i.e. not within the high or low-grade domains) was classified as Inferred
- All material within the gold and copper high-grade and low-grade domains in the Jupiter and Western zones, aside from those intersected on a single section, were classified as Indicated.

Figure 11 illustrates the classification applied to the Rover 1 block model in long section. CSA Global's high level technical review found the classification to be broadly appropriate, but that the estimation quality statistics provided in the block model and the explanation in the documentation on how the parameters

were used are insufficient to assess the classification in detail. CSA Global found a number of minor inconsistencies between the classification criteria as written-up and the actual block model coding.

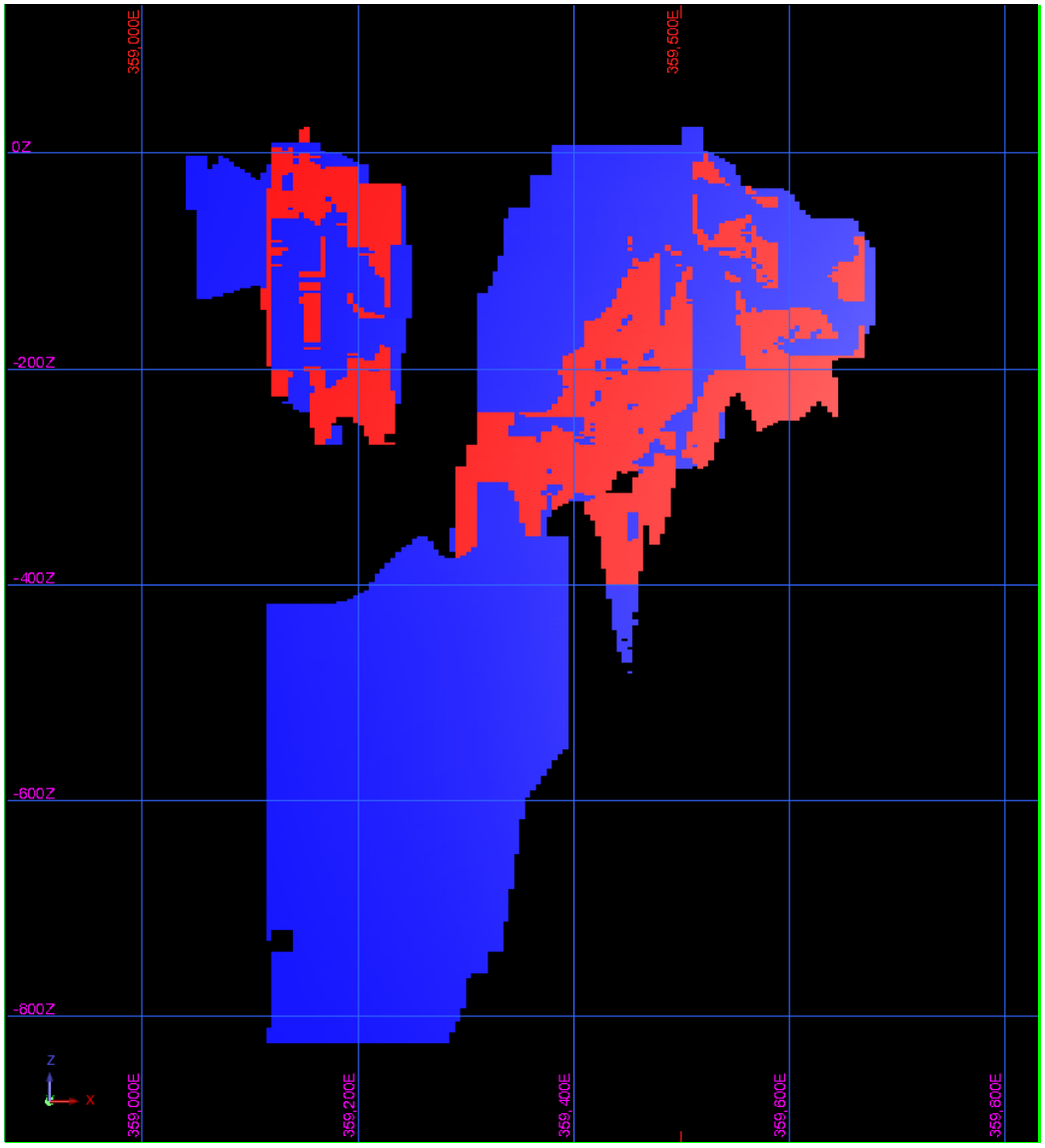

Figure 11: Long section of the Rover 1 deposit showing resource classification
Note: Indicated Resources (red) and Inferred Resources (blue).

CSA Global considers the classification to meet the requirements of the JORC Code (2012).

Model Validation – Rover 1

Validation of the block model was undertaken by Castile using a variety of methods: trend analysis section-by-section basis against input drilling data, quantile-quantile (Q-Q) plots and log-histograms for input data and the input model cells, and box and whisker plot comparison.

As an independent validation of the resource model, CSA Global extracted the blocks from inside the low-grade gold wireframes, as these represented the most extensive volumes and the greatest volumes intersecting any other domain. Ag g/t, Au g/t and Cu% composite values were validated against the raw values. A high correlation between raw assays and 1 m composites (independently extracted from the low-grade gold wireframes by CSA Global) resulted in classical statistics, swath plots and statistical plots (histograms, Q-Q plots and log-probability plots). The composites were validated in the same manner against the block model, with a locally and globally robust estimate of silver and gold defined by the

statistics for the material reviewed, although a slight conditional bias in copper exists, with a mean composite copper grade of 0.931% Cu versus a mean block grade of 0.651% Cu.

CSA Global considers that the block model on which the Rover 1 Mineral Resource is based has been adequately validated.

2.7.2 Explorer 108 Mineral Resource Estimate

The Explorer 108 lead-zinc deposit is located in the west of the project area on EL27039 (Figure 4). It was discovered in the 1970s by Geopeko through drilling a blind geophysical target, with subsequent drilling by Castile (Section 2.6.2). The most recent Mineral Resource estimate for the deposit was done in 2012 (Shenton, 2012), and released as an ASX market announcement (Westgold, 2012a). The Explorer 108 lead-zinc deposit is estimated to contain a Mineral Resource of:

- 11.9 Mt at 11.1 g/t Ag, 2.0% Pb, 3.2% Zn for 4.25 Moz silver, 237 kt lead, 385 kt zinc, above a lower cut-off grade of 2.5% combined Pb-Zn; of which:
  - 8.44 Mt at 14.3 g/t Ag, 2.05% Pb, 3.41% Zn is classified as Indicated
  - 4.7 Mt at 3.3 g/t Ag, 1.9% Pb, 2.8% Zn is classified as Inferred.

Additionally, the Explorer 108 deposit is estimated to contain a small copper Mineral Resource of 5.7 Mt at 0.36% Cu for 20.3 kt copper, determined on an undiluted basis above a lower cut-off grade of 0.1% Cu. These resources are tabulated in Table 3 along with the other Rover Project resources.

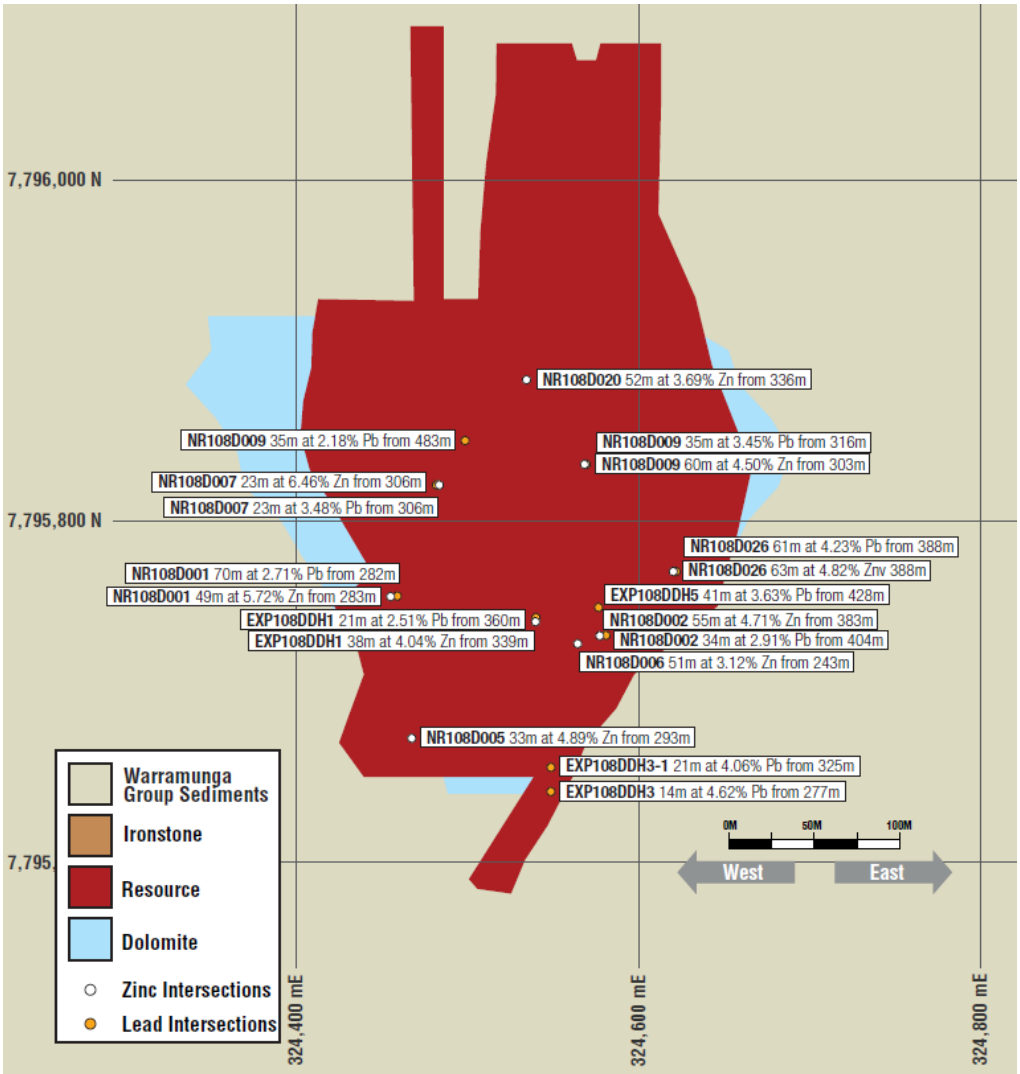

Figure 12: Schematic plan view of Explorer 108 deposit looking west, showing significant intersections >5%-metres Pb and >5%-metres Zn. Source: Castile

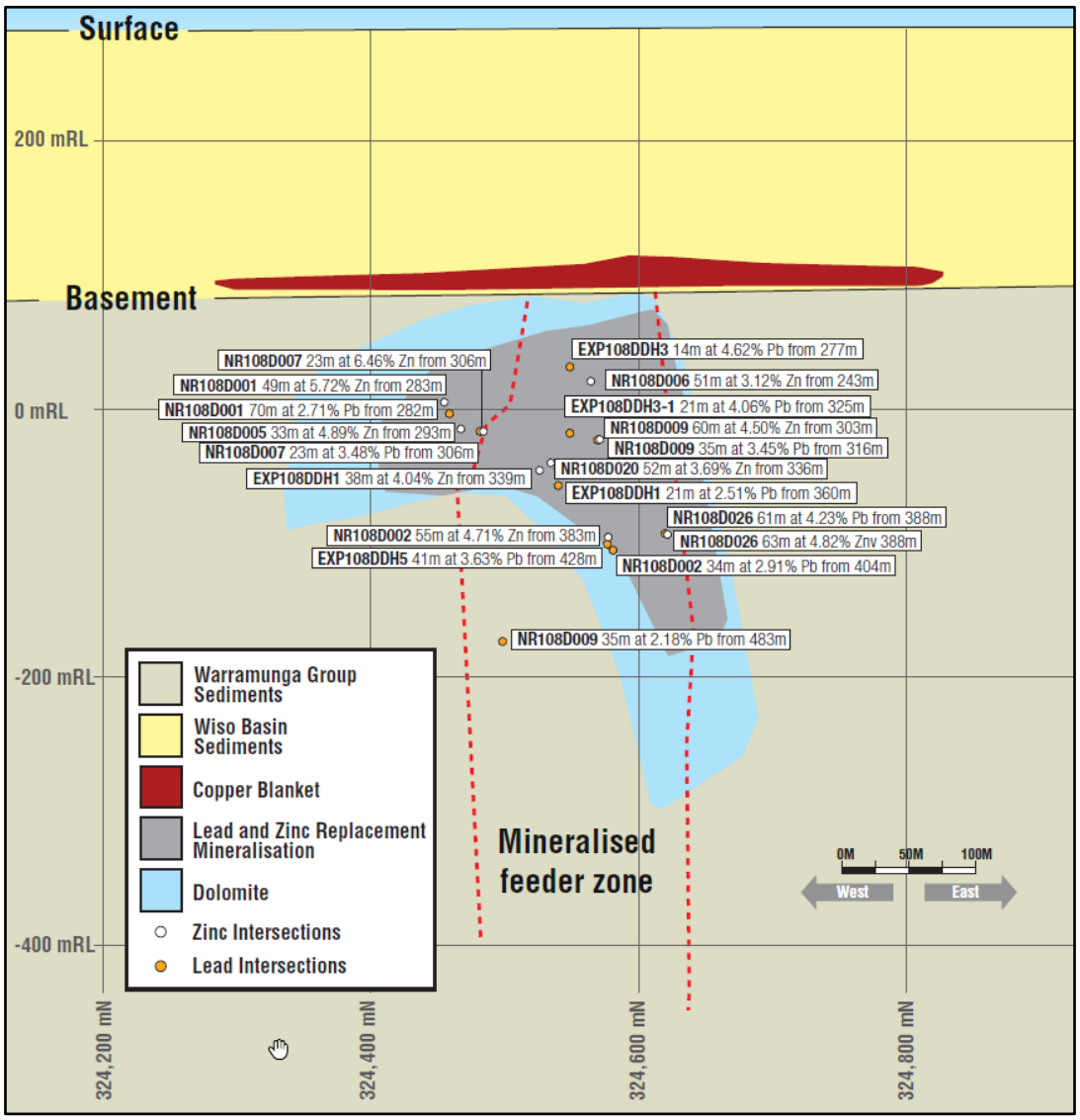

Figure 13: Schematic cross section view of Explorer 108 deposit, showing significant intersections >5%-metres Pb and >5%-metres Zn

Source: Castile

The geology of the deposit is described in Section 2.5.2 and illustrated in schematic plan and cross section in Figure 12 and Figure 13. Appendix 2 provides details of the significant intersections shown in the figures.

Mineralisation at Explorer 108 is hosted within a highly altered and deformed dolomitic breccia which is intersected by vertical, high strain, shear zones that are thought to be the pathway for mineralising fluids. High-grade mineralisation generally occurs at the contact between the lower volcanoclastic sediments and the basal contact of the dolomite breccia and is dominated by galena and sphalerite.

The estimate is based on surface diamond drilling data, all of which was completed by Westgold. Six historical Geopeko diamond drillholes, confirm mineralisation within Explorer 108; however, due to data validation issues, these were not included in the resource modelling (Shenton, 2012). The reduced database contained collar, survey, assay and geological assay data for a total of 31 drillholes for 23,061 m, seven holes drilled by Navarre in 2006 and 24 by Westgold in 2007 to 2009. Eighteen holes were pre-collared with RC but all were diamond drilled through the mineralised zone in HQ or NQ sized core. Analysis of drill core for Pb, Zn, Ag, Au and Cu was carried out by ALS Laboratories in Perth. A total of 457 QAQC samples were analysed, including 252 standard reference materials, 61 blanks and 144 quartz flushes. A total of 735 repeat analyses were conducted. The collar survey, downhole survey, subsampling,

assay and QAQC methods was available and assessed as meeting good practice standards in line with JORC Code criteria (Shenton, 2012).

The drillhole database contained 9,762 density measurements ranging from 1.76 t/m^3 to 7.06 t/m^3. Bulk density was assigned to model cells by inverse distance weighted interpolation of the drillhole measurements constrained by ore wireframes, except for the upper zone where density was assigned as 2.33 t/m^3 for sedimentary cover and 2.74 t/m^3 for sediment-hosted copper mineralisation.

Surpac Vision software was used for interpretation and estimation, and Snowden Supervisor software for geostatistical analysis. The grade interpolation for all elements was by the inverse distance squared estimation technique.

2.7.3 Explorer 142 Mineral Resource Estimate

Explorer 142 is a small copper-gold deposit located in the west of the project area on EL27039 (Figure 4). It was discovered in the 1970s by Geopeko drilling a blind geophysical target with subsequent drilling by Navarre and Castile (Section 2.6.2). A Mineral Resource has been estimated for the deposit by Castile in 2012 (Stanley, 2012). The Explorer 142 deposit is estimated to contain an Inferred Mineral Resource of: 0.17 Mt at 0.21 g/t Au and 5.2% Cu for 1.2 koz gold and 9.2 kt copper (Table 3). This figure was reported undiluted, above a lower cut-off of 2.5% Cu.

The geology of the deposit is described in Section 2.5.3 and illustrated in schematic plan and long section in Figure 14 and Figure 15. Appendix 2 provides details of the significant intersections shown in the figures.

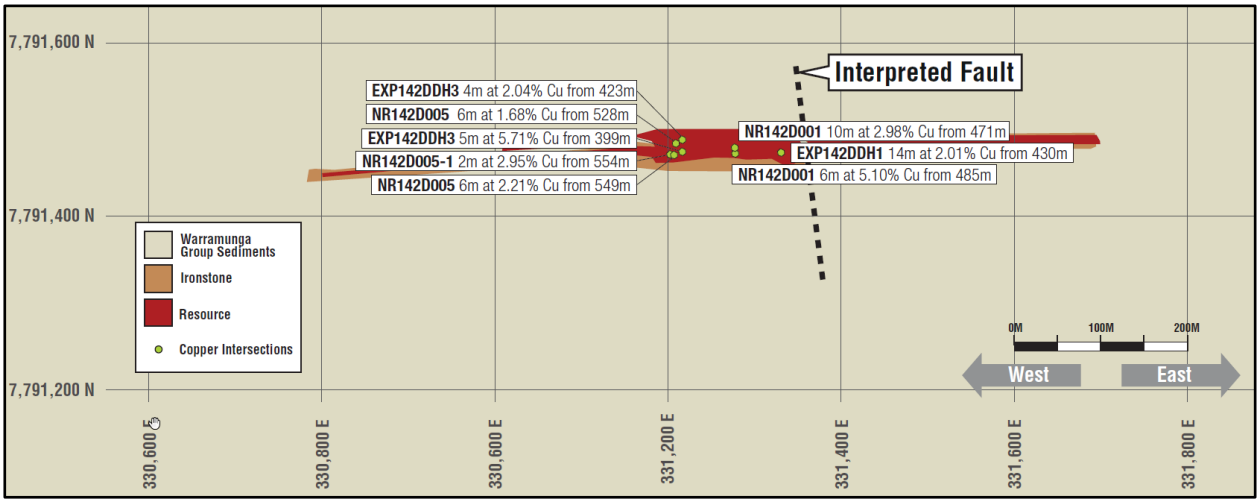

Figure 14: Schematic plan view of Explorer 142 deposit, showing significant intersections >5%-metres Cu
Source: Castile

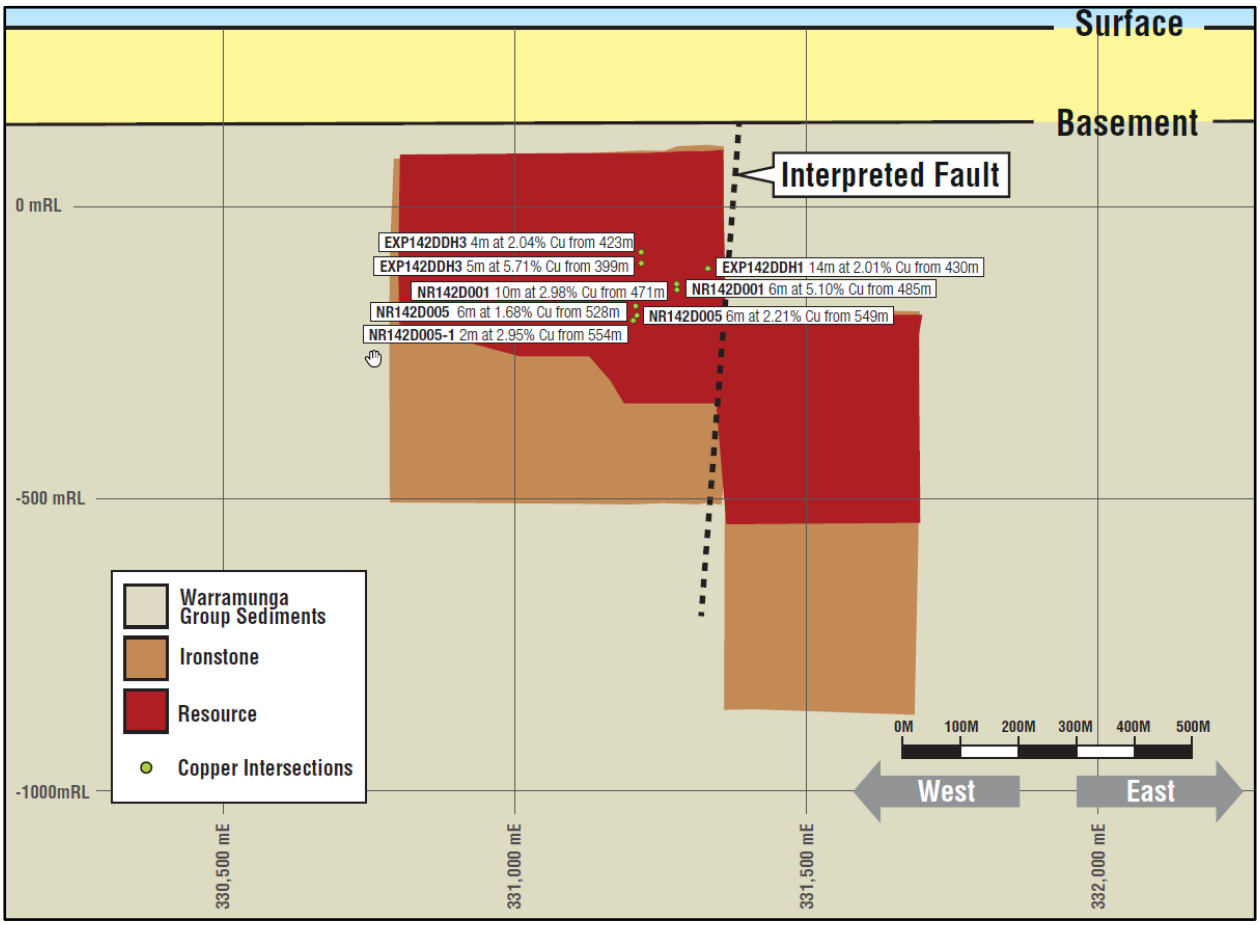

Figure 15: Schematic long section view of Explorer 142 deposit, showing significant intersections >5%-metres Cu
Source: Castile

Mineralisation at Explorer 142 is hosted within a highly altered and deformed sedimentary sequence which is intersected by a vertical, high strain, shear zones that is thought to be the pathway for mineralising fluids. The shear zone is highlighted by hematite alteration in the form of ironstone and metsomatic BIFs. High-grade mineralisation generally occurs at the contact between the ironstone and sediments. It has been interpreted that a north-south fault has cut off mineralisation in the east, faulting it down 90 m vertically. A resource model was developed for the deposit which extends from below the unconformity surface (200 m below the current topographic surface), and 650 m below the current topographic surface. The estimate is based on surface diamond drilling data, completed by Westgold, Navarre and four historical holes by Peko Ltd (Stanley, 2012).

The drillhole database contained collar, survey, assay and geological assay data for a total of 19 drillholes for 7,767 m, with seven historical holes drilled by Geopeko in the 1970s, three holes drilled by Navarre in 2006 and nine by Westgold in 2007 to 2009. Eleven holes were pre-collared with RC but all were diamond drilled through the mineralised zone in HQ or NQ sized core. For the historical Geopeko holes, little original information on collar survey, downhole survey, subsampling, assay and QAQC methods were recorded, so Westgold assumed that accurate and creditable industry standard methods and techniques were implemented (Stanley, 2012). For the 12 recent holes, the meta-data was available and assessed as meeting good practice standards in line with JORC Code criteria. A total of 562 density measurements were performed on Westgold core focusing around the ironstone/BIF and proximal sedimentary units ranging from 2.34 t/m^3 to 5.12 t/m^3. Bulk density was assigned to model cells by lithology as cover – 2.33, sediments – 2.77, and ironstone – 3.88 t/m^3.

Surpac Vision software was used for interpretation and estimation. No data validation was performed. Geological interpretation involved a wireframe geological model of the ironstone and metsomatic BIF units. Mineralisation interpretation was carried out on an element-by-element basis to ensure that each

element was represented in an appropriate manner. The copper mineralisation had a well-defined high-grade zone at the centre of the deposit, which was domained separately from the low grade to prevent smearing during the resource estimation. In general, the geological controls on mineralisation within Explorer 142 are extremely similar for copper, gold and bismuth with the resultant mineralisation wireframes being essentially concurrent. A top-cut analysis was performed for all elements of economic interest in each of the domains included in the current resource estimation, which determined that no top cuts were required. No useful geostatistical plots were able to be generated for any of the elements/domains due to a lack of composite data in each domain.

The grade interpolation for all elements was by the inverse distance squared estimation technique. Search ellipse parameters for the Explorer 142 estimate were defined by 2.5 times the nominal drill spacing within the mineralised domain. The second and third pass estimations were expanded by varying factors to allow for estimation of all cells that did not fill during the first pass. The orientation of the various domains defined the continuity model used within each estimation pass. A block size of 2m (Y) x 10 m (X) x 8m (Z) was selected as data in the immediate area of interest is moderately dense, with a nominal sectional spacing of 50 m. The model was validated using three statistical tools as well as viewing the modelled results on a section-by-section basis against input drilling data (Stanley, 2012).

The entire deposit was classified as Inferred Resources. Due to poor drill data density, greater than 50 m spacing, and a lack of composite data, no Indicated Resource for Explorer 142 was supported.

2.8 Metallurgy and Development

Metallurgical testwork was carried out on the Explorer 108 deposit in 2008, to enable a basic processing flowsheet and to assist in the feasibility works for the area. The work was based upon four sets of base metal core intersections from various holes within Ex108, assayed between 1.3–5.1% Pb, 3.1–8.9% Zn and 7.0–13.0% MgO. The following is a summary of the result taken from Glen (2008): Core intersections received contain a simple base metal suite consisting of galena, sphalerite and minor pyrite and chalcopyrite. Non sulphides include talc, quartz, magnetite and haematite. Sphalerite and galena liberate at relative coarse size with 50% liberation seen at 90 and 65 microns respectively. Associations between galena and sphalerite are moderate but persistent to fine size. Flotation testing indicates relatively simple separations can be made using conventional reagents yielding high grade lead and zinc concentrates. Floats were performed at grind sizes between 60 microns and 90 microns. Talc floats freely in roughing and a pre-float stage is required to remove this prior to sulphide stages. Talc depressant, CMC, was used through lead roughing to reduce MgO recovery into cleaning stages. Lead flotation responds well to a conventional flotation reagent suite with 60–65% recovery to a 65% lead concentrate. Concentrate cleaning is impeded by fine galena/sphalerite composites. In these tests lead concentrates contain up to 11% zinc. Further testing will be required to assess options for lowering zinc levels in lead concentrate. Zinc flotation performance was excellent with >55% Zn concentrates obtained at 80–88% recovery. Concentrates contain moderate silica levels (2–3%, probably as talc) which will require further testing to define rejection routines. Gold, silver and copper values are also recovered into the zinc concentrate.

Metallurgical study of Rover 1 core samples was undertaken by Burnie Research Laboratory (BRL, 2009) and the results were incorporated into a scoping study flowsheet. Two sets of core intersections were provided (high and low gold content). Testing included assay analysis, gold deportment, sized mineralogical assessment and basic flotation routines for copper and bismuth recovery. Economic minerals present were chalcopyrite, bismuthinite, gold and cobalt, gangue minerals magnetite, pyrite, haematite and quartz. Mineralogically, the samples were classified by BRL as relatively simple with chalcopyrite and bismuthinite liberation from the non-sulphide gangue substantially complete at a grind p80 of 100 microns. The chalcopyrite and bismuthinite were fine grained and concentrated into finer fractions on grinding. Sulphide associations were moderate at this size with only moderate association of chalcopyrite and bismuthinite with pyrite. Associations of chalcopyrite and bismuthinite were also moderate. Flotation testing indicated roughing to a bulk sulphide concentrate then separation of rougher

concentrate to secondary bismuth and copper concentrates for regrind and cleaning offers the best approach for yielding saleable bismuth and copper concentrates. This routine proved to be most successful with bismuth concentrates of 20% Bi and 80% recovery achieved for the high-grade ore. Low grade ore achieved lesser results from the 0.20% Bi feed grade. Copper concentrates of 24% at 77% recovery were produced from low-grade ore. High-grade ore yielded slightly poorer copper results due to the increased deportment of bismuth into copper concentrate. BRL concluded that further testing of combinations of collector/depressant types in bismuth stages is required to improve the bismuth response while ensuring sufficient copper rejection. Gold deportment was reported as difficult to assess as substantial losses were encountered in bismuth flotation where cyanide was used as a chalcopyrite depressant. A "non-cyanide" depressant for chalcopyrite was tested but did not yield an improvement over cyanide. In rougher tests, gold recovery was 90% for high-grade ore and 83% for low-grade ore. Flotation recovery of cobalt from tails was also assessed. A moderately upgraded cobalt and pyrite product was produced. The product yielded 3,080 ppm cobalt at 42% recovery from new feed (BRL, 2009).

In October 2010, Westgold completed a Scoping Study to determine if the potential economic viability Rover 1 deposit (Westgold, 2010 and GR Engineering, 2010). This was based on a Mineral Resource estimate prepared by independent consultants (Runge, 2010). This scoping study confirmed the deposit held prospects for eventual economic extraction. The study envisioned underground mining via a single decline at a rate of 400,000 t per year. Ore was to be treated on site through a gravity circuit followed by a sulphide flotation circuit to produce gold and silver doré and copper, cobalt and bismuth concentrates. Water was expected to be supplied to the operation via remote subsurface aquifer located within 10 km from the site. Site access was via an 80 km unsealed graded track from Tennant Creek. The Adelaide to Darwin railway runs in close proximity to the Stuart Highway and there is a loading siding in Tennant Creek. Gas supply was to be supplied either from the high-pressure gas pipeline within ≈40 km of the deposit or alternatively trucked from the Tennant Creek connection. A processing and infrastructure study was completed by GR Engineering which set out a processing route for the recovery of all metals of value – gold, silver, copper, cobalt and bismuth. The processing route selected was based on the historical Tennant Creek operations, current metallurgical testwork, and technological developments since the Tennant Creek field was in full operation in the 1980s. Mine capital was estimated including mine development, plant and equipment. Contract mining was assumed. The GR Engineering study also contemplated expanded production capacities and provided cost estimates for those scenarios. The expected operating cost for mining was estimated. The operating cost for processing was estimated. Mine economics were favourable at the time with a net pre-tax profit predicted with a positive net present value. CSA Global considers the study to be based on historical data and costs and cannot now be relied on for project evaluation.

The Scoping Study identified the difficulty in drilling the deposit from the surface, and recommended the possible initiation of an exploration decline and underground drilling program (as depicted in Figure 16) in order to manage future development costs and to optimise data acquisition for the envisioned project. This remains in consideration by Castile.

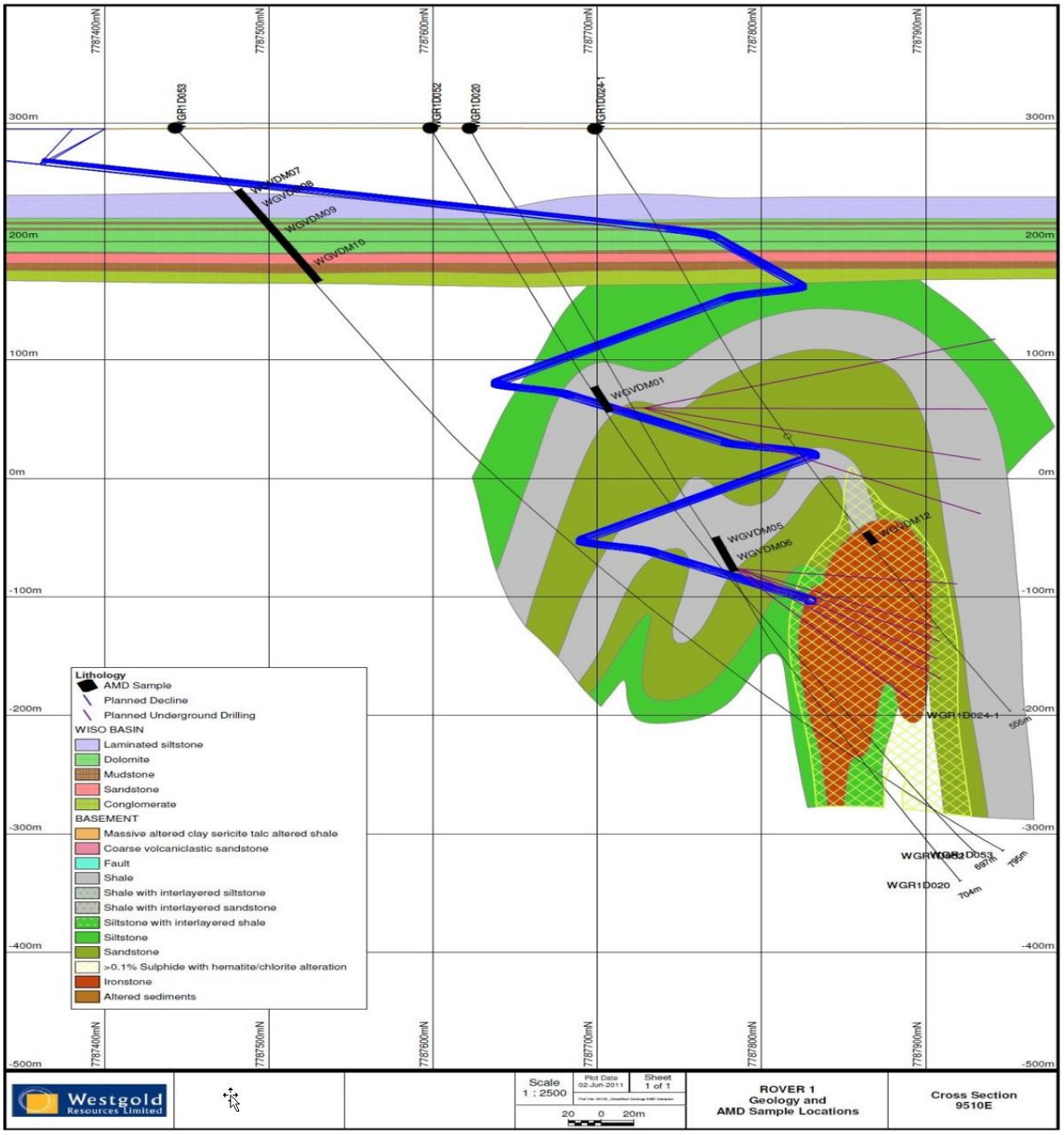

Figure 16: Schematic cross-section of proposed exploration decline
Source: Westgold, 2010

2.9 Recent Exploration

Four drillholes were completed in 2015, post mineral resource estimation, targeting resources extensions through the Jupiter Deeps Zone of Rover 1. High-grade mineralisation was intersected in a relatively wide zone in three of the four drillholes (Figure 17). These results provide extra definition around the mineralised zone, and also extend zones of known high-grade copper and gold mineralisation within the Jupiter Zone down-plunge into the Jupiter Deeps Zone. This increased confidence in the presence of a continuous mineralised system enhancing exploration and development potential. The Mineral Resource was not updated to include these four holes.

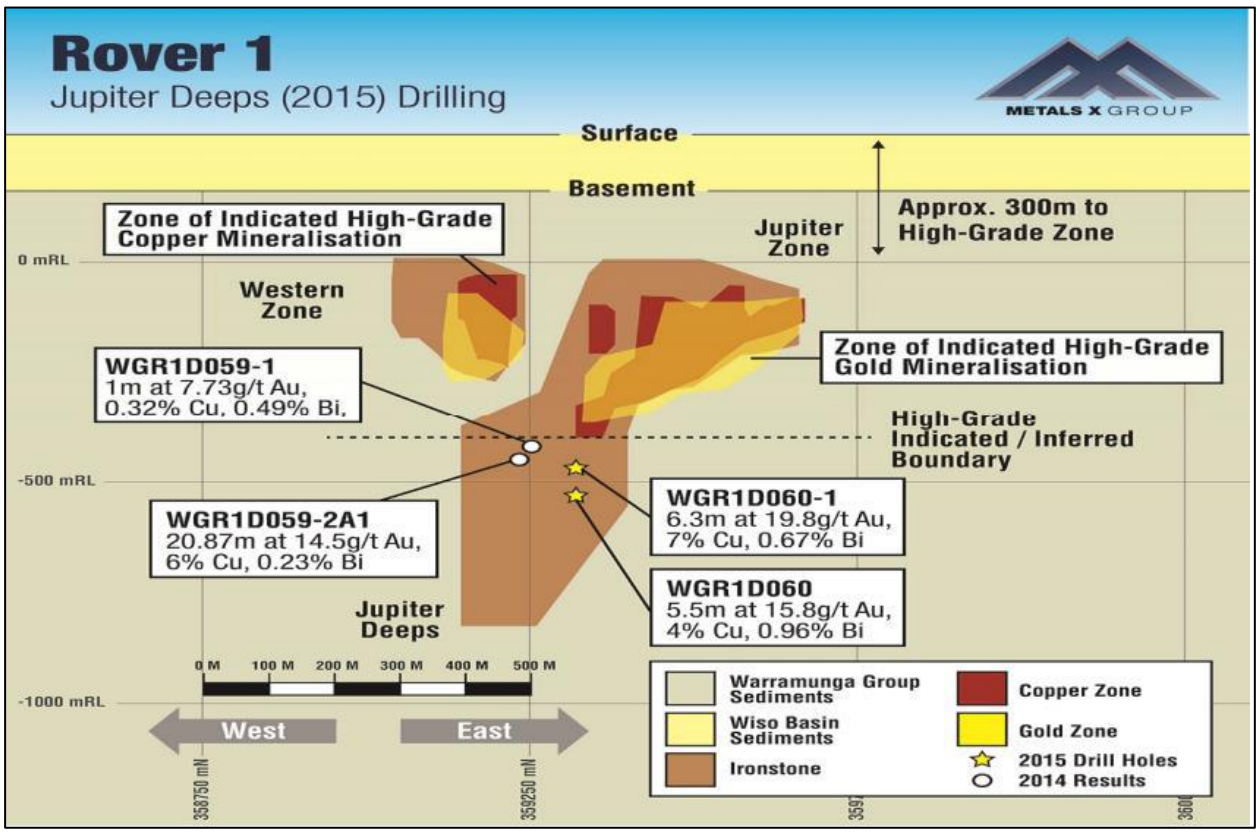

Figure 17: Long section of the Rover 1 deposit showing recent drilling not included in the Mineral Resource estimate

Source: Metals X, 2015

Exploration on the Rover Project during the 2018–2019 period consisted primarily of office studies. No field work was carried out. The Mineral Resource estimate for the Rover 1 deposit was reviewed and revised. Ongoing review of the previous exploration results continued, and this included an assessment of targets at the Curiosity Prospect in EL27039 and a prospectivity review of EL25511 and EL24541. Planning for further rehabilitation work on drillholes within ELR29957 was also undertaken (McMahon, 2019).

2.10 Exploration Potential

Castile considers their Rover Project area to be underexplored and highly prospective for the discovery of substantial IOCG deposits. The Tennant Creek gold field, 80 km to the northeast, has historically been one of Australia's richest fields noted for its high-grade gold mines and rich polymetallic deposits such as Warrego, Nobles Nob, Peko, Geko, Juno, and White Devil which all individually produced over 18 t of gold and/or 2 Mt of copper (Donnellan, 2013). These deposits are hosted in the Warramunga Province which also underlies much of the Rover project area. Tennant Creek's past producing mines have generated over 157 t of gold and 345,000 t of copper. The Tennant Creek area is known for its IOCG ore systems and highly magnetic signatures.

The overall zonation of mineralisation in the Rover 1 deposit is similar to deposits in the Tennant Creek district, especially the rich Warrego deposit. Copper is concentrated around the upper margins of the quartz-magnetite ironstones and in the silicified haematitic shales that form an alteration transition to a chlorite alteration envelope.

Castile has collected a significant geophysical dataset with high-quality aeromagnetic, gravity and electromagnetic survey data serving as a valuable tool for deep targeting. The discovery of IOCG deposits through geophysical methods, even through thick cover and at significant depth, is well documented in exploration literature. High concentrations of magnetite provide very strong magnetic anomalies, the high density of the ironstones and massive sulphides develop strong gravitational field anomalies, while the

sulphide minerals associated with IOCG mineralisation is readily detected by electromagnetic methods due to their electrical conductivity. Despite the thick (100–200 m) cover, the strength of the magnetic, gravity and electromagnetic anomalies given off by the IOCG mineralisation, means it can be detected at surface. Coincident anomalies are considered the most prospective targets for discovery.

Of the many coincident anomalies, only a handful have been drill tested with a very high strike rate of discovery. The ground package has excellent exploration potential and will benefit from a deliberate and systematic exploration program. CSA Global's opinion is that Castile's approach to the selection of exploration targets for the Project is based on a thorough examination of the available information.

Potential exists at all three known deposits, Rover 1, Explorer 108 and Explorer 142, to increase current Mineral Resources by deeper drilling down plunge and targeted drilling for extensions and repetitions within the deposit environs.

2.10.1 Explorer 142

The geology and resources of the Explorer 142 deposit have been described previously (Section 2.5.3 and Section 2.7.3). To date, 19 diamond holes have defined a 20 m wide east-west striking haematitic shear that continues over a distance of greater than 650 m. Within the shear, discrete replacement bodies of magnetite and magnetite-quartz have formed at depths between -70 mRL and -170 mRL. Associated with the magnetite bodies are two copper lodes with low levels of gold mineralisation.

Explorer 142 has one of the largest magnetic signatures in the project area. However, drilling to date has only defined a relatively small hematite dominated ironstone and associated haematitic shear. Magnetic modelling utilising all available drillhole data has determined that not enough magnetic material has been intercepted in drilling to reflect the magnetic signature of the area. Geophysical models suggest there may be additional bodies to the south as well as along strike to the east and west of known resources. The offset of the defined resource to the north in the magnetic imagery may suggest that remnant magnetism may be affecting the geophysical models which may have negatively impacted past drill targeting. Removing remnant magnetism from magnetic models may correct this shift and accurately position future models, allowing for more effective future drillhole targeting.

Deep-penetrating IP, magnetic inversion modelling and heli-TEM data suggests a larger deep-seated source to the ironstone that has been currently intercepted. Previous drilling has only defined a weak to moderate copper mineralised ironstone associated with weak zone of structural interference of a prospective banded haematitic unit. Ironstone development and copper mineralisation intersected matches with geophysical modelling. Target zones of structural complexity in the vicinity of the haematitic unit along strike are postulated, as the strength of both the magnetic and gravity signatures do not reflect the ironstone intersected to date. Stanley (2012) recommended that exploratory drilling at Explorer 142 should be focused along strike to the west on two flexure points interpreted from magnetic data.

2.10.2 Curiosity Prospect

The Curiosity prospect is a significant IP and magnetic anomaly south of Explorer 108. Both Curiosity and Explorer 108 sit along an offset gravity structure potentially part of a gravity ridge outlining a deep-seated intrusive body. Drilling at Explorer 108 has shown increasing copper anomalism in cover sequence dolomite on progression from Explorer 108 towards Curiosity. Castile hypothesise that copper mineralisation at Curiosity has breached the basement contact and been remobilised along this dolomite. Castile consider that the lead-zinc dominated mineralisation at Explorer 108 may represent the distal phase of a zoned mineralised system, with Curiosity potentially being the copper-rich member. The Mount Isa copper system provides a useful exploration model for envisioning a significant target at Curiosity. The Mount Isa copper system has very large geochemical, alteration and isotopic halos extending great distances into the host rocks from the orebodies; and application of these halo signatures at Curiosity could provide good vectoring ability even from sparse exploration drilling.

Drilling at Curiosity in late 2014 was successful in intercepting high-grade base metal mineralisation associated with a northeast-trending structure, similar to that seen below the Explorer 108 deposit to the north. Follow-up drilling was completed in October 2015 targeting a weak downhole electromagnetic anomaly 100 m south of the mineralisation intersected in 2014. The anomaly was not explained, however this drilling did intercept an east-west striking mineralised shear zone.

2.10.3 Regional Targets

There was a +20-year hiatus in regional exploration activity from 1982 to the mid-2000s as a result of native title and associated access challenges. Thus, the Tennant Creek region was overlooked during the base metal exploration boom of the 1990s. This presents an opportunity to apply modern geophysical technologies and advanced deep targeting systems to regional exploration to the covered but highly prospective terrane of Rover.

Many of the current regional exploration targets were originally identified as magnetic anomalies by Geopeko, with modern assessment using detailed aeromagnetic, gravity, airborne and ground electromagnetic surveys and ground IP used to discriminate massive sulphide bodies from barren ironstone occurrences. Westgold (2013) highlighted some of the more advanced prospects where 3D modelling of multiple geophysical datasets at Rover 3, Rover 5, Rover 7, Navigator 13, Navigator 16, Navigator 17, Explorer 111 and Explorer 143 had developed geophysical targets. Castile has subsequently highlighted the Pathfinder 2, Pathfinder 20, Rover 5 and Rover 7 for priority assessment moving forward.

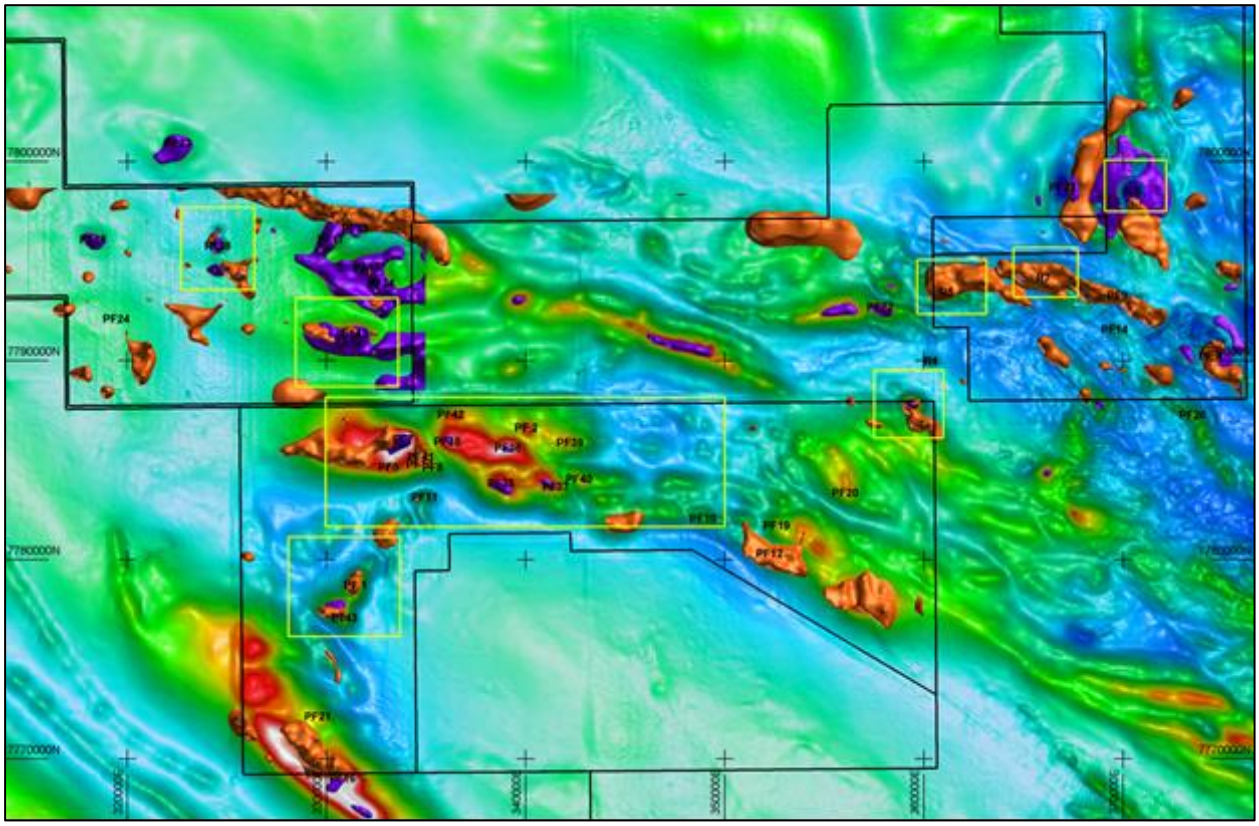

Figure 18: Regional geophysical image of the showing exploration targets
First vertical derivative magnetic image with 3D total magnetic intensity shells in purple and gravity anomaly shells in brown.
Source: Westgold, 2016

Due to the blind nature and structural complexity of the region, magnetic and structural models play key roles in drillhole targeting. Intercepts of magnetic material both within and outside of modelled magnetic shells suggest that magnetic remodelling in combination with a full-scale structural review of the area is required to allow for effective drill targeting.

2.11 Exploration and Development Strategy

2.11.1 Exploration Strategy

Castile has advised CSA Global that its overall exploration strategy is to target IOCG-style mineralisation utilising the re-interpretation of the regional controls on known mineralisation. Due to the significant depth of cover, the programs will be driven primarily by geophysics. Castile has outlined a three-year plan, with an initial six-month period of target assessment, which will see the testing of six targets. Insights gained during this initial phase will confirm exploration concepts or direct the modification of hypotheses for subsequent targeting and assessment. Castile has two advanced targets (Curiosity and Explorer 142) and four priority targets (Pathfinder 2, Pathfinder 20, Rover 5 and Rover 7) which were defined by previous operators and have been slated for early review and testing.

This target testing work will occur in parallel with independent, first-principles regional targeting, which will involve modern geophysical assessment. It will also involve developing geochemical vectors using existing drillhole data from known deposits which will aid in the detailed drill testing of geophysical targets using the very limited drillhole results available.

Advanced Target: Explorer 142

The Explorer 142 copper-gold-bismuth deposit is located 28 km west of Rover 1. It has one of the largest magnetic signatures in the project area and is earmarked as an advanced target ready for early drill testing, post-listing.

Advanced Target: Curiosity

The Curiosity prospect is a significant IP and magnetic anomaly south of Explorer 108. It is earmarked as an advanced target ready for early drill testing, post-listing.

Priority Targets: Pathfinder 2, Pathfinder 20, Rover 5 and Rover 7

Exploration potential throughout the regional areas of the Rover Project remains high, with multiple targets yet to see modern exploration techniques. The majority of the targets lie within EL24541 in section of ground 1–4 km north of a dominant intruding granite in the region.

The Pathfinder 2 target lies within the central portions of EL24541 approximately 20 km west of Rover 1. The target is a discrete magnetic peak with coincident electromagnetic and IP anomalies. A weak gravity anomaly is also observed. The target was previously drilled by Peko in the 1970, however, it appears that the drillhole missed the main magnetic and gravity peak by 250 m.

The Pathfinder 20 prospect lies 5 km southwest of the Rover 1 deposit and consists of a discrete magnetic anomaly that sits off a magnetic trend. There is a weak gravity anomaly associated with the target and is found at the boundary of a structural zone that leads into the Rover 1 deposit.

The Rover 5 and Rover 7 targets are also located in EL25511, 4 km and 6 km to the northeast respectively from the Rover 1 deposit. The two targets are characterised by coincidental magnetic and gravity anomalies of up to 13.5 times background and lie within a similar stacked structural duplex believed to control the Rover 1 mineralisation. To date, three drillholes have tested the anomalies. All intercepted volcanoclastic sediments of the Ooriddigee Group with varying zones of strong chlorite alteration and trace chalcopyrite. Poor targeting with a vertical hole at Rover 5 and drilling complications during the Rover 7 campaign leads Castile to believe that the optimum zone has yet to be tested at both prospects.

During the first field season, it is envisaged that Rover 5 and Rover 7 as well as Pathfinder 2 and Pathfinder 20 will see initial drill testing post geophysical/structural reworking to aid in targeting. In parallel, regional geophysical data processing plus focused geophysical data acquisition is envisaged to both refine and reprioritise existing secondary targets zones and also generate new targets, both of which will be tested during the second and third field seasons.

2.11.2 Development Strategy

Castile has informed CSA Global that it will undertake Scoping Study work on the Rover 1 deposit to examine potential for economic development and pathways to development. This may include updated Mineral Resource estimation, metallurgical testwork, mining studies, processing studies, environmental studies and economic assessments. Where study work indicates the need for additional raw data, further drilling may be necessary. A potential outcome of the Scoping Study is envisioned to be detailed planning and costing for the mining of an exploration decline, close spaced diamond drilling for the definition of Ore Reserves and exploration drilling for additional resources at depth.

3 Warumpi Project

3.1 Location, Access and Infrastructure

The Warumpi Project is located approximately 300 km west of Alice Springs and approximately 500 km southwest of the Rover Project (Figure 19). The project is accessed from Alice Springs via the Stuart Highway, the Tanami Road and then on the Gary Junction Road (320 km) that passes through the tenements. The small settlement of Mount Liebig is on the eastern boundary of the tenements.

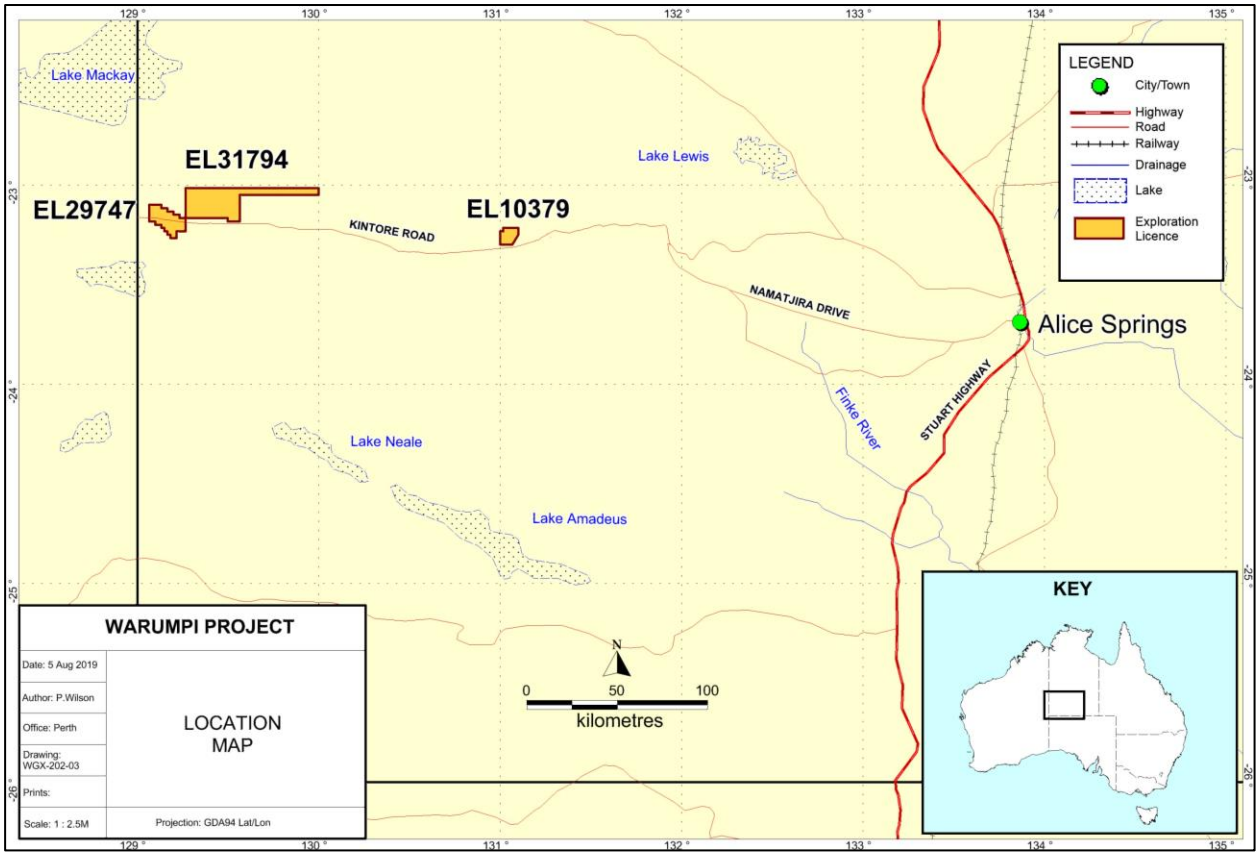

Figure 19: Location of the Warumpi Project
Source: Castile

3.2 Climate, Topography and Landforms

The Warumpi Project area has a very arid, temperate climate with long hot summers and short mild winters somewhat harsher than the Rover area climate described in Section 2.2 above. Topography is generally subdued with extensive sand coverage and dune development.

3.3 Tenure

Castile's Warumpi Project comprises three granted exploration licences. The total tenement area is approximately 800 km². Table 5 provides the ID number for each tenement and its key details. The location of each tenement is shown in Figure 19. All tenements are held 100% by Castile or Castile has the exclusive right to acquire a 100% interest. Full details on the tenements (agreements, royalties, Native Title, Crown Reserves etc.) are provided in the material contracts section of the prospectus.

Table 5: Warumpi Project tenements

Tenement ID	Type	Status	Holder name	Grant date	End date	Area (km²)
EL10379	EL	Renewed retained	Castile Resources Ltd	11 Sep 2007	10 Sep 2021	53.64
EL29747	EL	Renewed retained	Castile Resources Ltd	13 Oct 2017	12 Oct 2023	56.86
EL31794	EL	Issued	Castile Resources Ltd	28 Feb 2018	27 Feb 2024	688.76

Source: Castile, 2019

Joint ventures are in place for two of the tenements, as described in the Solicitors Report, with EL29747 and EL31794 being operated by Independence Group NL (IGO).

3.4 Regional Geology

The Warumpi Project lies within the Western Springs area, which is mainly located in the Warumpi Province (Figure 20 and Figure 21). This area was previously considered to be the southern margins of the Arunta Inlier. However, in 1999 the NTGS processed high-resolution aeromagnetic data over central Australia resulting in the identification of the Warumpi Province as a separate entity from the Arunta Inlier. Further mapping and age dating of the Mount Rennie and Mount Liebig area that lie within the Warumpi Province produced dates ranging from 1690 Ma to 1610 Ma, giving further evidence that the Warumpi Province was part of a crucial period of the development of the North Australia Craton. This 500 km east-west exotic terrane is hypothesised to have Grenville-aged architecture, thrusting it up onto the southern margins of the Arunta inlier during the Liebig orogeny (1640–1630 Ma) (Wilson, 2018).

Two high-grade domains dominate the Warumpi Project area of the Warumpi Province; the Yaya Domain; located in the northern portion, which dominates EL10379, and the Haasts Bluff Domain located in the south. The Yaya Domain (1660–1640 Ma) consists of psammites, pelite, calc-silicates, felsic migmatites and cordierite mafic granulites, all of which have been intruded by various granite suites of the Papunya Igneous Complex. The Haasts Bluff Domain (1690–1660 Ma) comprises rhyolitic volcanics, metasedimentary schists, amphibolites, orthogneiss, and various suites of granitoid intrusive.

The Yaya Domain (1660–1640 Ma) consists dominantly of high-grade metamorphic migmatites intruded by volumous felsic and mafic rocks of the Waluwiya Suite (1640–1630 Ma) and conformably overlain by the Yaya Metamorphic Complex (1660–1650 Ma). The Yaya Metamorphic Complex is composed of four stratigraphic units:

- Spears Metamorphics: Generally mapped in the east portion of the Warumpi Province, however, observed throughout the Mount Liebig area. It consists of augen gneiss, felsic gneisses, metapelites, and amphibolites.
- Inyalinga Granulites: Dominantly in the northern portion of the Yaya Metamorphic Complex with similar lithologies to the Spear Metamorphics containing massive cordierite-rich granulites.
- Alkipi Metamorphics: Mapped throughout the eastern portion of the Warumpi Province and not seen on the project area. It consists dominantly of homogenous quartz rich metasediments.
- Liesler Metamorphics: Forms near the Davenport Hills in the far west Yaya Metamorphic Complex and consists of metapelitic migmatites.

The Haasts Bluff Domain (1690–1660 Ma) makes up the remaining portion of the Warumpi Province in the project area and are some of the oldest rocks in the region. It consists of dominantly metasedimentary schists, orthogneisses, and various suites of granitoid intrusives with minor rhyolitic volcanics. An upper amphibolite facies metamorphic event during the Liebig Orogeny (1640–1635 Ma) affected the region, while the Iwupataka Metamorphics were unconformably being deposited.

Many units compose the Iwupataka Metamorphics, however, only two are observed throughout the southwest portion of Warumpi Project area:

- Lizard Schist: Biotite-muscovite-quartz schist interlayered with muscovite quartz-rich psammite layers.

- Nugman Metamorphics: Lower amphibolite facies metasedimentary rocks near the Mount Rennie area composed of biotite muscovite schists and minor mafic amphibolites.

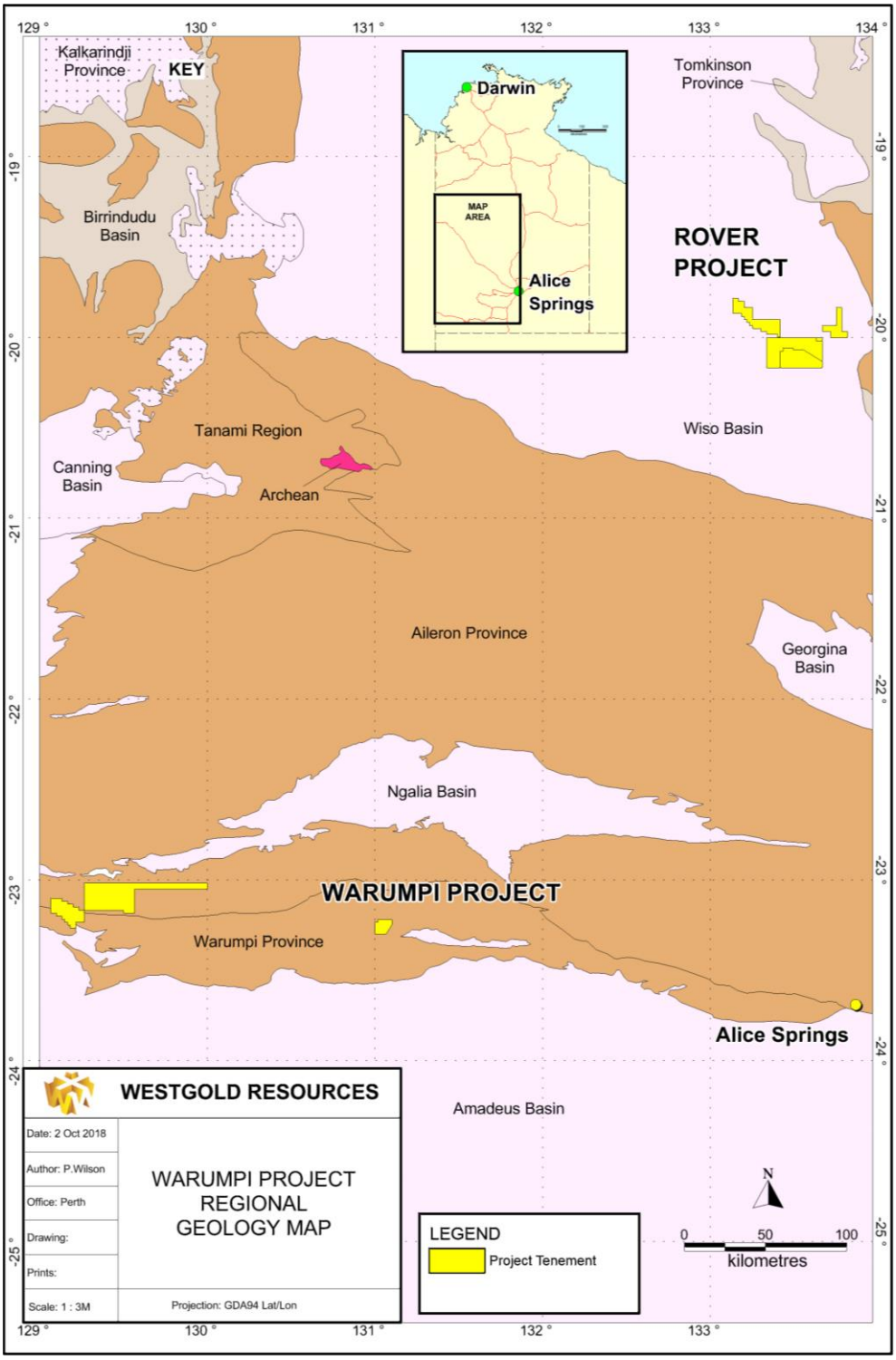

Figure 20: Northern Territory regional geology map showing provinces
Source: Westgold

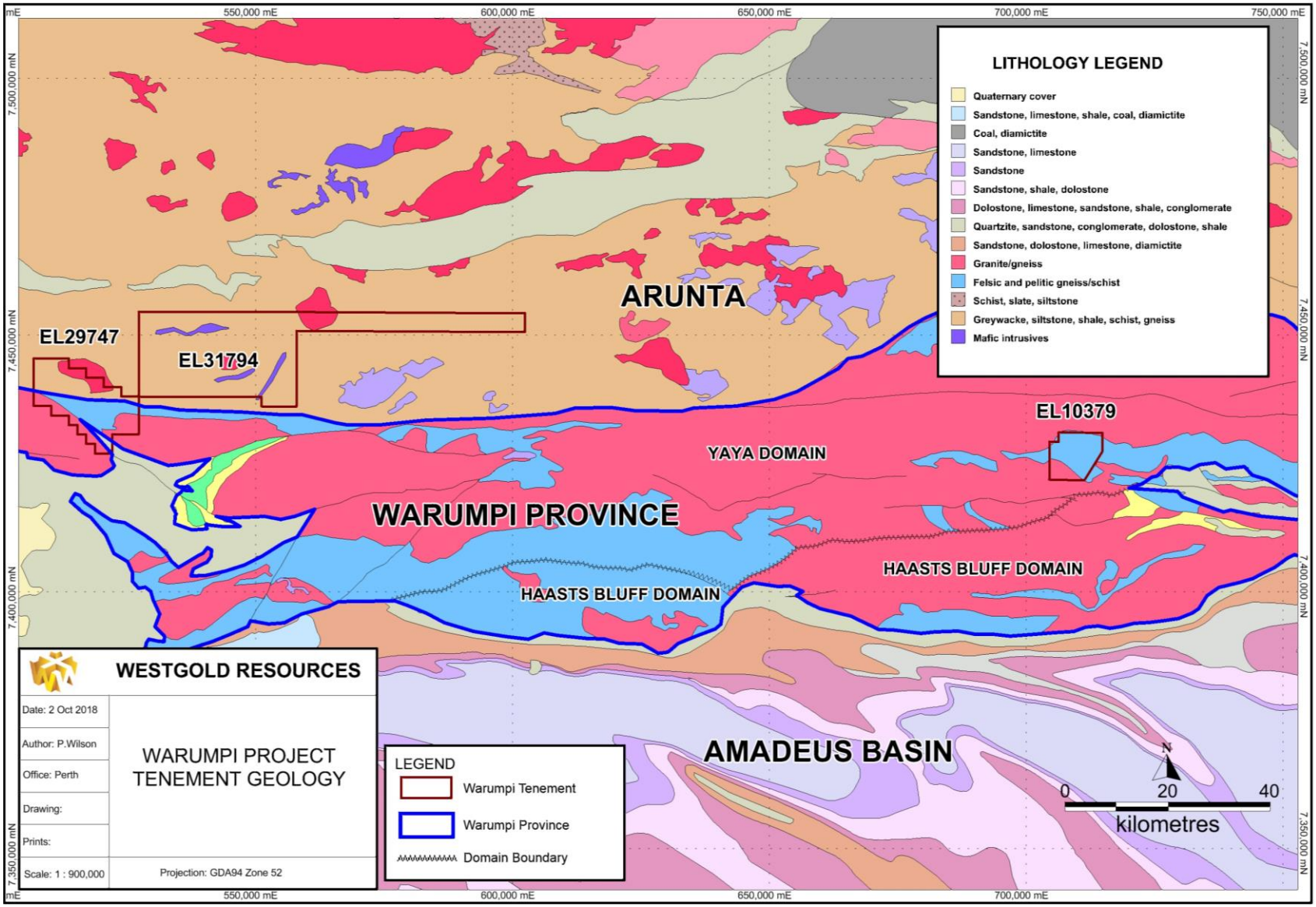

Figure 21: Warumpi Province regional geology map. Source: Westgold

3.5 Local Geology

EL10379 lies within the Yaya Domain of the Warumpi Province (Figure 21), consisting of dominantly high-grade metasedimentary to igneous rocks types as described above. The tenement is made up of two formations; the Inyalinga Granulites to the north, which consists of high-grade calc-silicate rocks and unclassified Yaya Metamorphic Complex to the south, consisting of a multitude of migmatites and altered granites. The Inyalinga Granulites dominate the majority of the tenement with only the southwest sector containing the Yaya Metamorphic complex.

3.6 Mining and Exploration History

No historical production has been undertaken at the Warumpi Project.

Limited historical exploration has been completed throughout the region prior to activities by Castile, due primarily to its relative inaccessibility, harsh arid environment, lack of water sources and poor grazing conditions. Geologically the area is poorly understood due to limited outcrops, weathered profile and a thin veneer of aeolian sands masking vast areas the region. Recent work by the NTGS including outcrop mapping, broad-scale aeromagnetics and limited geochemical sampling to the direct east of the tenements was undertaken in 1999.

During the 2011–2012 reporting period, Castile conducted a four-day reconnaissance trip throughout EL6861, EL6732, EL10379 and EL30306 collecting rock and lag samples over areas of interest to help establish baseline levels as well as to determine the effectiveness of the sampling mediums and technique used (Burke, 2014). As a result, systematic on-ground exploration was initialised throughout the central portions of EL6861 during the latter half of the 2011–2012 reporting period. Initially, samples were collected along a 1 km x 1 km grid with greater detailed 500 m x 500 m spaced lag sampling over structural zones and areas of interest. As the 2011–2012 reporting period closed, Castile was actively sampling EL6861 and had collected 271 lag samples and 114 rock chip samples over EL6861, EL6732 and EL10379.

During the 2012–2013 reporting period, Castile conducted a wide range of greenfields exploration throughout the entire project area. A large heritage survey over the remaining portions of EL6861 and EL30306 was completed, which enabled sample crews to complete first wave regional and follow-up sampling throughout the new area. As a result, 3,725 lag, 188 rock and 219 soil samples were collected highlighting multiple precious and base metal anomalies, predominately throughout EL6861. Multiple desktop studies of the geochemical data collected throughout the field season were also completed, complemented by reprocessing of high-resolution Quickbird imagery. This imagery played a vital role in correlation geochemical data to surface expressions including bedrock exposure and vegetation for the 2014 target generation exercises, which led to the discovery of the Huron prospect in EL10379.

The remaining regional lag programs and detailed follow-up soil program were conducted through all tenements in the 2013–2014 field seasons. The aim was to further delineate and constrain surface mineralisation for follow-up geophysical surveys and future drilling. As a result, high-grade surface mineralisation was discovered at two sub-parallel gossanous zones located in the central portion of EL10379. The Huron prospect returned rock chip samples of 4.97% Cu, 3.32% Zn, 180 g/t Ag and 7.72% Cu, 3.32% Zn, 89 g/t Ag and a detailed bedrock mapping and gradient array IP program through the prospect area was initiated.

The IP survey highlighted multiple conductive bedrock anomalies associated with known mineralisation, and also throughout areas covered by transported sands and soils.

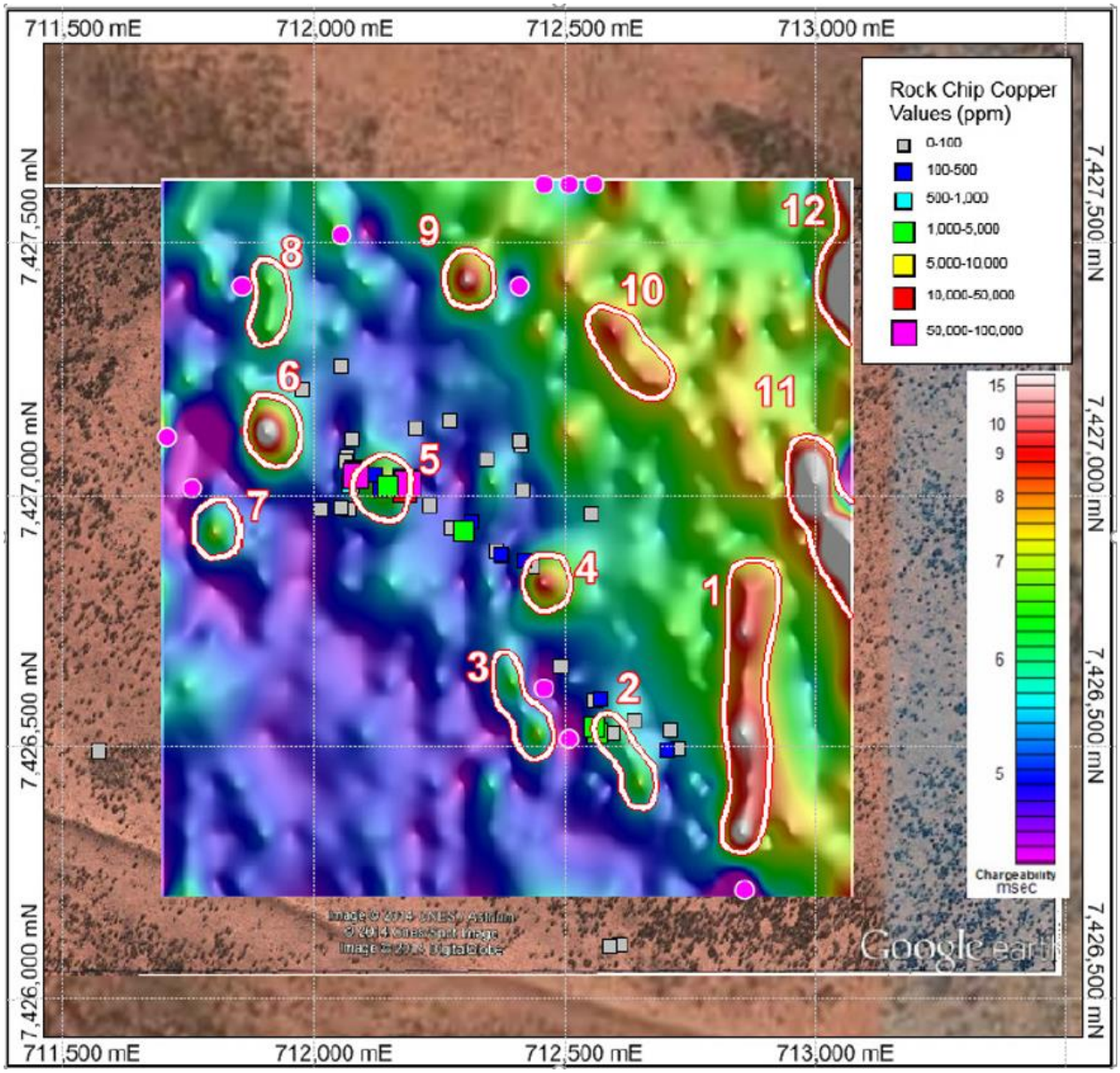

Figure 22: Geophysical and geochemical map of the Huron prospect
Labelled chargeability anomalies (white and red circles), electromagnetic coupling, response locations (purple dots) and Cu rock chip assay results (coloured squares) overlain on the GAIP chargeability data image.
Source: Westgold

Delays in obtaining heritage clearances and the slow pace of ongoing negotiations with the Central Land Council and Traditional Owners have delayed progressing on-ground exploration activities.

3.7 Recent Exploration

Recent exploration by Castile has been limited to desktop studies on EL10379. These reviewed assay results from geochemical sampling programs and correlating this data with reprocessed high resolution Quickbird imagery to surface expressions of bedrock and vegetation, in order to plan future exploration programs.

The western tenements have been explored by IGO under joint venture as part of their Lake Mackay project, which comprises 12 ELs covering a contiguous swathe of ground from the WA border east for 250 km and 20–40 km wide. The project area covers the Warumpi Province with IGO targeting the Lander Group, a domain of Proterozoic deformed and variably metamorphosed siliciclastic sediments which were deposited between 1840 Ma and 1800 Ma. The Lander Group is interpreted to be laterally equivalent with

the Tanami Group. The Dufaur Suite amphibolites are metamorphosed low potassic tholeiites formed in an extensional environment. Mafic and felsic intrusives within the project area are considered to be part of the Andrew Young Igneous Complex. A weakly foliated granite has been dated at 1640±6 Ma (IGO, 2018). Details of the joint venture exploration results are under closed file.

3.8 Exploration Potential

Castile considers their Warumpi Project area to be underexplored and highly prospective for the discovery of substantial deposits of base metals.

3.8.1 Huron Prospect

The discovery of high-grade copper-zinc-silver mineralisation in the central portion of EL10379 shows the area has the potential to host significant accumulations of base metal mineralisation. The host rocks at the Huron prospect show similarities to those hosting the world class Broken Hill deposit. Follow-up ground and airborne geophysical surveys on the prospect has not only outlined a highly folded basement complex, but IP surveys have shown known surface mineralisation as well as highlighted multiple anomalies of similar strength, scattered within the vicinity of the outcrop complex under cover. A 10-hole RC drill program over the higher ranked IP anomalies at the Huron prospect has been proposed for the next phase of exploration. Pending the result of the initial drilling, an additional 1,000 m of RC and 500 m of heli-supported diamond drilling was proposed to further define mineralisation at the Huron prospect.

3.8.2 Regional Targets

The project area includes a significant proportion of tenure that has only had cursory exploration completed on it in the past. Structures are evident in aeromagnetic images and anomalies in various geophysical surveys. Further on-ground work is now needed to better understand the potential of the area.

3.9 Exploration and Development Strategy

Castile has advised CSA Global that its exploration strategy is to focus on the Rover Project and that it intends to progress further exploration on the western Warumpi Project tenements through joint venture arrangements and for EL10379, where they are the operators, to focus on the Huron prospect.

During the first field season, the focus of on-ground work will be the recently discovered high grade copper-zinc-silver mineralisation at Huron in the central portion of EL10379. The host rocks at Huron show similarities to those hosting the world class Broken Hill deposit and genetic models developed for that mine will guide Castile's exploration geology. Ground and airborne geophysical surveys at the prospect have outlined a highly-folded basement complex, and IP surveys have revealed deeper-seated chargeability anomalies associated with surface mineralisation, as well as multiple anomalies of similar strength, scattered within the vicinity of the discovery outcrop.

Subject to successfully receiving heritage clearances, an initial diamond drilling program is planned to test the higher ranked IP anomalies at Huron, with the work programs of years two and three to be dictated by the outcomes of this initial drill testing.

4 Risks

4.1 Exploration and Geology Risks

A key risk, common to all exploration companies, is that expected mineralisation may not be present or that it may be too small to warrant commercial exploitation. The interpretations and conclusions reached in this report are based on current scientific understanding and the best evidence available at the time of writing. CSA Global makes no guarantee of certainty as to the presence of economic mineralisation of any commodity within Castile's project areas.

The projects comprise a range of stages of advancement from early exploration through to advanced prospect. Risk is reduced at each stage. Exploration is an intrinsically risky process, particularly at an early stage.

4.2 Mineral Resources Risks

Drilling long holes through thick cover has resulted in irregular hole spacings. The intersection angles of drillholes with the mineralised zones is acute to moderate, with few holes penetrating at high angles (near perpendicular) through the mineralised zones. This results in poorer definition of the geometry and grade. Underground drilling from decline development would be required to obtain high-angle intercepts at regular spacings.

For the Rover 1 Mineral Resource estimate, Castile noted a risk that the Jupiter Deeps interpretation will change materially when compared to the current interpretation, upon additional drilling. This is a typical risk for the deeper portions of all mineral deposits as the drilling density is invariably lower at depth.

A number of opportunities for improvement were identified with the current Mineral Resources by CSA Global's review, which can all be readily rectified in future model updates.

4.3 Land Access Risks

Native title claims exist over all Castile's tenement areas. All exploration activities are required to be undertaken in line with relevant legislation, thus involving negotiations with Traditional Owners through the Central Land Council. This process has hindered exploration in the past and there is risk that future exploration and development activities may encounter delays. In mitigation of this risk, Castile has informed CSA Global that all granted titles have exploration deeds in place which ensures access to the tenure and defines the terms of any subsequent mining agreement.

5 Proposed Exploration Budget and Use of Funds

Castile provided CSA Global with a copy of their planned expenditure for its projects for an initial three-year period following listing on the ASX. The exploration strategy is discussed in more detail in Section 2.11.

Table 6: Proposed three-year exploration activity summary

Exploration activity item	Total – all projects	Rover Project – Year 1	Rover Project – Year 2	Rover Project – Year 3	Warumpi Project – Years 1–3
Drilling – diamond (m)	21,800	9,000	7,200	3,600	2,000
Assays – diamond core (samples)	2,180	900	720	360	200

Table 7 provides a summary of expenditure by activity for the Rover and Warumpi projects for the planned capital raising. All costs included are in Australian dollars (A$).

Table 7: Proposed three-year exploration expenditure summary by activity (all figures are in A$)

Exploration activity item	Total exploration budget	Rover Project – Year 1	Rover Project – Year 2	Rover Project – Year 3	Warumpi Project – Years 1–3
Salaries and wages	1,599,012	533,004	533,004	533,004	-
Contract labour	672,750	224,250	299,000	149,500	-
Travel and accommodation	1,004,640	334,880	378,560	291,200	-
Communications	36,000	12,000	12,000	12,000	-
Freight	47,500	17,500	20,000	10,000	-
Management fees	112,830	26,263	26,263	26,263	34,041
Tenement rents	316,644	49,900	49,900	49,900	166,944
Tenement rates	31,942	7,314	7,314	7,314	10,000
Contractors/Consultants	710,000	290,000	420,000	-	-
Tenement administration	46,800	9,600	9,600	9,600	18,000
Surveys – geochemical	75,000	-	-	-	75,000
Surveys – surface geophysical	75,000	-	-	-	75,000
Surveys – airborne geophysical	150,000	-	-	-	150,000
Site preparation	360,000	120,000	120,000	120,000	-
Environmental monitoring	150,000	50,000	50,000	50,000	-
Development studies	3,600,000	1,000,000	2,600,000	-	-
Drilling – diamond	5,940,000	2,700,000	2,160,000	1,080,000	160,000
Assays – diamond	79,200	36,000	28,800	14,400	40,000
Camp costs	133,500	41,500	36,000	36,000	20,000
Land compensation (CLC)	131,250	27,450	27,450	27,450	48,900
Tennant Creek properties	38,700	13,500	12,600	12,600	-
Field equipment	90,000	30,000	30,000	30,000	-
Vehicle allocation	270,000	90,000	90,000	90,000	-
Operating expenditure	**15,870,768**	**5,613,161**	**6,910,491**	**2,549,231**	**797,885**
Capital expenditure	**660,000**	**460,000**	**-**	**-**	**200,000**
TOTAL EXPENDITURE	**16,530,768**	**6,073,161**	**6,910,491**	**2,549,231**	**797,885**

The proposed budgets are considered consistent with the exploration potential of Castile's projects and considered adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the tenements.

The mineral properties held by Castile are considered to be "exploration projects" that are intrinsically speculative in nature. The Rover Project is at the "advanced exploration" stage, while the Warumpi Project is at the "grassroots exploration" stage. CSA Global considers, however, that the projects have sound technical merit and to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programs.

At least half of the liquid assets held, or funds proposed to be raised by Castile, are understood to be committed to the exploration, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). CSA Global also understands that Castile has sufficient working capital; to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

Castile has prepared staged exploration and evaluation programs, specific to the potential of the projects, which are consistent with the budget allocations, and warranted by the exploration potential of the projects. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

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7 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia (www.wikipedia.org).

aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the Earth's magnetic field.
amphibolite	A mafic metamorphic rock consisting mainly of amphibole minerals, especially hornblende and actinolite.
anomaly	An area where exploration has revealed results higher than the local background level.
Archaean	The oldest geologic time period, pertaining to rocks older than about 2,500 million years.
assay	The testing and quantification metals of interest within a sample.
carbonate	Rock or mineral dominated by the carbonate ion (CO_{2-3}), of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and carbon and oxygen. Essential component of limestones and marbles.
Craton	An old and stable part of the continental lithosphere.
diamond drilling	Drilling method employing a (industrial) diamond encrusted drill bit for retrieving a cylindrical core of rock.
domain	Geological zone of rock with similar geostatistical properties; typically a zone of mineralisation.
dyke	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
en echelon	Closely-spaced, parallel or subparallel, overlapping or step-like minor structural features in rock, which lie oblique to the overall structural trend.
fault	A wide zone of structural dislocation and faulting.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granulite	A rock produced by deep-seated high pressure and temperature conditions.
ground magnetic	Geophysical survey method using a hand-held magnetometer to record the strength of the earth's magnetic field usually along a grid.
hematite	Iron oxide mineral with chemical formula Fe_2O_{33}, hard, dense, black to brown.
intrusive	Any igneous rock formed by intrusion and cooling of hot liquid rock below the earth's surface.
lithology	The description of a rock unit's physical characteristics visible in hand or core samples, such as colour texture grain-size and composition.
lode	A deposit of metalliferous ore formed in a fissure or vein.
mafic	Igneous rock composed dominantly of dark coloured minerals such as amphibole pyroxene and olivine, generally rich in magnesium and iron.
magnetite	Iron oxide mineral with chemical formula Fe_3O_4, hard, dense, black to grey, noted for ferrimagnetic properties – can be magnetised to become a magnet.
magnetic anomaly	Zone where the magnitude and orientation of the earth's magnetic field differs from adjacent areas, typically caused by magnetic properties of basement rocks.

metamorphic	A rock that has been altered by metamorphism from a pre-existing igneous or sedimentary rock type.
outcrop	A visible exposure of bedrock or ancient superficial deposits on the surface of the Earth.
porphyry	Igneous rocks in which large crystals (phenocrysts) are set in finer ground mass, which may be crystalline or glass.
Proterozoic	The second oldest Eon (geologic time period), pertaining to rocks older than 541 Ma (million years) and younger than about 2,500 Ma.
quartz	Common mineral composed of crystalline silica, with chemical formula SiO_2.
RC drilling	Reverse Circulation. A percussion drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
schist	A metamorphic rock dominated by fibrous or platey minerals, with a strongly foliated fabric (schistose cleavage).
sedimentary	A term describing a rock formed from sediment.
shear	A deformation resulting from stresses that cause rock bodies to slide relatively to each other in a direction parallel to their plane of contact.
soil sampling	The collection of soil specimens for mineral analysis.
strata	Sedimentary rock layers.
stratigraphic	Pertaining to the composition, sequence and correlation of stratified rocks.
strike	Horizontal direction or trend of a geological strata or structure.
structural	Pertaining to rock deformation or to features that result from it.
terrane	Any rock formation or series of formations or the area in which a particular formation or group of rocks is predominant.
volcanics	Rocks formed or derived from volcanic activity.

8 Abbreviations

°C	degrees Celsius
A$	Australian dollars
Ag	silver
AIG	Australian Institute of Geoscientists
ASX	Australian Securities Exchange
ASIC	Australian Securities and Investments Commission
Au	gold
AuEq	gold equivalent
AusIMM	Australasian Institute of Mining and Metallurgy
Bi	bismuth
BIF	banded iron formation
Castile	Castile Resources Ltd
cm	centimetre(s)
Co	cobalt
CSA Global	CSA Global Pty Ltd
Cu	copper
EL	Exploration Licence
ELR	Exploration Retention Licence
g/t	grams per tonne
ha	hectare(s)
IGO	Independence Group NL
IOCG	iron oxide copper-gold
IP	induced polarisation
IPO	initial public offering
ITAR	Independent Technical Assessment Report
JORC	Joint Ore Reserves Committee
JORC Code	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
k	thousand(s)
km	kilometre(s)
km^2	square kilometre(s)
koz	thousand ounces
kt	thousand tonnes
L	litre
m	metre(s)
M	million(s)
Ma	million years ago
MAIG	Member of the Australian Institute of Geoscientists
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
MGA	Map Grid of Australia

mm	millimetres
Moz	million ounces
Mt	million tonnes
Navarre	Navarre Resources Limited
NTGS	Northern Territory Geological Survey
oz	ounce (Troy ounce – measure of weight)
Pb	lead
ppm	parts per million; a measure of concentration
QAQC	quality assurance and quality control (for sampling and assaying)
Q-Q	quantile-quantile
RC	reverse circulation (drillhole)
RL	reduced level
t	tonne(s)
t/a	tonnes per annum (per year)
t/m^3	tonnes per metres cubed
VALMIN	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
WA	Western Australia
Westgold	Westgold Resources Limited
Zn	zinc

Appendix 1: JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	Commentary
Sampling techniques **Drilling techniques** **Drill sample recovery**	All data used in resource calculations at the Tennant Creek Project has been gathered from diamond core. Multiple core sizes have been used historically. This core is geologically logged and subsequently halved for sampling. All geology input is logged and validated by the relevant area geologists, incorporated into this is assessment of sample recovery. No defined relationship exists between sample recovery and grade. Nor has sample bias due to preferential loss or gain of fine or coarse material been noted.
Logging	Diamond core is logged geologically and geotechnically. Logging is qualitative in nature. All holes are logged completely.
Subsampling techniques and sample preparation	Diamond drilling by Castile has employed the following process: • Half-core niche samples, subset via geological features as appropriate. • Core undergoes total preparation. The sample preparation process consists of: • Crushing using a vibrating jaw crusher to achieve a maximum sample size of 4 mm. • The sample is then weighed, and if the sample weight is greater than 3.2 kg, the sample is split into two using a Jones-type riffle splitter. • The crushed sample is then pulverised in a Labtech LM5 Ring Mill for 6 minutes. For samples weighing greater than 3.2 kg, the first portion is removed and second portion is homogenised in the same machine. Once complete, the first portion is put back in the LM5 and both portions are homogenised. • From the pulverised sample, approximately 200 g is taken as a master sample which stays in Alice Springs, while a second sample of approximately 150 g taken and sent for assaying. These samples are collected via a scoop inserted to the bottom of the bowl. The remaining sample is transferred to a calico bag for storage. • For every 20th sample, an approximately 25 g sample is screened to 75 microns to check that homogenising has achieved 80% passing 75 microns. • QAQC is ensured during sampling via the use of sample ledgers, blanks, standards and repeats. • QAQC is ensured during the assays process via the use of blanks, standards and repeats at a NATA/ISO accredited laboratory. The sample sizes are considered appropriate to the grainsize of the material being sampled. The un-sampled half of diamond core is retained for check sampling if required.
Quality of assay data and laboratory tests	Analysis of drill core for Au, Ag, Cu, Pb, Zn was carried out in Perth in the following manner: • Gold (Au-AA25 scheme – lower detection limit = 0.01 ppm, upper detection limit = 100 ppm). A 30 g charge of prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents and then cupelled to yield a precious metal bead. • The bead is then dissolved in acid and analysed by atomic absorption spectroscopy against matrix-matched standards. • Samples returning assay values in excess of 100 g/t Au were repeated using the Au-AA26 method. • Ag, Cu, Pb, Zn (ME-OG62) – a prepared sample is digested using a four-acid digest. • The subsequent solution is analysed by inductively coupled plasma - atomic emission spectroscopy or by atomic absorption spectrometry. No significant QAQC issues have arisen in recent drilling results. These assay methodologies are appropriate for the resource in question.

Criteria	Commentary
Verification of sampling and assaying	Anomalous intervals as well as random intervals are routinely checked assayed as part of the internal QAQC process. Virtual twinned holes have been drilled in several instances with no significant issues highlighted. Primary data is loaded into the drillhole database system and then archived for reference. All data used in the calculation of resources are compiled in databases which are overseen and validated by senior geologists. No primary assays data is modified in any way.
Location of data points	All data is spatially oriented by survey controls via direct pickups by the survey department. Drillholes are all surveyed downhole, deeper holes with a Gyro tool if required. All drilling and resource estimation is undertaken in MGA grid. Topographic control is generated from a combination of remote sensing methods and ground-based surveys. This methodology is adequate for the resource in question.
Data spacing and distribution	Data spacing is variable dependent upon the individual orebody under consideration. This approach is appropriate for the Mineral Resource estimation process and to allow for classification of the resource as it stands. Compositing is carried out based upon the modal sample length of each individual domain.
Orientation of data in relation to geological structure	Drilling intersections are nominally designed to be normal to the orebody as far as topography/economics allows. It is not considered that drilling orientation has introduced an appreciable sampling bias.
Sample security	Samples are delivered to a third party transport service, who in turn relay them to the independent laboratory contractor. Samples are stored securely until they leave site.
Audits or reviews	Site generated resources and reserves and the parent geological data is routinely reviewed by the Metals X Corporate technical team.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	Commentary
Mineral tenement and land tenure status	The Tennant Creek Project comprises five granted exploration leases. Native title interests are recorded against the Tennant Creek tenements. The Tennant Creek tenements are held by Castile Resources Ltd (Castile) which is a wholly owned subsidiary of Westgold Resources Limited (Westgold). Several third-party royalties exist across various tenements at Tennant Creek, over and above the Northern Territory government royalty. Castile operates in accordance with all environmental conditions set down as conditions for grant of the leases. There are no known issues regarding security of tenure. There are no known impediments to continued operation.
Exploration done by other parties	The Tennant Creek area has an exploration and production history in excess of 100 years. The Rover area in particular has an intensive exploration history stretching from the 1970s. On balance, Castile work has generally confirmed the veracity of historical exploration data.
Geology	The Tennant Creek Project is located in the 1860–1850 Ma Warramunga Province is approximately centred on the township of Tennant Creek, and contains the Palaeoproterozoic Warramunga Formation. This is a weakly metamorphosed turbiditic succession of partly tuffaceous sandstones and siltstones which includes argillaceous banded ironstones locally referred to as “haematite shale”. Copper in the form of chalcopyrite occurs around the upper margins of the quartz magnetite ironstones and in the silicified BIF or haematitic shales that often form an alteration transition to the adjacent chlorite alteration envelope. Although copper levels in the upper quartz magnetite portion of the ironstones is usually very low, pervasive sub-economic copper levels can persist throughout this zone. Economic levels of copper are dominantly contained in the lower massive magnetite portion or in massive magnetite “veins” identified in the magnetite-quartz zones. The massive magnetite zones grade laterally and at depth into magnetite-chlorite stringer zones. Gold content increases where the content of magnetite veining and chlorite alteration decreases and there is an increase in early haematite dusted quartz veins and indurated sediments and fine chlorite veining related to the mineralisation phase. The transition from massive magnetite copper mineralisation to magnetite-quartz-chlorite stringer gold mineralisation is also the zone of increased bismuthinite mineralisation. Lead and zinc mineralisation at Explorer 108 is associated with a brecciated dolomitised sediment unit, consisting of irregular, generally narrow, domains or veins of semi-massive sulphides (sphalerite and galena). A basal “high-grade” zone is present at the contact of the dolomite and lower felsic units.
Drill hole information	All drillhole information reported has been incorporated into the Mineral Resources.
Data aggregation methods	All drillhole information reported has been incorporated into the Mineral Resources.
Relationship between mineralisation widths and intersection lengths	All drillhole information reported has been incorporated into the Mineral Resources.
Diagrams	All drillhole information reported has been incorporated into the Mineral Resources. Schematic plans and sections are presented.
Balanced reporting	All drillhole information reported has been incorporated into the Mineral Resources.
Other substantive exploration data	Described in report above.
Further work	Described in report above.

Section 3: Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

Criteria	Commentary
Database integrity	Drillhole data is stored in a Maxwell's DataShed system based on the Microsoft SQL Server platform which is currently considered "industry standard". As new data is acquired it passes through a validation approval system designed to pick up any significant errors before the information is loaded into the master database. The information is uploaded by a series of Sequel routines and is performed as required. The database contains diamond drilling (including geotechnical and specific gravity data) and some associated metadata. By its nature this database is large in size, and therefore exports from the main database are undertaken (with or without the application of spatial and various other filters) to create a database of workable size, preserve a snapshot of the database at the time of orebody modelling and interpretation and preserve the integrity of the master database.
Site visits	The Competent Person, Mr Russell, has visited site on a regular basis from 2009 to the present.
Dimensions	Individual deposit scales vary across the Tennant Creek Project. The Rover 1 deposit is mineralised over a strike length of >540 m, a lateral extent of up +70 m and a depth of over 650 m. The Explorer 108 deposit is mineralised over a strike length of >400 m, with a thickness of up to 60 m. The Explorer 142 deposit is mineralised over a strike length of >200 m, with a thickness of up to 8 m.
Estimation and modelling techniques	All modelling and estimation work undertaken by Castile is carried out in three dimensions via Surpac Vision. After validating the drillhole data to be used in the estimation, interpretation of the orebody is undertaken in sectional and/or plan view to create the outline strings which form the basis of the three-dimensional (3D) orebody wireframe. Wireframing is then carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate 3D representation of the subsurface mineralised body. Drillhole intersections within the mineralised body are defined; these intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Drillholes are subsequently composited to allow for grade estimation. In all aspects of resource estimation, the factual and interpreted geology was used to guide the development of the interpretation. Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation search parameters, top cuts etc. Variographic analysis of individual domains is undertaken to assist with determining appropriate search parameters. These are then incorporated with observed geological and geometrical features to determine the most appropriate search parameters. An empty block model is then created for the area of interest. This model contains attributes set at background values for the various elements of interest as well as density, and various estimation parameters that are subsequently used to assist in resource categorisation. The block sizes used in the model will vary depending on orebody geometry, minimum mining units, estimation parameters and levels of informing data available. Grade estimation is then undertaken, with ordinary kriging estimation method is considered as standard, although in some circumstances where sample populations are small, or domains are unable to be accurately defined, inverse distance weighting estimation techniques will be used. Both by-product and deleterious elements are estimated at the time of primary grade estimation if required. It is assumed that by-products correlate well with gold. There are no assumptions made about the recovery of by-products. The resource is then depleted for mining voids and subsequently classified in line with JORC guidelines utilising a combination of various estimation derived parameters and geological/mining knowledge. Estimation results are routinely validated against primary input data and previous estimates.
Moisture	Tonnage estimates are dry tonnes.

Criteria	Commentary
Cut-off parameters	The Rover 1 reporting cut-off grade is 2.5 g/t Au equivalent. The Explorer 108 reporting cut-off grade is 2.5% Pb + Zn. The Explorer 142 reporting cut-off grade is 2.5g% Cu.
Mining factors or assumptions	Underground mining is assumed on the basis that similar deposits have been mined successfully by underground methods at the nearby Tennant Creek field.
Metallurgical factors or assumptions	Conventional processing methods are assumed on the basis that similar deposits have been mined successfully by processed at the nearby Tennant Creek field.
Environmental factors or assumptions	Castile operates in accordance with all environmental conditions set down as conditions for grant of the respective leases.
Bulk density	Bulk density of the mineralisation at the Tennant Creek Project is variable and is for the both lithology and alteration/mineralisation dependent. For modern drilling, field technicians perform density testwork on core samples on a campaign basis every three months. All density measurements have been determined using the simple water immersion technique. The samples from all holes were well below the base of oxidation and were in generally competent, non-porous rock.
Classification	Resources are classified in line with JORC guidelines utilising a combination of various estimation derived parameters, the input data and geological/mining knowledge. This approach considers all relevant factors and reflects the Competent Person's view of the deposit.
Audits or reviews	Resource estimates are internally peer reviewed by the site technical team and Westgold's Corporate technical team. CSA Global have undertaken an independent high-level review of the Rover 1 resource estimate.
Discussion of relative accuracy/confidence	All currently reported resources estimates are considered robust, and representative on both a global and local scale. No production data exists to compare the resource estimate against.

Appendix 2: Significant Intersections

Rover 1 Deposit – Table of Significant Gold-Copper Intersections

*Calculation of significant intersections is consecutive downhole intervals averaging greater than 5 g/t Au * metres*

Hole ID	From (m)	Interval width	Au (g/t)	Cu (%)	Au (g*m)	Easting (m)	Northing (m)	RL (m)
R1ARD31b	523	7	3.65	0.34	25.5	359127	7787964	-231
R1ARD33	890	5	1.52	0.23	7.6	359175	7787792	-497
R1ARD33-3	563	2	3.55	2.57	7.1	359174	7787933	-198
R1ARD41-1	471	10	47.97	1.35	479.7	359133	7787951	-134
ROV1DDH11-2	572	4	2.22	1.19	8.9	359465	7787835	-235
ROV1DDH11-2	624	3	2.30	1.55	6.9	359468	7787872	-270
ROV1DDH11-4	489	3	14.09	0.41	42.3	359464	7787819	-150
ROV1DDH11-5	561	7	7.06	1.74	49.4	359495	7787834	-221
ROV1DDH11-5	588	4	4.67	0.17	18.7	359499	7787853	-237
ROV1DDH11-5	612	4	1.47	0.17	5.9	359503	7787872	-252
ROV1DDH11-5	619	1	7.38	0.22	7.4	359504	7787876	-255
ROV1DDH11-5	623	7	4.66	0.10	32.6	359505	7787882	-260
ROV1DDH2-1	483	5	1.00	0.03	5.0	359473	7787897	-131
ROV1DDH2-2	576	11	7.89	1.66	86.8	359453	7787882	-236
ROV1DDH2-2	591	8	12.75	0.99	102.0	359453	7787894	-244
ROV1DDH2-2	603	3	1.83	0.19	5.5	359453	7787902	-249
ROV1DDH2-3	535	2	14.15	1.97	28.3	359436	7787829	-206
ROV1DDH2-6	623	10	1.83	0.09	18.3	359509	7787879	-276
ROV1DDH4	539	3	2.53	4.57	7.6	359533	7787866	-160
ROV1DDH4	545	10	10.18	1.19	101.8	359534	7787875	-165
ROV1DDH8D-1	604	1	164.00	0.08	164.0	359585	7787867	-84
WGR1D002	510	20	10.67	0.32	213.4	359495	7787878	-199
WGR1D002	535	22.75	21.89	0.43	497.9	359496	7787888	-223
WGR1D002-1	506	9	14.44	0.90	129.9	359493	7787857	-196
WGR1D002-1	519	26	5.21	0.38	135.4	359494	7787863	-217
WGR1D002-2	484	21	7.23	0.96	151.8	359498	7787887	-167
WGR1D002-2	509	11	11.13	2.09	122.4	359498	7787898	-184
WGR1D002-5	535	9	2.95	0.18	26.6	359508	7787888	-215
WGR1D002-5	520	3	1.95	0.03	5.8	359505	7787881	-199
WGR1D002-5	499	14	22.72	0.50	318.1	359503	7787875	-185
WGR1D002-5	555	12	58.40	0.36	700.8	359511	7787897	-234
WGR1D003	450	2	4.22	0.87	8.4	359545	7787867	-130
WGR1D003	469	20	32.61	0.11	652.2	359548	7787878	-155
WGR1D003	492	5	1.62	0.38	8.1	359549	7787885	-169
WGR1D003-1	450	1	9.12	0.71	9.1	359548	7787887	-119
WGR1D003-1	459	6	9.27	2.06	55.6	359549	7787894	-128
WGR1D003-1	474	2	3.12	0.57	6.2	359551	7787901	-139
WGR1D006-1	562	1	6.47	2.00	6.5	359450	7787826	-253
WGR1D006-1	586	3	20.00	2.10	60.0	359450	7787831	-277
WGR1D006-1B	526	2	17.80	0.11	35.6	359444	7787826	-218
WGR1D006-2	530	30	5.08	0.91	152.4	359443	7787867	-221

Hole ID	From (m)	Interval width	Au (g/t)	Cu (%)	Au (g*m)	Easting (m)	Northing (m)	RL (m)
WGR1D006-2	566	9	4.41	0.04	39.7	359440	7787878	-243
WGR1D007-1	503	2	5.11	0.22	10.2	359580	7787857	-189
WGR1D007-2	485	6	1.77	0.09	10.6	359569	7787836	-112
WGR1D007-2	497	2	3.60	0.05	7.2	359569	7787841	-121
WGR1D009	461	5	1.42	3.96	7.1	359624	7787859	-145
WGR1D009	469	7	1.45	0.57	10.1	359625	7787862	-153
WGR1D011	474	8	1.21	12.08	9.7	359651	7787844	-110
WGR1D018	542	8	1.22	1.59	9.7	359225	7787952	-171
WGR1D019-3	499	3	14.11	0.83	42.3	359567	7787815	-151
WGR1D020-1	559	2	21.35	0.45	42.7	359421	7787840	-219
WGR1D020-1	564	11	3.83	0.97	42.2	359421	7787843	-227
WGR1D020-1	602	7	1.64	2.80	11.5	359420	7787858	-260
WGR1D020-2	585	1	15.70	0.69	15.7	359417	7787846	-243
WGR1D031-3A1A2	671	1	32.40	4.52	32.4	359380	7787865	-310
WGR1D031-3A1A2	675	4	2.50	0.17	10.0	359380	7787867	-315
WGR1D034	542	7	125.93	0.24	881.5	359175	7787934	-227
WGR1D034	462	6	14.47	2.61	86.8	359180	7787910	-151
WGR1D034	485	1	9.39	1.25	9.4	359179	7787916	-170
WGR1D034	573	5	25.15	0.26	125.7	359173	7787943	-256
WGR1D034	581	7	7.98	0.03	55.8	359173	7787946	-264
WGR1D034	494	7	4.26	4.14	29.8	359178	7787919	-182
WGR1D034-1	492	8	2.04	6.23	16.3	359179	7787928	-172
WGR1D034-1	512	13	9.33	2.17	121.3	359178	7787936	-193
WGR1D043-2	1027	2	8.40	0.21	16.8	359285	7787758	-704
WGR1D043-2	1117	3	1.84	0.74	5.5	359265	7787738	-790
WGR1D043-2	1033	15	6.00	0.19	90.0	359282	7787756	-716
WGR1D043-2	1020	4	1.33	0.15	5.3	359287	7787760	-698
WGR1D043-2	994	2	2.57	0.28	5.1	359293	7787765	-673
WGR1D043-2	629	9	8.37	1.64	75.4	359343	7787859	-328
WGR1D043-2	625	1	9.82	1.57	9.8	359344	7787861	-320
WGR1D043-2	607	1	5.91	0.03	5.9	359345	7787866	-303
WGR1D043-2	601	2	22.80	0.28	45.6	359345	7787868	-298
WGR1D043-2	866	2	4.94	0.59	9.9	359318	7787795	-551
WGR1D043-2	1087	20	3.20	0.30	64.0	359269	7787744	-769
WGR1D043-4	570	5	11.21	0.40	56.0	359370	7787868	-269
WGR1D043-4	585	2	14.87	0.03	29.7	359371	7787864	-282
WGR1D044-1	462	4	1.73	2.74	6.9	359209	7787905	-148
WGR1D044-1	551	3	1.76	1.43	5.3	359199	7787944	-227
WGR1D044-1	509	24	5.84	1.88	140.2	359203	7787930	-199
WGR1D044-1	477	4	7.37	0.93	29.5	359207	7787912	-161
WGR1D044-1	490	1	7.57	1.02	7.6	359206	7787917	-172
WGR1D044-4	513	5	37.11	0.61	185.5	359225	7787905	-201
WGR1D044-4	575	1	6.86	0.16	6.9	359225	7787902	-257
WGR1D048-1	529	3	3.95	3.27	11.9	359529	7787859	-177
WGR1D048-1	539	11	15.21	0.16	167.3	359525	7787863	-189
WGR1D048-1A	516	8	7.17	0.84	57.4	359542	7787865	-166

Hole ID	From (m)	Interval width	Au (g/t)	Cu (%)	Au (g*m)	Easting (m)	Northing (m)	RL (m)
WGR1D048-1A	571	2	6.72	0.25	13.4	359531	7787881	-215
WGR1D048-1A	543	2	3.28	0.10	6.6	359537	7787872	-189
WGR1D049-1	481	4	1.49	1.01	6.0	359148	7787945	-143
WGR1D050-2A	322	1	15.50	7.61	15.5	359151	7787925	24
WGR1D052	531	7	1.63	1.15	11.4	359504	7787836	-180
WGR1D052	562	3	22.09	1.08	66.3	359505	7787852	-204
WGR1D052	576	5	1.76	0.72	8.8	359505	7787860	-217
WGR1D052	584	1	5.51	0.17	5.5	359505	7787863	-222
WGR1D052	596	7	3.55	0.19	24.9	359505	7787871	-235
WGR1D052	632	7	1.14	0.75	8.0	359506	7787891	-265
WGR1D052-1	555	1	7.07	0.00	7.1	359520	7787837	-203
WGR1D052-1	599	2	3.26	0.02	6.5	359523	7787862	-239
WGR1D052-1	604	2	2.80	0.05	5.6	359524	7787865	-244
WGR1D052-1	610	11	2.03	0.11	22.3	359525	7787871	-252
WGR1D053	646	12	5.95	1.76	71.4	359473	7787813	-219
WGR1D053	702	22	3.20	0.39	70.3	359475	7787858	-261
WGR1D054-1	665	7	1.13	0.13	7.9	359405	7787866	-281
WGR1D055	1009	9	11.58	0.35	104.2	359306	7787845	-515
WGR1D055-1	935	20	6.13	3.26	122.6	359255	7787810	-474
WGR1D055-1A	975	2	3.18	3.24	6.4	359250	7787811	-516
WGR1D055-1A	981	7	1.72	1.47	12.0	359249	7787817	-522
WGR1D059-1	806	1	7.73	0.32	7.7	359253	7787795	-408
WGR1D059-2A1	833	23	13.22	5.36	304.1	359233	7787796	-447
WGR1D059-2A1	896.68	4.32	1.91	0.21	8.3	359234	7787831	-488
WGR1D060	936.98	6.02	16.87	3.93	101.6	359220	7787803	-505
WGR1D060-1	904.99	15.17	9.17	3.70	139.2	359192	7787799	-466
WGR1D060-1	950.24	4.55	1.31	0.08	6.0	359192	7787832	-489
WGR1D060-2	927.66	12.46	1.61	1.57	20.0	359220	7787818	-484
WGR1D060-3	952.7	3.8	2.57	5.23	9.8	359205	7787786	-517
WGR1D060-3	904.85	1.15	5.98	0.99	6.9	359205	7787755	-487

Explorer 142 Deposit – Table of Significant Copper-Gold Intersections

*Calculation of significant intersections is consecutive downhole intervals averaging greater than 5% Cu * metres*

Hole ID	From (m)	Interval width	Cu (%/t)	Au (g/t)	Cu (% *m)	Easting (m)	Northing (m)	RL (m)
EXP142DDH1	430	14	2.01	0.24	28.2	331331	7791473.614	-105.0
EXP142DDH3	399	5	5.71	1.38	28.5	331217	7791488.378	-77.0
EXP142DDH3	423	4	2.04	0.08	8.2	331217	7791474.498	-96.0
NR142D001	471	10	2.98	0.27	29.8	331277	7791479.166	-131.5
NR142D001	485	6	5.10	0.32	30.6	331278	7791472.398	-141.4
NR142D005	528	6	1.68	0.27	10.1	331207	7791470.749	-169.3
NR142D005	549	6	2.21	0.12	13.3	331209	7791484.082	-185.4
NR142D005-1	554	2	2.95	0.50	5.9	331203	7791471.427	-194.1

Explorer 108 Deposit – Table of Significant Lead-Zinc Intersections

*Calculation of significant intersections is consecutive downhole intervals averaging greater than 5% Pb * metres*

Hole ID	From (m)	Interval width	Pb (%/t)	Zn (%)	Pb (% *m)	Easting (m)	Northing (m)	RL (m)
EXP108DDH1	250	4	3.14	1.50	12.6	324538	7795724	59.8
EXP108DDH1	261	11	1.81	3.69	19.9	324538	7795726	45.4
EXP108DDH1	287	7	2.04	1.49	14.3	324538	7795729	21.6
EXP108DDH1	325	5	1.19	1.95	5.9	324539	7795735	-14.9
EXP108DDH1	339	2	4.37	6.23	8.7	324539	7795738	-27.2
EXP108DDH1	344	9	3.64	3.48	32.7	324539	7795739	-35.6
EXP108DDH1	360	21	2.51	4.70	52.7	324540	7795743	-57.1
EXP108DDH2	228	12	1.69	0.73	20.3	324543	7795824	54.5
EXP108DDH2	260	2	3.93	0.56	7.9	324542	7795819	27.9
EXP108DDH2	519	2	3.10	2.98	6.2	324542	7795750	-220.7
EXP108DDH3	277	14	4.62	5.52	64.7	324549	7795641	31.4
EXP108DDH3	306	2	5.75	9.34	11.5	324550	7795649	9.9
EXP108DDH3	396	16	1.57	3.45	25.1	324558	7795701	-71.0
EXP108DDH3	418	5	1.09	1.04	5.4	324560	7795713	-83.1
EXP108DDH3	468	6	1.31	1.68	7.9	324566	7795750	-116.4
EXP108DDH3	478	9	4.31	3.01	38.8	324568	7795759	-123.1
EXP108DDH3-1	325	21	4.06	1.82	85.2	324549	7795656	-18.1
EXP108DDH3-1	379	9	2.61	4.99	23.5	324550	7795676	-61.5
EXP108DDH3-1	396	4	3.84	4.37	15.4	324550	7795683	-73.7
EXP108DDH3-2	253.5	2.5	2.86	1.78	7.2	324548	7795633	59.5
EXP108DDH4	342	4	2.99	3.59	11.9	324507	7795743	-52.9
EXP108DDH4	367	5	3.15	0.53	15.8	324508	7795738	-77.9
EXP108DDH5	277	5	2.05	1.61	10.2	324567	7795840	41.1
EXP108DDH5	301	4	2.40	1.89	9.6	324569	7795829	20.7
EXP108DDH5	319	13	1.27	1.28	16.6	324570	7795817	1.3
EXP108DDH5	428	41	3.63	4.86	148.6	324577	7795749	-100.8
EXP108DDH5	472	10	2.07	2.51	20.7	324577	7795731	-122.7
EXP108DDH6	387.5	5.5	3.26	1.82	17.9	324628	7795720	-77.3
NR108D001	282	70	2.71	5.43	189.5	324459	7795756	-3.5
NR108D001	388	8	4.44	1.92	35.5	324490	7795759	-71.5
NR108D001	400	12	1.44	2.20	17.3	324496	7795760	-84.1
NR108D001	416	1	6.92	7.57	6.9	324501	7795761	-93.4
NR108D001	424	2	3.05	3.85	6.1	324505	7795761	-101.0
NR108D001	590	1	7.94	25.00	7.9	324596	7795771	-238.6
NR108D002	255	3	1.81	0.93	5.4	324524	7795727	48.7
NR108D002	303	10	1.92	2.17	19.2	324542	7795729	0.6
NR108D002	324	1	5.78	5.96	5.8	324548	7795730	-14.8
NR108D002	336	2	6.19	2.25	12.4	324552	7795730	-26.5
NR108D002	379	16	1.57	2.06	25.1	324569	7795732	-73.4
NR108D002	404	34	2.91	6.06	98.8	324581	7795733	-105.4
NR108D002	481	4	1.74	3.57	7.0	324602	7795734	-163.6
NR108D005	264	10	1.47	2.88	14.7	324458	7795673	24.6
NR108D005	279	5	1.56	4.31	7.8	324460	7795673	12.4

Hole ID	From (m)	Interval width	Pb (%/t)	Zn (%)	Pb (% *m)	Easting (m)	Northing (m)	RL (m)
NR108D005	296	11	1.84	5.63	20.2	324465	7795673	-7.0
NR108D005	311	15	1.77	4.38	26.6	324469	7795673	-23.5
NR108D005	346	10	2.73	6.01	27.3	324477	7795673	-55.1
NR108D005	373	11	3.06	0.33	33.6	324484	7795673	-81.8
NR108D005	393	3	2.73	0.10	8.2	324487	7795673	-97.4
NR108D006	243	19	2.47	3.81	47.0	324562	7795728	36.5
NR108D006	268	12	1.95	4.94	23.4	324565	7795728	15.3
NR108D006	357	1	16.25	1.75	16.3	324581	7795728	-66.7
NR108D006	365	5	2.92	2.51	14.6	324583	7795728	-76.4
NR108D006	376	12	1.36	2.81	16.3	324586	7795728	-90.6
NR108D006	401	6	0.84	2.44	5.1	324591	7795729	-112.1
NR108D006	416	3	4.25	1.06	12.8	324594	7795729	-125.2
NR108D006	422	3	4.09	7.67	12.3	324595	7795729	-131.1
NR108D006	444	9	3.44	5.20	31.0	324601	7795729	-155.5
NR108D007	282	4	2.37	3.49	9.5	324473	7795822	15.6
NR108D007	306	23	3.48	6.46	80.1	324482	7795821	-16.7
NR108D007	355	8	2.07	2.85	16.6	324494	7795820	-56.4
NR108D007	384	9	3.06	4.68	27.5	324503	7795820	-84.4
NR108D007	397	2	4.82	10.95	9.6	324506	7795819	-93.5
NR108D009	235	4	1.75	1.99	7.0	324608	7795833	65.2
NR108D009	245	5	1.18	2.38	5.9	324604	7795833	55.6
NR108D009	316	35	3.45	6.67	120.6	324569	7795833	-23.1
NR108D009	354	8	2.32	5.36	18.5	324559	7795834	-45.4
NR108D009	407	17	1.87	1.82	31.8	324535	7795839	-97.4
NR108D009	483	35	2.18	4.32	76.2	324498	7795847	-173.5
NR108D012	298	7	3.37	6.74	23.6	324492	7795909	3.4
NR108D013	305	5	2.30	1.38	11.5	324526	7795686	6.3
NR108D013	329	8	1.29	1.22	10.3	324537	7795687	-16.8
NR108D013	402	8	1.42	2.36	11.4	324568	7795690	-83.0
NR108D013	415	15	2.12	2.76	31.8	324575	7795690	-97.9
NR108D014	320	4	2.95	7.48	11.8	324463	7795597	-6.5
NR108D015	318	6	1.02	2.86	6.1	324575	7795781	-28.1
NR108D015	350	4	1.40	3.62	5.6	324571	7795781	-58.9
NR108D015	359	17	2.36	5.56	40.2	324569	7795782	-74.3
NR108D015	404	8	2.33	4.71	18.6	324564	7795783	-114.4
NR108D015	419	9	1.54	3.53	13.8	324562	7795784	-129.8
NR108D015	435	6	3.82	9.86	22.9	324560	7795784	-144.2
NR108D016	238	2	3.09	1.11	6.2	324610	7795772	73.5
NR108D016	387	11	3.15	4.71	34.7	324557	7795776	-70.4
NR108D016	401	7	5.32	12.92	37.2	324553	7795777	-81.5
NR108D017	345	28	1.64	4.28	46.0	324529	7795602	-38.7
NR108D017	376	11	2.05	5.16	22.5	324521	7795604	-59.7
NR108D020	328	2	3.79	3.16	7.6	324546	7795883	-9.2
NR108D020	349	7	2.58	5.40	18.1	324538	7795883	-31.2
NR108D020	360	4	2.25	5.01	9.0	324534	7795883	-40.1
NR108D020	367	20	2.23	5.02	44.6	324529	7795883	-54.0

Hole ID	From (m)	Interval width	Pb (%/t)	Zn (%)	Pb (% *m)	Easting (m)	Northing (m)	RL (m)
NR108D020	416	8	1.69	2.70	13.5	324513	7795887	-93.9
NR108D022	425	14	1.51	2.95	21.1	324615	7795890	-120.0
NR108D024	257	5	2.34	0.53	11.7	324520	7795773	51.4
NR108D024	283	21	1.86	5.64	39.1	324509	7795774	19.1
NR108D024	308	1	11.80	17.35	11.8	324505	7795774	4.9
NR108D024	337	3	1.93	1.12	5.8	324495	7795775	-23.6
NR108D024	359	10	1.55	0.98	15.5	324487	7795776	-47.8
NR108D024	430	5	4.43	0.15	22.1	324465	7795779	-112.4
NR108D026	388	61	4.23	4.95	257.7	324622	7795770	-92.6
NR108D026	476	5	3.42	4.15	17.1	324596	7795771	-146.8
NR108D026	489	2	2.50	5.53	5.0	324591	7795772	-157.1
NR108D026	508	4	1.74	3.61	7.0	324582	7795772	-175.0
NR108D026	538	5	1.26	3.58	6.3	324568	7795773	-202.2
NR108D026	624	3	1.87	1.28	5.6	324528	7795776	-276.8
NR108D026	640	3	2.71	4.95	8.1	324520	7795777	-290.6
NR108D029	285	2	2.67	3.77	5.3	324588	7795972	32.4
NR108D029	308	14	2.14	3.17	30.0	324576	7795973	6.0
NR108D043	360	3	1.75	1.71	5.3	324583	7796055	-29.5
NR108D043	368	2	2.74	2.48	5.5	324579	7796055	-36.1
NR108D043	433	7	1.93	2.98	13.5	324546	7796058	-94.7
NR108D043	475	7	4.75	10.09	33.3	324524	7796061	-130.7
NR108D049	558	19	1.33	2.47	25.4	324632	7795792	-259.0
NR108D049	585	8	4.03	5.56	32.3	324625	7795794	-279.0

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7. LEGAL REPORT ON TENEMENTS

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3 December 2019

The Directors
Castile Resources Ltd
Level 6, 197 St Georges Terrace
PERTH WA 6000

Dear Sirs

Solicitor's Report on Mining Tenements
Castile Resources Ltd (ACN 124 314 085)

1. Introduction

This report has been prepared for inclusion in the prospectus ("**Prospectus**") to be issued by Castile Resources Ltd ACN 124 314 085 ("**Company**") on or about 3 December 2019 for a non-renounceable pro rata entitlement offer to Eligible Shareholders of up to 99,844,305 New Shares on the basis of 1 New Share for every 1 Share held at 5.00pm (WST) on the record date of 4 December 2019, at an issue price of $0.20 per New Share to raise approximately $19,968,861 before costs, with a minimum subscription requirement to raise at least $11,000,000 ("**Offer**").

We have been requested to report on certain mineral titles and applications for mineral titles in which the Company has an interest, specifically exploration licences EL10379, EL24541, EL25511, EL27039, EL27292, EL27372, EL29747, EL31794 and exploration licences in retention ELR29957 and ELR29958 ("**Mineral Titles**").

The Mineral Titles are located in the Northern Territory of Australia.

Details of the Mineral Titles are set out in the Schedule ("**Schedule**") contained in this report.

2. Review of Mineral Titles

In preparation of this report, we conducted searches and made enquires of each of the Mineral Titles as follows ("**Searches**"):

(a) We have obtained Minister's Certificates (with written authority), on 25 June and 23 September 2019, under section 128 of the Mineral Titles Act 2010 (NT) ("**MTA**") in relation to each of the Mineral Titles.

(b) We have obtained copies of registered dealings on 25 June and 23 September 2019 ("**Dealings**") being the current dealings registered on the Mineral Titles Register (maintained under section 121 of the MTA) in relation to the relevant Mineral Titles and as recorded on the Minister's Certificates.

(c) We have reviewed searches for any Aboriginal sites registered over lands within the Mineral Titles from the relevant statutory registers of Aboriginal

cultural heritage sites and objects maintained in the Northern Territory, by the Northern Territory Aboriginal Areas Protection Authority for Aboriginal Sites.

(d) We have reviewed searches of the Mineral Titles obtained from the Native Title Tribunal ("**NNTT**") pursuant to the *Native Title Act 1993* (Cth) ("**NTA**") to determine if any native title claims are registered over the area of the Mineral Titles, and extracts from the National Native Title Register or Native Title Claims in respect of native title claims overlapping the Mineral Titles on 22 November 2019.

The Schedule contains a list of the Mineral Titles and relevant Mineral Title particulars ascertainable from the Minister's Certificates.

3. Opinion

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out below, we are of the view that, as at the date of the relevant Searches, this report provides an accurate statement as to:

(a) (**Mineral Titles**) the Company's interests in the Mineral Titles;

(b) (**Good standing**) the validity and good standing of the Mineral Titles;

(c) (**Conditions**) the conditions which apply to the Mineral Titles; and

(d) (**Third party interests**) third party interests, including encumbrances, in relation to the Mineral Titles.

4. Description of the Mineral Titles

The Mineral Titles include mineral exploration licences ("**EL**") or mineral exploration licences in retention ("**ELR**"), granted or applied for under the MTA or earlier mining legislation applying in the Northern Territory.

EL's or ELR's are compliant forms of mineral titles under the MTA and those mineral titles granted under earlier mining legislation. Mineral titles granted in the Northern Territory prior to the MTA coming into force are now subject to the MTA (following a conversion to a corresponding interest).

The Company holds the following Mineral Titles:

(a) (**EL's**) EL10379, EL24541, EL25511, EL27039, EL27292, EL27372, EL29747 and EL31794; and

(b) (**ELR's**) ELR29957 and ELR29958.

4.2 Rights

(a) **Exploration Licences**

An EL holder is authorised by sections 26 and 31 of the MTA to conduct activities in connection with the exploration for minerals in the EL area including:

(i) the exclusive right to conduct exploration for minerals in the EL area;

(ii) digging pits, trenches and holes, and sinking bores and tunnels;

(iii) activities for ascertaining the quality, quantity or extent of ore or other material by drilling or other methods; and

(iv) extraction and removal of samples of ore and other substances in amounts reasonably necessary for the evaluation of the potential for mining in the area.

An EL holder, pursuant to section 26(1)(c) of the MTA, has a priority right to make an application for a mineral lease (**ML**) for the EL area because a person, other than the EL holder, is only entitled to apply for an ML in relation to any part of the EL area with the consent of the EL holder subject to the *Mineral Title Regulations* ("**Regulations**") (noting that consent is not to be unreasonably withheld if the person seeks an ML for ancillary purposes associated with another ML held by the person).

(b) **Exploration Licences in Retention**

Pursuant to section 33 of the MTA before the end of the term of an EL, the title holder may apply in the approved form to the Minister for the EL to be designated as an exploration licence in retention in relation to:

(i) all of the title area of the EL; or

(ii) one or more parts of the title area of the EL.

Pursuant to section 34(3) of the MTA an ELR is a mineral title that gives the title holder:

(i) the right to occupy the title area specified in the ELR;

(ii) the exclusive right to conduct the activities specified in section 37; and

(iii) the exclusive right to apply for a mineral lease for all or part of the title area.

An ELR gives the title holder the right to continue conducting the authorised activities for an EL.

In particular, the title holder of an ELR has the right to carry out the studies and tests necessary to assess the development potential of ore bodies or anomalous zones in the title area for the evaluation of the commercial viability of mining and processing minerals in the area.

Pursuant to section 39 of the MTA, an ELR is able to come out of retention by applying for a grant of an ML. The title holder must apply for the grant of an ML if the mining and processing of minerals in the title area of the ELR becomes commercially viable.

4.3 Term

(a) **Exploration Licences**

Pursuant to section 27 of the MTA, an EL may be granted for a term not exceeding six years.

An EL holder may apply, in the approved form, to the NT Mining Minister for renewal of an EL at any time before the end of its term. Pursuant to section 30(2) of the MTA, an EL may be renewed for further terms, not exceeding two years for each further term, at the NT Mining Minister's discretion (there are no limits to the number of terms an EL can be renewed for).

(b) **Exploration Licence in Retention**

Pursuant to section 34(5) of the MTA, an ELR may be granted for a term not exceeding five years.

Before the end of the term of an ELR, the title holder may apply in the approved form to the Minister for the renewal of the ELR for all or part of the title area. Pursuant to section 36(2) of the MTA the Minister may renew the ELR for a term not exceeding 5 years, and renewals may be sought for further periods of 5 years, if satisfied about the following matters:

(i) the work carried out under the technical work program for the ELR;

(ii) the title holder has the technical and financial capacity to continue to carry out that work; and/or

(iii) any other matters prescribed by regulation.

4.4 Area

(a) **Exploration Licences**

Under section 28 of the MTA, the area of land in respect of which an EL may be granted must not exceed 250 blocks and the EL area may, if the NT Mining Minister considers it appropriate, be divided into a maximum of three separate areas.

The area of an EL must be reduced by 50% at the end of each period of two years from the date that the EL first came into force, subject to the discretion of the NT Mining Minister as per section 29(2) of the MTA. The EL is not subject to reduction requirements upon the renewal of the mineral title.

(b) **Exploration Licences in Retention**

Before the end of the term of an EL, the title holder may apply in the approved form to the Minister for the EL to be designated as an exploration licence in retention in relation to:

(i) all of the title area of the EL; or

(ii) one or more parts of the title area of the EL.

4.5 General conditions

(a) **Exploration Licences**

An EL is granted subject to certain standard conditions under section 32 of the MTA including:

(i) an obligation to carry out exploration activities in accordance with a technical work program;

(ii) a requirement to give landowners or occupiers of the land in the EL title area notice of intention to start conducting the activities, and of the entry of the title holder onto the land to conduct the activities; and

(iii) minimum expenditure and reporting requirements.

(b) **Exploration Licences in Retention**

The conditions of an ELR are the conditions specified in section 38 of the MTA for an EL and the title holder must apply for the grant of an ML if the

mining and processing of minerals in the title area of the ELR becomes commercially viable.

The Minister may impose additional conditions on an ELR relevant to the evaluation of the commercial viability of mining and processing minerals found in the title area.

The title holder of an ELR must comply with the expenditure requirements contained in the title instrument and provide the Minister with an expenditure report in the prescribed form each year which contains the following information:

(i) the amount the title holder expended on technical work in that operational year; and

(ii) the amount the title holder intends to expend in the next operational year.

The Regulations set out the due dates of these reports to be lodged and the late fees payable where deadlines are not met. As with an EL, failure to comply with expenditure conditions may result in the cancellation of the mining title.

4.6 Conditions applying to all mineral titles

There are general conditions under Part 5, Division 4 of the MTA that apply to all mineral titles, including ML's and EL's, including:

(a) obligations to actively conduct authorised activities in the mineral title area;

(b) to pay the rents and fees prescribed by the Regulations;

(c) restrictions on disturbance of improvements in the mineral title area;

(d) a prohibition against conducting authorised activities on pastoral land within 200 metres of a building not enclosed by a fence or within 50 metres of a fence that encloses a building; and

(e) a prohibition against cutting timber within the mineral title area except for authorised activities.

Various rights attach to all mineral titles under Part 5, Division 3 of the MTA including:

(a) a right to take water in the mineral title area (except water artificially conserved by the landowner) or to sink a bore or well (s81 of the MTA);

(b) a right to access the mineral title area by the shortest practicable route from a public road or other specified infrastructure (s83 of the MTA); and

(c) the right to enter land to construct or maintain a road and do other work to enable the title holder to have access to the title area (s83 of the MTA).

The NT Mining Minister, as per section 105(1) of the MTA, may, after giving the title holder notice and an opportunity to make submissions, cancel a mineral title if the holder:

(a) has contravened a condition of the mineral title;

(b) has failed to make payment of an amount due to the Northern Territory under the MTA within three months of it becoming due;

(c) has not used good work practices in conducting authorised activities;

(d) no longer has the financial resources to carry out the technical works program; or

(e) has not, for a period of two years, conducted authorised activities in the title area to a degree consistent with genuine mining or exploration.

4.7 Environment

Under section 35 of the *Mining Management Act 2001* (NT) ("**MMA**"*),* any mining activity (other than for exploration that does not involve substantial disturbance) on any mineral title (including an ML, EL or MA) requires the NT Mining Minister to grant an authorisation before that activity can commence.

Any such activity must be undertaken in accordance with a mining management plan under section 40 of the MMA, which is integral to the authorisation and must, amongst other things, include:

(a) details of the management system;

(b) plans of proposed and current mine working and infrastructure; and

(c) a plan of the closure activities for the mining site.

The current policy of the Department of Primary Industry and Resources ("**DPIR**") is to require that an access agreement, on terms mutually agreed or determined by an arbitration panel, be made between the holder and the pastoral lease holder, before approving a mining management plan in relation to exploration activities on a pastoral lease.

4.8 Health & Safety

All mining activities on an EL, ML or MA require a risk management plan to be in place and provided to the regulator (Work Health Authority), in relation to work place health and safety matters associated with the mining activities, in accordance with requirements in the *Work Health and Safety (National Uniform Legislation) Act 2011* (NT) and the *Work Health and Safety (National Uniform) Legislation Regulations*.

4.9 Uranium mining restrictions

Pursuant to the *Atomic Energy Act 1953* (Cth) and the *Northern Territory Self-Government) Regulations 1978* (Cth) the Commonwealth has reserved its powers on mining prescribed substances (being uranium and other metals suitable for the generation of atomic energy) in the Northern Territory.

The MTA requires that, in relation to the grant of mineral titles for the purposes of mining prescribed substances, the NT Mining Minister must not exercise their powers other than in accordance with the advice of the relevant Commonwealth Minister.

4.10 Royalty rate

The *Mineral Royalty Act* levies a royalty at a rate of 20% on a profit basis based on the net value of mineral commodities sold or removed from a mine, regardless of the type of mineral commodity or the underlying land tenure.

4.11 Specific conditions

There are specific conditions that apply to the granted EL's as part of the terms of grant. These conditions commonly include:

(a) covenants by the holder to carry out activities so as to minimise disturbance to the environment;

(b) to consult with native title parties prior to commencing exploration activities other than reconnaissance;

(c) to consult with the Aboriginal Areas Protection Authority ("**AAPA**") and to inspect the Register of Sacred Sites prior to carrying out any work in the EL area; and

(d) if the EL area is within a park (pursuant to the *Territory Parks and Wildlife Conservation Act*) to liaise with the Northern Territory Parks and Wildlife Commission in relation to the manner of exploration.

4.12 Transfer

Legal and equitable interests in mineral titles (including applications for mineral titles) are transferable in accordance with section 123 of the MTA upon the NT Mining Minister's approval and registration of a transfer in the approved form. The NT Mining Minister must approve and register an application to transfer such an interest, unless satisfied that there are circumstances why the application to transfer should be refused.

The MTA provides that an instrument of transfer has no effect until it is registered on the Mineral Titles Register kept by the NT Mining Minister under MTA.

5. Aboriginal sacred sites & archaeological sites

5.1 Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) ("**Commonwealth Heritage Act**") is aimed at the preservation and protection of any Aboriginal areas and objects.

Under the Commonwealth Heritage Act, the Minister for the Environment and Energy ("**Federal Environment Minister**") may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Federal Environment Minister to a person who is, or is likely to be, affected by a permanent declaration of preservation. It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

We have not undertaken searches of any declarations of preservation in relation to the Mineral Titles under the Commonwealth Heritage Act.

5.2 Northern Territory Legislation

"Heritage places" and "heritage objects" under the *Heritage Act 2011* (NT) ("**Northern Territory Heritage Act"**) are places and objects that are either declared to be heritage places and objects under Part 2.1 or 2.2 of the Northern Territory Heritage Act or, a protected class of heritage places or objects. Aboriginal or Macassan archaeological places and objects are a protected class of heritage places and objects (i.e. they are protected without any declaration being required).

Broadly, an "Aboriginal or Macassan archaeological place" is a place pertaining to the past occupation by Aboriginal or Macassan people of the Northern Territory that has been modified by the activity of such people and in or on which the evidence of such activity exists. An "Aboriginal or Macassan archaeological object" generally includes a relic pertaining to the past occupation by Aboriginal or Macassan people of the Northern Territory and is either in an Aboriginal or Macassan archaeological place or, stored in a place in accordance with Aboriginal tradition.

We have not undertaken searches to ascertain if any heritage places or objects (including any Aboriginal or Macassan archaeological places or objects) have been declared or registered in the vicinity of the Mineral Titles. There is no obligation under the Northern Territory Heritage Act to declare Aboriginal or Macassan archaeological places or objects which are a protected class of heritage places and objects whether registered or not.

It is an offence under the Northern Territory Heritage Act to:

(a) engage in conduct resulting in damage to a heritage place or object;

(b) to remove part of a heritage place or object; or

(c) to fail to report to the Chief Executive Office, under the Northern Territory Heritage Act, the discovery of a site or object known to be a heritage site or object.

Damage or removal of a heritage site or object, without commission of an offence, is permitted in certain limited circumstances including in accordance with the terms of a heritage agreement or subject to a works approval under the Northern Territory Heritage Act.

5.3 Sacred Sites

The *Northern Territory Aboriginal Sacred Sites Act* ("**Sacred Sites Act**") protects aboriginal sacred sites and may apply to the Mineral Titles.

It is an offence under Part IV of the Sacred Sites Act to enter onto, work on or desecrate a sacred site other than in accordance with the Sacred Sites Act. A person proposing to carry out works on the Mineral Titles may apply for an Authority Certificate from AAPA. Work carried out on a sacred site in accordance with an Authority Certificate, by the holder of the certificate, is permitted under the Sacred Sites Act without offending the prohibition against carrying out works on a sacred site.

A sacred site is defined under the ALRA as "a site that is sacred to Aboriginals or is otherwise of significance according to Aboriginal tradition". This definition includes, but is not limited to:

(a) sites which have been entered on the Register of Sacred Sites maintained by the AAPA known as "registered sacred sites"; and

(b) sites which have not yet been evaluated or entered on the Register of Sacred Sites but there is sufficient information indicating that they are nonetheless significant according to Aboriginal tradition, known as "recorded sacred sites".

The protection of sacred sites under the Sacred Sites Act applies whether or not those sites are registered or recorded sacred sites. There is no obligation to register sacred sites and accordingly the Register of Sacred Sites maintained by AAPA is not comprehensive. We have not undertaken searches of the Register of Sacred Sites in relation to the Mineral Titles.

The issue of Aboriginal sacred sites is separate and distinct from Aboriginal land rights issues.

5.4 Heritage Rights on the Mineral Titles

As at 22 November 2019, there are no nominated, provisional or declared heritage places located in any of the associated Mineral Titles, nor any previous recorded Aboriginal Archaeological Sites.

The results of this search are derived from a search of the NT Heritage Register and the NT Archaeological Sites Database by the Senior Heritage Officer from the Northern Territory Government Department of Tourism, Sport and Culture Heritage Branch.

We note that the absence of Aboriginal archaeological sites may be due to the fact that no archaeological surveys have been conducted of those particular areas, but the Mineral Titles in question are quite small so the Senior Heritage Officer did not recommend any archaeological surveys on this occasion.

There is no further heritage or archaeological issues associated with this Heritage Search Request.

6. Aboriginal interests in land

Aboriginal interests in land in the Northern Territory are governed by either *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) ("**ALRA**") or the NTA, depending on the nature of the land.

ALRA applies to land which is located on Aboriginal freehold land ("**Aboriginal Freehold Land**"), being land in which freehold title is held by an Aboriginal Land Trust established under ALRA. Section 233(3) of the NTA provides that an act affecting land or waters held by or for the benefit of Aboriginal peoples (including land held under ALRA) is not an act regulated by the NTA. Accordingly, the NTA does not apply to acts done on Aboriginal Freehold Land. The NTA applies to all other land within the Northern Territory in which native title rights and interests exist, which may include pastoral leases granted under the *Pastoral Land Act*.

Section 48H of the ALRA requires a permit be issued to a person to enter upon Aboriginal Freehold Land. Exploration Agreements with Land Councils over Aboriginal Freehold Land generally deal with entry conditions. Section 70(2) of ALRA permits the holder of an estate or interest (including a mining interest) in Aboriginal Freehold Land to enter and remain on the land for any purpose that is necessary for the use or enjoyment of that estate or interest.

7. Native Title

7.1 Native Title Claims

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Federal Court will then refer the application to the Native Title Registrar to apply the registration test pursuant to the NTA.

If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA ("**registration test**"), it will be entered on the Register of Native Title Claims maintained by section 2 of the NNTT. Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

Our searches indicate as at 22 November 2019, there are no Mineral Titles on land which is currently the subject of one or more registered or unregistered native title claims. Any claims that have not been registered may be entered on the Register of Native Title Claims at a later date if additional information is provided by the claimant that satisfies the registration test. If a claim fails to meet the registration test, the native title claimants do not have access to the right to negotiate procedures under the NTA. This does not mean that the claim must be dismissed or discontinued. An unregistered claim must still be heard and determined by the Federal Court.

The fact that a native title claim has been lodged does not necessarily indicate that native title exists or does not exist over the area claimed, nor does the absence of a claim indicate, of itself, that no native title exists over that area.

We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the possibility of any native title claims being made in the future.

Our searches indicate as at 22 November 2019, there are no Mineral Titles on land where the Federal Court has made determinations that native title exists. It is specified in each of the determinations that native title has not been extinguished over parts of the claim area. An example of where it would be established would be as a result of public works, and that there are no native title rights in minerals as defined in section 2 of the *Minerals (Acquisition) Act* or prescribed substances as defined in section 5(1) of the *Atomic Energy Act 1953* (Cth).

7.2 Native Title – Validity of Mineral Titles

(a) **Mineral Titles granted before 1 January 1994**

The grant before 1 January 1994 of a mineral title over land other than freehold, "exclusive possession" leasehold or vested reserve is an act that is capable of affecting native title and could have been invalid under the *Racial Discrimination Act 1975* (Cth) ("**RDA**"). However, the NTA has validated any such mineral titles.

To the extent that any mineral titles granted prior to 1 January 1994 may have been invalid by reason of native title and the operation of the RDA, those mineral titles were validated by the *Validation (Native Title) Act* (enacted pursuant to section 19 of the NTA).

There are no mineral titles granted before 1 January 1994.

(b) **Mineral Titles granted since January 1994**

Mineral titles granted since January 1994 may be invalid to the extent they affect native title if they were granted over land other than freehold, "exclusive possession" leasehold or vested reserve and the applicable processes prescribed by the NTA were not complied with.

(c) **Future Mineral Titles grants**

The valid grant of any of the current applications for mineral titles which may affect native title requires compliance with the "future act" provisions of the NTA.

The NTA regulates all future acts (such as the grant of a mineral title) which affect native title rights. These actions are known as "future acts". A future act will be valid if it falls within one of a number of categories of dealings specified in the NTA provided that there is compliance with the applicable procedural requirements: NTA Part 2, Division 3, and Subdivisions B-P.

Accordingly, if the grant of any of the current applications for mineral titles situated on Pastoral Leases affects native title, the grant will be a future act and will be valid only if there has been compliance with the relevant requirements of the NTA.

The "future act" requirements known as the "right to negotiate procedures" will apply to those applications for mineral titles on land subject to a Federal Court determination that native title rights exist in the application area or, to a registered native title claim. The right to negotiate procedures involves the notification and advertising of a proposed grant, negotiation by the Territory and the mineral title applicant with any registered native title claimants and, if agreement on the terms of grant cannot be reached, determination by the NNTT.

In the case of low impact mineral titles such as EL's, the Territory may nominate that the NTA "expedited procedure" applies. If the registered native title claimants do not object to the application of the expedited procedure within four months after receiving notification of the proposed act, the grant may proceed. If they do object and the objection is upheld by the NNTT, the right to negotiate procedure applies.

Mineral titles may also be validly granted under an Indigenous Land Use Agreement (Subdivisions B, C and D of the NTA) which must be entered into with all the registered native title claimants for the area and registered under the NTA.

The expedited procedure is sometimes nominated by the Northern Territory in relation to ELs in the Northern Territory. We have not made enquires whether the expedited procedure has been nominated in relation to those ELs subject to the "future act" requirements in the NTA. If it has been nominated and followed in relation to granted EL's, there is no mandatory requirement for any form of agreement between the native title parties and the title holder setting out agreed terms and conditions of grant of the mineral title. The right to negotiate procedure will generally apply in relation to applications for MLs for mining of minerals in the Northern Territory on land subject to the NTA future act regime.

7.3 Native Title rights on the Mineral Titles:

As at 22 November 2019, there are no Native Title Determination Applications, Determinations of Native Title or Indigenous Land Use Agreements over the identified areas. The results provided are based on the information supplied to the National Native Title Tribunal on 22 November 2019.

The results of this search are derived from the following Native Title Tribunal databases:

(a) Schedule of Native Title Determination Applications;

(b) Register of Native Title Claims;

(c) National Native Title Register;

(d) Register of Indigenous Land Use Agreements; and

(e) Notified Indigenous Land Use Agreements.

We do note that there may be a delay between a native title determination application being lodged in the Federal Court and its transfer to the Tribunal. As a result, some native title determination applications recently filed with the Federal Court may not appear on the Tribunal's databases.

8. Aboriginal Land Rights

Part IV of the ALRA sets out the legislative scheme for mining on Aboriginal Freehold Land. As noted previously, the NTA future act regime does not apply to acts affecting Aboriginal Freehold Land.

Before an EL application can be processed under the provisions of ALRA, the application for an EL must be lodged and the NT Mining Minister (as per section 62 of the MTA) must first give consent to the applicant to enter into negotiations with the relevant Land Council for its consent to the grant of the EL ("**consent to negotiate**").

Section 40 of ALRA then provides that an EL shall not be granted to a person in respect of Aboriginal Freehold Land unless:

(a) the relevant Land Council gives consent to the grant of the licence under section 42(1) of ALRA;

(b) the Minister responsible for Indigenous Affairs ("**Federal Minister for Indigenous Affairs**") gives consent to the grant of the licence under section 42(8) of ALRA; and

(c) the Land Council and the applicant have entered into an agreement under Part IV of ALRA regarding the terms and conditions that operations on the exploration licence will be subject (and subject to the grant of the exploration licence pursuant to the MTA by the NT Mining Minister).

After the NT Mining Minister has granted "consent to negotiate" under the MTA, the applicant must submit an application in writing to the relevant Land Council for consent to the grant of the licence within three months.

The Land Council must notify the applicant of its decision on whether or not to grant consent to the grant of the EL (in whole or in part) before the expiry of the 22 month

period commencing on 1 January in the calendar year after the calendar year in which the application is received by the Land Council ("**negotiating period**"). The applicant and the Land Council may agree in writing to extend the negotiating period by a further two years and thereafter for further periods of 12 months, subject to the approval of the Federal Minister for Indigenous Affairs. There is no limit to the number of extensions that may be allowed.

If the Land Council refuses an application for consent, ALRA provides that the land subject to the EL application is to be placed in moratorium for a five year period. During this moratorium period, no person may apply for an EL in respect of that land. The applicant retains a priority right to re-apply for an EL over the land for a 30 day period after the end of the five year moratorium period.

9. Registered Dealings

The Minister's Certificates obtained in relation to the Mineral Titles reveal the existence of the Dealings registered on the Mineral Titles Register kept by the NT Mining Minister under section 121 of the MTA in relation to some of the Mineral Titles. A Minister's Certificate is an extract of information contained on the Mineral Titles Register and is deemed to be evidence as to the matter certified and therefore can be relied on. The Schedule identifies the relevant Mineral Titles affected by the Dealings and sets out the title of the dealing agreement, the names of the parties to it, and the date it was entered into. The Dealings listed do not include particulars of registered transfers or caveats and any dealings that have been listed as terminated, expired or withdrawn on the Minister's Certificates.

A brief summary of the nature of the dealing identified in the Schedule follows. No statement is made in this report in relation to the detailed content of the dealing documents, their enforceability, their current status, whether they may have been varied and whether they have been validly entered into.[1]

The following outlines the registered dealings associated with the Mineral Titles:

(a) **EL 10379**

(i) Dealing 92559

This is a transfer of mineral title from Andrew Cameron Lawrie (11%), David Roger Edwards (11%), Dr Bronwyn Helen Lawrie (11%), Lassact Pty Ltd (34%), Robert Reic Lenehan (11%), Linton Ward Thomas (11%) and Bruce Raymond Dodds (11%) to Lassact Pty Ltd (100%) lodged on 12 December 2007, approved on 14 April 2008 and registered on 15 April 2008.[2]

(ii) Dealing 93285

This is a caveat lodged by Westgold Resources Limited on 20 January 2012, approved on 19 January 2012 and registered on 19 January 2012.

(iii) Dealing 93286

This is an earn-in and joint venture heads of agreement between Lassact Pty Ltd and Westgold Resources Limited, lodged on 23 January 2012, approved on 30 January 2012 and registered 30 January 2012.

[1] References to parties to the Dealings in this report follow the same definitions as set out in the Schedule.
[2] Note that Dealing 92559 is not relevant to the Company and is between previous owners of EL 10379.

(iv) Dealing 93528

This is an option and joint venture agreement from Lassact Pty Ltd (100%) to Lassact Pty Ltd (49%) and Castile Resources Pty Ltd (51%), lodged on 16 October 2013, approved on 2 December 2013 and registered on 2 December 2013.

(v) Dealing 93858

This is a letter of agreement for purchase of remaining interest in Warumpi joint venture between Lassact Pty Ltd (49%) and Castile Resources Pty Ltd (51%) to Castile Resources Pty Ltd (100%), lodged on 2 June 2016, approved on 26 June 2016 and registered on 28 June 2016.

(b) **EL 24541**

(i) Dealing 92594

This is a transfer of mineral title from Anglogold Ashanti Australia Limited (100%) to Castile Resources Pty Ltd (100%), lodged on 17 January 2008, approved on 22 February 2008 and registered on 22 February 2008.

(ii) Dealing 92598

This is an agreement for the sale of mining tenements between Aragon Resources Pty Ltd and Castile Resources Pty Ltd, lodged on 23 January 2008, approved on 22 February 2008 and registered on 29 February 2008.

(iii) Dealing 92599

This is a sale and purchase agreement between Anglogold Ashanti Australia Limited and Aragon Resources Pty Ltd, lodged on 23 January 2008, approved on 22 February 2008 and registered on 29 February 2008.

(c) **EL 25511**

(i) Dealing 92595

This is a transfer of mineral title from Aragon Resources Pty Ltd (100%) to Castile Resources Pty Ltd (100%), lodged on 17 January 2008, approved on 22 February 2008 and registered 22 February 2008.

(ii) Dealing 92596

This is an agreement for the sale of mining tenements between Aragon Resources Pty Ltd and Castile Resources Pty Ltd, lodged 18 January 2008, approved on 22 February 2008 and registered 28 February 2008.

(d) **EL 27292 and EL 27372**

(i) Dealing 94142

This is a transfer of mineral title from Adelaide Exploration Pty Ltd (100%) to Castile Resources Pty Ltd (100%), lodged on 22 August 2019, approved on 27 August 2019 and registered on 27 August 2019.

(ii) Dealing 94143

This is a sale and purchase agreement between Adelaide Exploration Pty Ltd and Castile Resources Pty Ltd, lodged on 22 August 2019, approved on 27 August 2019 and registered on 27 August 2019.

10. Joint Venture

The Company has established an earn-in and joint venture agreement in relation to two relevant Mineral Titles under this report being EL 29747 and EL 31794 ("**Joint Venture Mineral Titles**"). The relevant earn-in and joint venture agreement was entered into on or about 22 September 2016 between Prodigy Gold NL (ACN 009 127 020) ("**Prodigy Gold**") (formerly ABM Resources NL (ACN 009 127 020) ("**ABM**")) and Independence Group NL (ACN 092 786 304) ("**IGO**") to earn an interest into the Joint Venture Mineral Titles held by the Company as a wholly owned subsidiary of Metals X Limited (ACN 110 150 055) ("**Metals X**") (subsequently novated to Westgold Resources Limited (ACN 099 260 306) ("**Westgold**")) ("**Earn-In and Joint Venture Agreement**").

The Earn-In and Joint Venture Agreement involved the Company granting IGO and ABM the sole and exclusive right to earn, and IGO and ABM may earn, between them an aggregate 51% interest in the Joint Venture Mineral Titles ("**Joint Venture Interest**"). IGO and ABM then divide the Joint Venture Interest on the basis of 70% to IGO and 30% to AMB. The parties under the Earn-In and Joint Venture Agreement also entered into an unincorporated joint venture for the purpose of exploring, developing and mining the Joint Venture Mineral Titles.

Please refer to section 9.7 of the Prospectus for further details of the Earn-In and Joint Venture Agreement.

11. Qualifications and assumptions

We note the following qualifications and assumptions in relation to this report:

(a) the information in the Schedule is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Mineral Titles between the date of a Search and the date of this report;

(b) we have assumed that the Company as registered holder of a Mining Title has valid legal title to the Mining Titles;

(c) we have assumed that all Searches conducted are true, accurate and complete as at the time the Searches were conducted;

(d) this report does not cover any third party interests, including encumbrances, in relation to the Mining Titles that are not apparent from our Searches and the information provided to us;

(e) we have assumed that all instructions and information (including contracts), whether oral or written, provided to us by the Company, its officers, employees, agents or representatives is true, accurate and complete;

(f) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Mining Title in good standing;

(g) where any dealing in a Mining Title has been lodged for registration but is not yet registered, we do not express any opinion as to whether that registration will be effected, or the consequences of non-registration; and

(h) we have not researched the Mining Titles to determine if there are any unregistered Aboriginal sites located on or otherwise affecting the Mining Titles.

12. Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

PRICE SIERAKOWSKI

Schedule – Company Mineral Title Records as at 3 December 2019

Mineral Title	Holder/ Applicant/ Percentage	Status	Application Date	Grant Date	Expiry Date	Approximate Area (km^2)	Proposed Annual Expenditure ($)	Annual Rent ($) (2018-2019)	Dealings	Notes
THE ROVER PROJECT										
EL 24541	CR (100%)	Renew Retained[3]	30/12/2004	18/12/2007	17/12/2019[4]	388.15	$10,000.00	$26,368.00	92594 92598 92599	1 - 2
EL 25511	CR (100%)	Renew Retained	27/07/2006	18/12/2007	17/12/2019[5]	122.69	$10,000.00	$7,828.00	92595, 92596	1 - 2
EL 27039	CR (100%)	Renew Retained	23/10/2008	15/05/2009	14/05/2021	248.34	$10,000.00	$15,862.00	Nil	1 - 2
EL 27292	CR (100%)	Renew Retained	14/04/2009	27/05/2010	26/05/2020	38.76	$9,775.00	$2,472.00	94142 94143	1 - 2
EL 27372	CR (100%)	Renew Retained	29/05/2009	27/05/2010	26/05/2020	248.59	$40,250.00	$15,862.00	94142 94143	1 - 2
ELR 29957	CR (100%)	Grant[6]	26/04/2013	17/09/2013	16/09/2023	7.718	$25,000.00	$16,212.00	Nil	1 - 4

[3] '*Renew Retained*' means a licence that has been originally granted to the Company and then expired before the Company makes an application for renewal that is subsequently granted by the Northern Territory Government.
[4] The Company notes that the licence for this mineral title will expire on 17 December 2019. The Company made an application to the Northern Territory Government to renew the licence for this mineral title on 6 November 2019 and is awaiting confirmation that the licence has been renewed.
[5] The Company notes that the licence for this mineral title will expire on 17 December 2019. The Company made an application to the Northern Territory Government to renew the licence for this mineral title on 6 November 2019 and is awaiting confirmation that the licence has been renewed.
[6] '*Grant*' means a licence that has been originally granted to the Company and then expired before the Company has made only one or less application for renewal that is subsequently granted by the Northern Territory Government.

Mineral Title	Holder/ Applicant/ Percentage	Status	Application Date	Grant Date	Expiry Date	Approximate Area (km^2)	Proposed Annual Expenditure ($)	Annual Rent ($) (2018-2019)	Dealings	Notes
THE ROVER PROJECT										
ELR 29958	CR (100%)	Grant	26/04/2013	17/09/2013	16/09/2023	0.03	$10,000.00	$63.00	Nil	1 - 4

Mineral Title	Holder/ Applicant/ Percentage	Status	Application Date	Grant Date	Expiry Date	Approximate Area (km^2)	Proposed Annual Expenditure ($)	Annual Rent ($) (2018-2019)	Dealings	Notes
THE WARUMPI PROJECT										
EL 10379	CR (100%)	Renew Retained	14/08/1989	11/09/2007	10/09/2021	53.64	$75,000.00	$3,914.00	92559, 93285, 93286 93528 93858	1 - 2
EL 29747	CR (100%)	Reduction Retained[7]	22/10/2012	13/10/2017	12/10/2023	56.86	$51,000.00	$2,520.00	Nil	1 - 2
EL 31794	CR (100%)	Issued[8]	05/12/2017	28/02/2018	27/02/2024	688.76	$64,500.00	$15,914.00	Nil	1 - 2

[7] '*Reduction Retained*' means a licence that has been originally granted to the Company and then expired before the Company makes an application for renewal and reduction to reduce the size of the mineral title area that is subsequently granted by the Northern Territory Government.

[8] '*Issued*' means a licence that has been originally issued to the Company by the Northern Territory Government and the original expiry date is yet to be reached.

Notes: General Conditions of Grant of Exploration Licence

The MTA outlines the conditions pursuant to which the grant of an exploration licence or an exploration licence in retention is made.

1. Every exploration licence shall, unless expressly waived, varied or suspended in writing by the Minister, be granted subject to the conditions imposed by or under the MTA and to the condition that the licensee will:

    a) for the purposes of exploring for minerals, carry out geological, geochemical or geophysical surveys or any combination of those surveys, on the licence area;
    b) not extract or remove from the licence area any amount of ore, material or other substance other than amounts for sampling purposes authorized by or under section 32(3);
    c) expend not less than the minimum amount of expenditure specified in the licence in carrying out exploration activities on the licence area;
    d) within 28 days after confirmation of their discovery, report in writing to the Secretary all minerals of possible economic or scientific interest discovered on the licence area;
    e) obtain and send to the Secretary such water samples and data on underground water encountered during exploratory drilling as the Secretary, in writing, directs;
    f) conduct exploration programmes and other activities in such a way as not to interfere with existing roads, railways, telephone or telegraph lines, power lines and cables, water pipelines or dams or reservoirs or gas, oil, slurry or tailings pipelines or storage containers, situated on the licence area, or the lawful activities or rights of any person on or in relation to land adjacent to the licence area; and
    g) not interfere with any historical site or object, or any Aboriginal sacred site or object, declared as such under a law in force in the Territory, otherwise than in accordance with that law.

2. In addition to the conditions imposed by or under the MTA, an exploration licence is subject to the conditions that the Minister determines (whether in accordance with a recommendation of the Tribunal or otherwise) and endorses on the licence. Conditions may include a condition about ways of minimising the impact of the grant of the exploration licence on registered native title rights and interests in relation to the land concerned, including about any access to the land or the way in which anything authorised by the grant might be done.

3. The title holder must apply for the grant of a mineral lease if the mining and processing of minerals in the title area of the ELR becomes commercially viable.

4. The Minister may impose additional conditions on an ELR relevant to the evaluation of the commercial viability of mining and processing minerals found in the title area.

8. KEY PERSONS AND CORPORATE GOVERNANCE

8.1 BOARD OF DIRECTORS

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

Collectively, the Directors have significant experience in the mineral exploration, project development industries and corporate management. Brief profiles of the Directors are set out in Section 8.2.

8.2 DIRECTOR PROFILES

8.2.1 PETER COOK
NON-EXECUTIVE CHAIRMAN

Mr Cook is a geologist BSc (App Geol 1983), mineral economist (MSc Min Econ 1995 WASM) and highly experienced veteran of the Australian resource sector. He is currently the Executive Chairman of Westgold and has more than a decade of association with the Company and its assets.

Mr Cook has substantial experience in the exploration, development, mining, construction, permitting and financing of development projects within Australia as well as the corporate management of listed public entities.

8.2.2 MARK HEPBURN
MANAGING DIRECTOR

Mr Hepburn has a degree in Economics and Finance (B.Econ. & Fin 1992 UWA) and has been a member of the Australian Institute of Company Directors since 2008.

He has significant experience in the management and corporate development of public companies, their interaction with small, institutional investors and their servicing through communication, promotion and management.

Mr Hepburn brings substantial market aptitude and the critical marriage between the risk aspects of exploration and development, with the intricacies of capital markets.

Mr Hepburn is also a Non-Executive Director of ASX listed lithium and gold explorer Mali Lithium after an acting role as CEO where he oversaw the company's refinancing and corporate re-structuring. He was also on the board of ASX listed Indonesian gold developer Sihayo Resources until November 2018.

8.2.3 JOHN BRAHAM
NON-EXECUTIVE DIRECTOR

Mr Braham is an experienced Mining Finance and Investment professional having a 24 year career with Macquarie Bank until 2017. For the last 11 years of his service he was an Executive Director and co-head of Macquarie's Global Mining and Finance Division.

Mr Braham has vast experience in the provision of debt and equity to mining, exploration and development companies, worldwide. Mr Braham brings Castile a set of finance and corporate skills to greatly assist with its future financing and development needs.

Since November 2018, Mr Braham has served as Managing Director of the ASX listed and South American focused Equus Mining Limited.

8.2.4 JAKE RUSSELL
NON-EXECUTIVE DIRECTOR

Mr Russell is a geologist B.Sc. (Hons) MAIG with circa 20 years of experience in exploration, mining, resource development and management. He is currently the group Chief Geologist of Westgold Resources Limited and prior to its demerger from Metals X Limited, he was the Group Chief Geologist of Metals X Limited.

Mr Russell brings Castile a second to none knowledge of the assets of Castile and a high degree of technical expertise in their exploration, resource development and exploitation.

8.3 SENIOR MANAGEMENT TEAM

The Board has delegated responsibility for the business operations of the Company to the senior management team, which will initially be led by Mark Hepburn. See Section 8.2.2.

8.4 COMPANY SECRETARY PROFILE

8.4.1 BEN SECRETT
COMPANY SECRETARY

Mr Secrett has over 10 years' experience providing corporate advisory, legal, risk and governance services to Australian and foreign listed and unlisted entities, having worked as a corporate lawyer and a Principal Adviser in ASX Listings Compliance.

Ben has a comprehensive knowledge of the Corporations Act, ASX listing rules, the JORC Code and the Petroleum Resource Management System, and extensive experience in IPOs and capital raisings, backdoor listings, transaction structuring, and corporate governance and compliance. Ben has qualifications in economics, law and corporate governance.

8.5 COMPOSITION OF THE BOARD

The Board currently comprises of 4 members, including 3 Non-Executive Directors and 1 Executive Director (being the Managing Director).

The Board considers an independent Director to be a Non-Executive Director who is not a substantial Shareholder or a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. The Company considers Messrs Braham and Russell to be independent Directors.

The composition of the Company's Board will not initially be in line with the recommendations of the ASX Corporate Governance Council as a majority of its members will not be independent Directors. The Company has at this stage decided to select directors with the expertise and experience to support the Company's business strategy rather than strictly adhere with this recommendation. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.

8.5.1 INTERESTS OF DIRECTORS

Other than as disclosed in this Prospectus, no existing or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or

- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director for services in connection with the formation or promotion of the Company or the Offer, or to induce them to become, or qualify as, a Director.

8.5.2 SHAREHOLDING REQUIREMENTS

The Directors are not required to hold any Shares under the Constitution of the Company.

8.5.3 DIRECTORS' SECURITY HOLDINGS

Set out below are the anticipated relevant interests of the Directors in the Shares of the Company upon completion of the Offer.

Director	Shares[1]	Voting power
Peter Cook	5,389,526	2.70%
Mark Hepburn	Nil	0%
John Braham	Nil	0%
Jake Russell	Nil	0%
Total	5,389,526	2.70%

1. The table assumes Peter Cook applies for his full Entitlement under the Offer and that Full Subscription is achieved.
2. The table assumes that no Directors apply for Shares under the Shortfall Offer, however, the Directors may, to the extent any New Shares are available under the Shortfall Offer, and subject to the terms of the Underwriting Agreement, participate in the Shortfall Offer. The relevant interest of a Director in Shares, and his voting power, will increase to the extent that the Director applies for, and is issued, Shares under the Shortfall Offer.
3. Peter Cook, through his nominee entity, Ajava Holdings Pty Ltd, has entered into a sub-underwriting agreement with Canaccord Genuity to sub-underwrite the Underwritten Amount up to $5,000,000. Refer to Section 2.7.

Set out below are the relevant interests of the Directors in other securities of the Company upon completion of the Offer.

Director	Options
Peter Cook	Nil
Mark Hepburn	2,000,000[1]
John Braham	Nil
Jake Russell	Nil
Total	2,000,000

1. The terms of the Executive Options are set out in Section 10.2.

8.5.4 DIRECTORS' REMUNERATION

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Directors prior to the first annual general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of $300,000 per annum by the Directors. The remuneration of the Non- Executive Directors must not

be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the proposed increase has been given to Shareholders in the notice convening the meeting.

Set out below is the initial remuneration payable by the Company to each Director.

Director	Role	Annual salary
Peter Cook[1]	Non-Executive Chairman	$80,000 (incl. of statutory superannuation)
Mark Hepburn[2]	Managing Director	$300,000 (excl. of statutory superannuation)
John Braham[3]	Non-Executive Director	$60,000 (incl. of statutory superannuation)
Jake Russell[4]	Non-Executive Director	$60,000 (incl. of statutory superannuation)

Note:

1. The material terms upon which the Company has engaged Peter Cook are set out in Section 9.3.1.
2. The material terms upon which the Company has engaged Mark Hepburn are set out in Section 9.3.2
3. The material terms upon which the Company has engaged John Braham are set out in Section 9.3.3.
4. The material terms upon which the Company has engaged Jake Russell set out in Section 9.3.3

8.6 RELATED PARTY ARRANGEMENTS

The Company's policy in respect of related party arrangements is as follows:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

Other than as set out in this Prospectus, there are no related party arrangements involving the Company or its Directors.

8.7 CORPORATE GOVERNANCE

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the *Corporate Governance Principles and Recommendations (3rd Edition)* published by ASX Corporate Governance Council ("**Recommendations**").

The Board has adopted the following suite of corporate governance policies which are available on the Company's website at www.castile.com.au:

- Board Charter
- Board Performance Evaluation Policy
- Code of Conduct
- Audit and Risk Management Committee Charter

- Remuneration and Nomination Committee Charter
- Security Trading Policy
- Continuous Disclosure Policy
- Shareholder Communications Policy
- Whistleblower Policy
- Diversity Policy

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

Following admission to the official list of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. As at the date of this Prospectus the Company complies with the Recommendations other than to the extent set out below.

No.	Recommendation	Explanation for non-compliance
2.	**Structure the Board to add value**	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Company does not have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board may adopt such a matrix at a later time as the Company's operations grow and evolve.
2.4	A majority of the board of a listed entity should be independent directors.	The Board currently consists of 1 executive director and 3 non-executive directors, of which 2 are considered by the Board to be independent directors. As a small entity, the Company has at this stage decided to select directors with the expertise and experience to support the Company's business strategy rather than strictly adhere with these recommendations. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.
4.	**Safeguard integrity in financial reporting**	
4.1	The board of a listed entity should: (a) have an audit committee which: (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an	Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of the Audit committee are undertaken by the Board. The full Board in its capacity as the Audit committee is responsible for reviewing the integrity of the Company's financial reporting and

No.	Recommendation	Explanation for non-compliance
	independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an Audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external Auditor and the rotation of the Audit engagement partner.	overseeing the independence of the external Auditors. The duties of the full Board in its capacity as the Audit committee are set out in the Company's Audit Committee Charter which is available at www.castile.com.au. When the Board meets as an Audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. The Board is responsible for the initial appointment of the external Auditor and the appointment of a new external Auditor when any vacancy arises. Candidates for the position of external Auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external Auditor based on criteria relevant to the Company's business and circumstances. The performance of the external Auditor is reviewed on an annual basis by the Board. The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed at www.castile.com.au.
7.	**Recognise and manage risk**	
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least 3 members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) as at the end of each reporting period, the number of times the	Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework. When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee

No.	Recommendation	Explanation for non-compliance
	committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	and is disclosed at www.castile.com.au.
7.3	A listed entity should disclose: (a) if it has an internal Audit function, how the function is structured and what role it performs; or (b) if it does not have an internal Audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company does not currently have an internal Audit function however, following admission to the Official List of the ASX the Company will consider establishing an internal Audit function in the future should the need arise. The Company monitors, evaluates and improves its risk management and internal control processes in line with the processes set out in its Risk Management Policy. A copy of this policy is available at www.castile.com.au.
8.	**Remunerate fairly and responsibly**	
8.1	The board of a listed entity should: (a) have a remuneration committee which: (i) has at least 3 members, a majority of whom are independent directors; and (ii) is chaired by an independent director, (iii) and disclose: (iv) the charter of the committee; (v) the members of the committee; and (vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition	Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board. The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available at www.castile.com.au. When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration

No.	Recommendation	Explanation for non-compliance
	of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Committee and is disclosed at www.castile.com.au.

9. MATERIAL CONTRACTS

Set out in this Section is a summary of the material contracts to which the Company is a party that may be material in terms of the Offer, for the operation of the business of the Company, or which may otherwise be relevant to a potential investor in the Company.

The whole of the provisions of the contracts are not repeated in this Prospectus and any intending applicant who wishes to gain full knowledge of the content of the material contracts should inspect the same at the registered office of the Company.

9.1 IMPLEMENTATION DEED

On 17 October 2019, the Company and Westgold entered into an Implementation Deed to assemble the Company's business under the ownership of the Company and separate the Company from Westgold, through an in-specie distribution of Shares to Eligible Shareholders.

The parties have agreed to implement the steps required for the Separation by Demerger on the following material conditions:

(a) The In-specie Distribution being approved by Westgold Shareholders (which was obtained at Westgold's AGM on 25 November 2019);

(b) No legal restraint or prohibition preventing the In-specie Distribution and the Company's admission to the Official List being implemented;

(c) All regulatory approvals being obtained by both parties;

(d) Both parties must effect all necessary obligations for ASX to approve the admission of the Company to the Official List; and

(e) This Prospectus not being subject to a stop order under section 1020E of the Corporations Act.

Westgold has agreed to meet the Company's costs incurred prior to being admitted to the Official List until the date the Company is admitted to the Official List. The Company is required to reimburse Westgold for these costs from the proceeds of the Offer within 10 business days of the Company being admitted to the Official List. As at the date of this Prospectus, the Company anticipates a reimbursement to Westgold of approximately $450,000 will be made.

Westgold may terminate the Implementation Deed by written notice to Castile, whereby each party will be released from their obligations and liabilities under the Implementation Deed.

Rights arising out of or under the Implementation Deed cannot be assigned, novated or otherwise transferred by a party without the prior written consent of the other party.

The Implementation Deed is otherwise on terms and conditions considered standard for agreements of this nature.

9.2 TRANSITIONAL SERVICES AGREEMENT

On 17 October 2019, Westgold and the Company entered into the Transitional Services Agreement regarding certain services to be provided by Westgold to the Company following the Company's ASX listing.

The services to be provided by Westgold include the following ("**Services**"):

(a) (financial) monthly bookkeeping and reporting services;

(b) (human resources) payroll services with respect to the payment of Company employees;

(c) (commercial) assisting with service contracts for the initial term of 6 months' following the Company's ASX listing;

(d) (exploration and geology) maintaining exploration and geological databases and supporting the transition of data to the Company;

(e) (tenements) maintaining and assisting the Company with respect to the management, collation and reporting of Tenements;

(f) (maintenance) assisting with the maintenance of plant and equipment, and supporting the transition of maintenance schedules and data to the company;

(g) (information technology) assisting with the migration of all software and data used by the Company.

Westgold has agreed to provide the Services on the following material terms and conditions:

- Westgold shall provide the Services in consideration of the Company paying the respective services charges, which are provided at cost, with invoices payable within 30 days receipt, and interest charged at 2% per annum on late payments;
- the Company is responsible for all costs of obtaining any required third party consents (if any); and
- all intellectual property rights remaining with Westgold.

The Transitional Services Agreement commences upon the Company's ASX listing for an initial term of 6 months, which the Company may extend for a further 3 months with written notice to Westgold.

The Company may terminate Westgold's provision of the Services (or an individual service) by giving 15 days written notice to Westgold.

Neither party may assign its rights or sub-contract any of its obligations under this Agreement without the other party's prior written consent.

The engagement is otherwise on terms and conditions considered standard for engagements of this nature.

9.3 EMPLOYMENT AGREEMENTS

9.3.1 MR PETER COOK
NON-EXECUTIVE CHAIRMAN

Mr Peter Cook is engaged as Non-Executive Chairman of the Company pursuant to an engagement letter dated 27 November 2019.

Mr Cook will receive a salary of $80,000 per annum (inclusive of statutory superannuation), commencing on the date the Company lists on the ASX.

As Non-Executive Chairman, Mr Cook will, among other things:

(a) adopt a leadership role in the conduct of the responsibilities of the Company and lead and manage the Company in the discharge of its duties;

(b) ensure the Company has in place appropriate and adequate corporate governance policies and monitor compliance with those policies;

(c) attend Board meetings and any other committee meeting requiring his attendance;

(d) ensure the Board meets regularly and has adequate information to ensure that the Board is kept properly informed of the financial position and performance of the Company;

(e) monitor management, the assessment of the Company's financial position and performance and the detection and assessment of material adverse developments; and

(f) perform his duties and exercise his powers with utmost good faith towards the Company, promote the interests of the Company and its associated entities and always act in the best interests of the Company and its associated entities.

Mr Cook's appointment is subject to the Corporations Act and his successful re-election under the Company's Constitution and the ASX Listing Rules.

The engagement is otherwise on terms and conditions considered standard for engagements of this nature.

9.3.2 MR MARK HEPBURN
MANAGING DIRECTOR

Mr Mark Hepburn is engaged as Managing Director of the Company pursuant to an employment agreement with the Company dated 1 September 2019.

Upon the Company listing on the Official List, Mr Hepburn will receive a salary of $300,000 per annum (exclusive of statutory superannuation). Prior to listing, Mr Mark Hepburn will have an hourly rate of $150 per hour up to a maximum of $1,200 per day (whichever is the greatest).

Mr Hepburn has also been issued 2,000,000 Executive Options on the terms set out in Section 10.2.

As Managing Director, Mr Hepburn will, among other things:

(a) execute the Company's strategy as determined by the Board from time to time and be responsible for the overall management and supervision of activities, operations and affairs of the Company, subject to overall control and direction by the Board;

(b) represent the Company's interests publically in all matters;

(c) promote the Company to investment markets, represent the Company at investor presentations, improve investment market perception of the Company and manage investment relations;

(d) develop overall Company strategy for consideration by the Board including developing exploration strategy and scoping development scenarios;

(e) assist in the development of exploration strategy and oversee the implementation of Company exploration and development strategies as approved by the Board;

(f) develop exploration programmes, budgets and review of outcomes; and

(g) develop exploration strategy and scoping development scenarios.

Either party may terminate the agreement without cause by providing the other party with no less than 3 months' notice in writing, or by payment of the Company to Mr Hepburn of 3 months' salary in lieu of such notice, as the case may be.

The Company may terminate the agreement by summary notice to Mr Hepburn with cause in circumstances considered standard for agreements of this nature in Australia, including serious or

persistent breaches of the agreement, grave misconduct or wilful neglect in the discharge of his duties under the agreement.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

9.3.3 JAKE RUSSELL AND JOHN BRAHAM NON-EXECUTIVE DIRECTORS

Mr Russell and Mr Braham (together, the "**Non-Executive Directors**") will be engaged as Non-Executive Directors of the Company pursuant to engagement letters dated 22 November 2019 and 28 November 2019 respectively.

The Non-Executive Directors will receive a salary of $60,000 per annum (inclusive of statutory superannuation), commencing on the date the Company lists on the ASX.

As Non-Executive Directors, they will, among other things:

(a) ensure sufficient time and attention is afforded to their duties as shall be necessary and as the Company shall reasonably require from time to time;

(b) organize, plan, lead, motivate and coordinate the activities of the Company to reach pre-set objectives in terms of key performance indicators determined by the Board with respect to mineral exploration and production, business development, corporate positioning revenue and profitability;

(c) develop strategic alliances between the Company and its key stakeholders;

(d) act on their own responsibility and initiative in exercising their professional judgment as to the manner in which they carry out their duties;

(e) observe and comply with the ASX Listing Rules, including the continuous disclosure obligations, the Corporations Act and all other legal obligations; and

(f) perform such services for subsidiary companies of the Company (without further remuneration unless otherwise agreed) and accept such offices in such subsidiary companies as the Company may from time to time reasonably require.

Either party (e.g. the Company and each individual Non-Executive Director) may terminate the agreement without cause by providing the other party with no less than 3 months' notice in writing.

The Non-Executive Directors are subject to restrictions in relation to the use of confidential information, however, their engagement is not exclusive to the Company provided that any other engagement does not interfere with the performance of their duties to the Company.

The agreements are otherwise on terms and conditions considered standard for agreements of this nature in Australia.

9.4 UNDERWRITING AGREEMENT

The Company has entered into the Underwriting Agreement appointing Canaccord Genuity as underwriter to the Offer. Set out below is a summary of the key terms of the Underwriting Agreement dated 3 December 2019.

The Underwriting Agreement is subject to certain condition precedents which are considered standard for underwriting agreements of this type, including:

(a) (Other approvals): the Company obtaining all regulatory approvals, relief and modifications (in form and substance acceptable to the Underwriter) that are necessary to

enable the Offer to proceed in accordance with the indicative timetable agreed between the Company and the Underwriter;

(b) (Shortfall notice): the Company delivering to the Underwriter a notice setting out the number of Shortfall Shares on the business day immediately prior to the date the Company is required to notify the Underwriter of the number of Shortfall Shares (up to the Underwritten Amount); and

(c) (Official quotation): ASX not having indicated to the Company or the Underwriter, on or before the proposed issue date of Shares under the Offer that it will not grant permission for the quotation of Shares being offered pursuant to the Offer on ASX.

Prior to the issue date of New Shares under the Offer, and subject to their being no material breach or default of the Underwriting Agreement by the Company, the Underwriter is required to subscribe, or procure subscriptions by institutional or exempt investors, for the Shortfall Shares (up to the Underwritten Amount), and pay, or procure payment to, the Company of the issue price in respect of each of the underwritten Shares.

Pursuant to the Underwriting Agreement, the Company will pay the Underwriter:

- an underwriting fee of 3% (plus GST); and
- an offer management fee of 2% (plus GST),

of the Underwritten Amount.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination which are considered standard for an agreement of this type. The material circumstances in which the Underwriter may terminate its obligations under the Underwriting Agreement are:

(a) (breach) the Company fails to perform or observe any of its material obligations under the Underwriting Agreement;

(b) (due diligence) any of the documents required to be provided under the due diligence planning memorandum, including the due diligence report, issued by the due diligence committee established for the purposes of this Prospectus having been withdrawn, or varied without the prior written consent of the Underwriter;

(c) (Market fall): The S&P/ASX 300 Index closes on any two consecutive business days prior to the issue date of Shares under the Offer, at a level that is 10% or more below its level as at the close of trading on the business day before the date of this agreement;

(d) (Information): The due diligence report or the information provided by or on behalf of the Company to the Underwriter in relation to the due diligence program, the Prospectus or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);

(e) (Future matters): Any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in this Prospectus is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe; and

(f) (Adverse Change): There is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

9.5 DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered into deeds of access, indemnity and insurance with each existing and proposed Director which confirm each person's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain Directors' and Officers' insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

9.6 DEED OF ASSIGNMENT AND ASSUMPTION – ROVER ROYALTY AND TENEMENT TRANSFER AGREEMENT

On 15 August 2019, Adelaide Exploration Pty Ltd (ACN 097 387 918) ("**AEPL**"), Andromeda Metals Limited (ACN 061 503 375) ("**AML**"), Franco-Nevada Australia Pty Ltd (ACN 128 617 078) ("**Franco-Nevada**"), Westgold and the Company entered into a deed of assignment and assumption ("**Deed of Assignment and Assumption**") under which AEPL assigned all of their rights and obligations under the rover tenement transfer agreement ("**Rover Tenement Transfer Agreement**") and the accompanying rover royalty interest deed ("**Rover Royalty Interest Deed**") both entered into on 28 February 2005 by AEPL, Adelaide Resources Limited (ABN 75 061 503 375) ("**ARL**") and Newmont Gold Exploration Pty Ltd (ABN 67 009 738 791) ("**Newmont Gold**") to the Company.

The Deed of Assignment and Assumption was in relation to two of the Rover Project tenements being exploration licenses EL27292 and EL27372 ("**Exploration Licenses**") and the Company covenants with AEPL in favour of Franco-Nevada to observe AEPL's obligations whilst Westgold covenants with AML in favour of Franco-Nevada to perform AML's obligations.

AEPL, Franco-Nevada, Westgold and the Company acknowledged and agreed under the Deed of Assignment and Assumption that Franco-Nevada may still exercise its buy-back right, the amount payable by Franco-Nevada being determined based on the aggregate respective contributions of AEPL and the Company to total expenditure and will accrue and be payable solely by the Company. Franco-Nevada's buy-back right is in respect to gold resources discovered on the Exploration Licenses. If Franco-Nevada elects to buy-back a 70% interest in the Exploration Licenses, it must deliver to AEPL:

- a bank cheque for the lesser of $20,000,000 or three times the amount of expenditure incurred by AEPL from 28 February 2005 until the date upon which notice is given to AEPL;
- an executed withdrawal of any caveat or other encumbrance Franco-Nevada may have lodged against the Exploration Licenses; and
- a document duly executed by Franco-Nevada which terminates the Rover Royalty Interest Deed.

The key terms and conditions of the Rover Royalty Interest Deed transferred to the Company in accordance with the Deed of Assignment and Assumption include:

- the Company grants Franco-Nevada a perpetual royalty payable by the Company at the rate of 1.5% where gold is not the product; and

- as outlined in the table below where the product is gold;

Average Spot Price per Ounce	Cumulative Gold Production (Ounces)	
	Less than 500,000	More than 500,000
Less than $600.00	1.5%	1.75%
From $601.00 to $700.00	1.75%	2.0%
Greater than $700.00	2.00%	2.5%

Notes:

1. The Average Spot Price per Ounce achieved during the given quarter means:

(a) In respect of gold, the arithmetic average of the London PM Fix Price (the spot price in United States dollars per troy ounce of gold fixed in the afternoon by the London Bullion Dealers Association on that day) for every day of the expired quarter on which the London Bullion Dealers Association fixes a spot price for an ounce of gold (in United States dollars);

(b) in respect of other precious metals, the arithmetic average of the price of the metal quoted on the London Metals Exchange in the Metals Bulletin, for every day of the expired quarter on which the price of the mineral is so quoted; and

(c) in respect of any other mineral, the arithmetic average of the price of such mineral on each business day of the expired quarter, where such price is arrived at using a national published average spot price of any other such mineral.

2. The Cumulative Gold Production means the total gold production as a result of mining activities on the Exploration Licenses by the Company.

- the Company is to make payment of the royalty as per the above conditions to Franco-Nevada within twenty (20) business days after the expiration of each quarter once production begins;

- the Company must keep and maintain or ensure that there are kept and maintained accurate records of any mining operations and other activities on the Exploration Licenses;

- the Company must deliver to Franco-Nevada, a project statement within twenty (20) business days after the expiration of each quarter and copies of any records that are reasonably requested by Franco-Nevada from time to time;

- the Company must permit Franco-Nevada and its duly appointed auditors full and free access to all of the records in relation to the Exploration Licenses once every calendar year at the request of Franco Nevada; and

- any party under the Deed of Assignment and Assumption may freely assign all its interest and rights and obligations under the Rover Royalty Interest Deed to a related company provided that the related company delivers to the remaining parties a new deed of assignment and assumption.

9.7 EARN-IN AND JOINT VENTURE AGREEMENT – PRODIGY GOLD NL, INDEPENDENCE GROUP NL, CASTILE RESOURCES LTD AND WESTGOLD

On 22 September 2015, Prodigy Gold NL (ACN 009 127 020) ("**Prodigy Gold**") (formerly ABM Resources NL (ACN 009 127 020) ("**ABM**")) and Independence Group NL (ACN 092 786 304) ("**IGO**") entered into an earn-in and joint venture agreement ("**Earn-In and Joint Venture Agreement**") to earn an interest into exploration licence EL 29748, EL 29747, EL 31606 and EL 31794 ("**Exploration Tenements**") held by the Company, which, at that time, was a wholly

owned subsidiary of Metals X Limited (ACN 110 150 055) ("**Guarantor**"). The Earn-in and Joint Venture Agreement was subsequently novated to Westgold by way of a deed of novation dated 18 July 2017.

The Earn-In and Joint Venture Agreement involved the Company granting IGO and ABM the sole and exclusive right to earn, and IGO and ABM may earn, between them an aggregate 51% interest in Exploration Tenements ("**Tenement Interest**"). IGO and ABM then divide the Tenement Interest on the basis of 70% to IGO and 30% to ABM. The parties under the Earn-In and Joint Venture Agreement also agreed to enter into an unincorporated joint venture for the purpose of exploring, developing and mining the tenement.

The key terms and conditions of the Earn-In and Joint Venture Agreement include:

- the earn-in amount under the Earn-In and Joint Venture Agreement was $500,000 with a $100,000 initial commitment on exploration expenditure;
- the earn-in period commenced on the date being one year from the commencement date and ended on the first of the following dates:
    - two years from the last day of the initial period of one year;
    - the joint venture commencement date; or
    - the date upon which both IGO and ABM withdraw or are deemed to withdraw from the Earn-IN and Joint Venture Agreement.
- IGO and ABM could withdraw from the Earn-In and Joint Venture Agreement at any time during the earn-in period ending 22 September 2017 by giving written notice to the company;
- IGO and ABM or the Company were able to terminate the Earn-In and Joint Venture Agreement by giving notice to that effect to the other parties if the Exploration Tenements /were not granted by 22 September 2018 or another date agreed upon by the parties;
- the Company grants IGO and ABM and their employees, agents and contractors the sole and exclusive right to enter upon the Exploration Tenements during the earn-in period;
- none of the parties may dispose, agree to dispose or create any encumbrance or third party right over its interests under the Earn-In and Joint Venture Agreement;
- ABM and IGO have the right to lodge caveats against the Exploration Tenements on and from the date of the Earn-In and Joint Venture Agreement; and
- a party to the Earn-In and Joint Venture Agreement is entitled to receive a net smelter return royalty if a party's interest in the joint venture is diluted to 5% or less, whereby that party will be deemed to have withdrawn from the joint venture and its joint venture interest will automatically convert to the royalty payable. The royalty payable is calculated and paid by the continuing participant(s) in accordance with the following procedure:
    - the royalty payable by the continuing participant(s) to the royalty holder shall be equal to 1% of the net smelter return;
    - within 30 days of the end of each quarter, the continuing participant(s) shall provide the royalty holder with a statement setting out in reasonable detail the calculation of the share of the net smelter return and the royalty payment due to the royalty holder for the previous quarter and also pay the royalty to the royalty holder; and

- the continuing participant(s) records that relate to the calculation of the net smelter return and the royalty shall be open to inspection and review by the royalty holder's external auditors, at the royalty holder's cost, not more frequently than once yearly.

10. ADDITIONAL INFORMATION

10.1 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

The following is a general description of the more significant rights and liabilities attaching to the New Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. The Company's Constitution can be viewed at www.castile.com.au and a copy is available for inspection at the Company's registered office during normal business.

10.1.1 RANKING OF SHARES

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. New Shares issued pursuant to this Prospectus will rank equally with existing Shares.

10.1.2 VOTING RIGHTS

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

10.1.3 DIVIDEND RIGHTS

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

10.1.4 VARIATION OF RIGHTS

The rights attaching to Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

10.1.5 TRANSFER OF SHARES

Subject to Constitution, Corporations Act, Listing Rules and any other applicable laws, Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

10.1.6 GENERAL MEETINGS

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

10.1.7 RIGHTS ON WINDING UP

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- divide among Shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

10.2 TERMS OF EXECUTIVE OPTIONS

10.2.1 ENTITLEMENT

Each Executive Option ("**Option**") entitles the holder to subscribe for one Share upon the exercise of the Option. Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

10.2.2 EXPIRY DATE

Each Option will expire at 5.00pm (WST) on the date that is three (3) years from the date of issue ("**Expiry Date**"). After this time, the Option will lapse. However if the Option holder's employment or consultancy arrangement is lawfully terminated, the Expiry Date is adjusted according to the good and bad leaver table set out in Section 10.3.7.

10.2.3 EXERCISE PRICE

Each Option will have an exercise price equal to $0.25.

10.2.4 VESTING AND EXERCISE PERIOD

Subject to the Company being admitted to the Official List:

(a) 1,000,000 Options will vest and become exercisable one year from the date the Options are issued; and

(b) 1,000,000 Options will vest and become exercisable two years from the date the Options are issued.

Subject to the foregoing, Options may be exercised at any time after the date of issue and prior to the Expiry Date.

10.2.5 FRACTIONAL EXERCISE FACILITY

A holder may elect not to pay the exercise price for an Option and instead receive a fraction of a Share ("**Option Fractional Exercise Facility"**), subject to Board approval. By using the Option Fractional Exercise Facility, the holder will be allotted Shares to the value of the surplus after the exercise price has been set off.

If the difference between the total exercise price otherwise payable and the then market value of Shares at the time of exercise is zero or negative, the Participant is not eligible to use the Option Fractional Exercise Facility.

10.2.6 QUOTATION

Provided the Company is quoted on ASX at the time, the application will be made by the Company to ASX for quotation of the Shares issued upon exercise of the Options.

The Company will not apply for quotation of the Options on ASX.

10.2.7 TIMING AND ISSUE OF SHARES

Subject to shareholder and regulatory approvals, within 5 business days after the later of the following:

(a) receipt of an exercise notice and payment of the exercise price if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

(b) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the exercise notice and payment of the exercise price,

the Company will allot and issue the Shares pursuant to the exercise of the Options and, to the extent that it is legally able to do so:

(c) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(d) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the options.

If the Company is unable to complete (c), the Company may, in its absolute discretion, issue the Shares after the lodgement of a disclosure document issued by the Company complying with Part 6D.2 of the Corporations Act in respect of an offer of shares ("**Cleansing Prospectus**") or, if agreed by the holder, issue the Shares after the holder signs an undertaking not to deal in the Shares until the earlier of: the Company issuing a Cleansing Prospectus; and 12 months from the issue, and agrees to a holding lock being placed on the Shares for this period.

10.2.8 PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Options and holders are not entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give holders the opportunity to exercise their Options prior to the announced record date.

10.2.9 ADJUSTMENT FOR BONUS ISSUE OF SHARES AND RIGHTS ISSUE

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares the holder would have received if the holder had exercised the option before the record date for the bonus issue; and

(b) no change will be made to the exercise price.

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the exercise price.

10.2.10 ADJUSTMENTS FOR REORGANIZATION

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

10.2.11 CHANGE OF CONTROL OR TAKEOVER

If a change of control event occurs, the Board may in its sole and absolute discretion, subject to the Listing Rules, determine how vested or unvested options will be treated, including determining that vested or unvested Options will become immediately convertible into Shares with such conversion deemed to have taken place immediately prior to the effective date of the change of control event.

10.2.12 TRANSFERABILITY

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

10.3 EMPLOYEE INCENTIVE PLAN

The Company has adopted an employee incentive plan and may issue Awards (defined below) to eligible participants following the Company's listing on the ASX. Set out below is a summary of the Company's employee incentive plan ("**Plan**"). No Awards have been issued under the Plan as at the date of this Prospectus.

10.3.1 OBJECTIVES

The primary objectives of the Plan are to:

(a) set out a method by which eligible participants can participate in the future growth and profitability of the Company;

(b) provide an incentive and reward for eligible participants for their contribution to the Company; and

(c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

10.3.2 ELIGIBLE PARTICIPANTS

Under the Plan, an award ("**Award**") may be in the form of:

(a) an option ("**Option**") (a right to acquire a Share); or

(b) a performance right (a right to receive Shares once specified performance criteria are met).

The Board at its sole discretion may invite any eligible person, including Directors, selected by it to complete an application relating to a specified number and type of Award allocated to that eligible person by the Board. The Board may offer Awards to any eligible person it determines and determine the extent of that person's participation in the Plan ("**Participant**").

An offer by the Board is required to specify, among other things, the type of Award offered, the date and maximum number of Awards being offered, the issue price, exercise price or vesting conditions (if any) and any other matters the Board deems necessary, including the terms and conditions attaching to the Awards.

10.3.3 5% LIMIT

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] ("**Class Order**") and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.

10.3.4 TERMS OF AWARDS

No adjustments will be made to the number of Awards granted to a Participant under the Plan if dividends or other distributions are paid on Shares before Awards are exercised.

Shares issued to Participants on the exercise of an Award carry the same rights and entitlements as other Shares on issue. The Company will not seek quotation of any Awards, but will seek quotation for Shares issued on the exercise or conversion of Awards, provided the Company is listed on the ASX at the time.

Unless the Board determines otherwise, or as required by the law, an Award granted under the Plan is not capable of being transferred or encumbered by a Participant. The Company may buy-back Awards for an amount agreed with the Participant at any time, subject to applicable laws.

10.3.5 EXERCISE OF AWARDS

At the sole and absolute discretion of the Board, and in general terms, Awards granted under the Plan may only be exercised if particular exercise or vesting conditions have been met or waived, the exercise price (if any) has been paid to the Company, the Awards are exercised within the respective exercise period (if any) and the Participant has been issued a vesting notification. An Award granted under the Plan may not be exercised once it has lapsed.

10.3.6 LAPSE OF AWARDS

Subject to the terms and conditions in the offer and Award, and at the Board's absolute discretion, a Participant's Awards will lapse:

(a) 90 days after the date of the lawful termination of the Participant where the dismissal was not due to:

(i) serious and willful misconduct;

(ii) a material breach of the terms of employment or engagement; or

(iii) gross negligence; and

(iv) the Participant does not breach any post-termination restrictions ("**Good Leaver**"); or

(b) 90 days after the date of death or disability of the Participant (where the disability is such that the Participant is unable to perform normal duties in the opinion of a medical practitioner nominated by the Board); or

(c) immediately if:

(i) the Participant's lawful termination was not as a Good Leaver; or

(ii) the Participant resigned from the Board, employment or consultancy with the Company; or

(iii) the Participant was made redundant; or

(iv) the Participant loses control of its permitted nominee and the Awards are not transferred to the Participant.

10.3.7 GOOD AND BAD LEAVERS

Subject to the other terms of the Options, and unless the Board decides otherwise, if an event in the table below occurs in respect of a holder, the holder's Options are treated in accordance with the following table:

Event	Options are unvested at the termination date	Options have vested at the termination date
Holder's employment or consultancy arrangement (as applicable) is lawfully terminated and the holder is a Good Leaver	The Expiry Date is adjusted to the later of: i. 365 days after the termination date; or ii. 30 days after the end of any ASX escrow period on the sale of the Shares if the Options were to be vested and exercised; or iii. a later date decided by the Board.	The Expiry Date is adjusted to the later of: i. 90 days after the termination date; or ii. 30 days after the end of any ASX escrow period on the sale of the Shares if the Options were exercised; or iii. a later date decided by the Board.
Holder's employment or consultancy arrangement (as applicable) is lawfully terminated and the holder is a Bad Leaver	Options lapse	Options lapse

A "**Good Leaver**" means a holder who ceases employment or engagement with the Company and who is not a Bad Leaver, and includes where a holder's employment or engagement ceases due to death, removal as director via a shareholder requisition at a validly convened company meeting, permanent incapacity, redundancy, resignation, retirement or any other reason the Board determines in its sole and absolute discretion.

A "**Bad Leaver**" means a holder whose employment or engagement with the Company ceases in any of the following circumstances:

(i) the holder's employment or engagement is terminated, or the holder is dismissed from office, due to:

a. serious and wilful misconduct;

b. material breach of the terms of any contract of employment, engagement or office entered into by the Company and the holder;

c. gross negligence; or

d. other conduct justifying termination of employment, engagement or office without notice either under the holder's contract of employment or engagement or office, or at common law;

(ii) the holder ceases his or her employment or engagement or office for any reason and commences employment, engagement or office, or otherwise acts, in breach of any post-termination restrictions contained in his or her contract of employment, engagement or office entered into by the Company and the holder; or

(iii) the holder is ineligible to hold his or her office for the purposes of Part 2D.6 of the Corporations Act.

10.3.8 OPTIONS – FRACTIONAL EXERCISE FACILITY

Under the terms of the Plan, a Participant may request to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise ("**Fractional Exercise Facility**"). By using the Fractional Exercise Facility, the holder will receive Shares to the value of the surplus after the exercise price has been set off. Any such request must be expressly made by the Participant in the exercise notice. The Board may approve or refuse the request in its sole and absolute discretion.

If the difference between the total exercise price otherwise payable and the then market value of Shares at the time of exercise is zero or negative, the Participant is not eligible to use the Fractional Exercise Facility.

10.3.9 PARTICIPATION RIGHTS

Holders of Awards issued under the Plan are not entitled to participate or attend a meeting of the Shareholders of the Company or receive any dividends declared by the Company until the Award is exercised or converted and the Participant holds Shares as a result of the exercise or conversion.

An Award does not confer on a Participant the right to participate in new issues of Shares by the Company (including by way of bonus issue, rights issue or otherwise).

10.3.10 CLAWBACK

If the Board becomes aware of a material misstatement in the Company's financial statements or some other event occurred which, as a result, means the vesting conditions in respect of certain vested Awards were not, or should not, have been determined to have been satisfied, the Participant will cease to be entitled to those vested Awards.

10.3.11 VARIATION OF CAPITAL

If the event of any variations to the share capital of the Company, the Board may adjust the exercise price (if applicable) and the number of Awards to which a Participant is entitled in accordance with the ASX Listing Rules. In doing so, the Board may make any adjustments it deems necessary or desirable to ensure the consequences of the adjustments are fair as between the Participants and the holders of other securities in the Company, subject to the ASX Listing Rules.

10.3.12 FRAUDULENT BEHAVIOR

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, or is in material breach of his duties or obligations to the Company or its subsidiaries, the Board may determine that any Award granted to that Participant should lapse, and the Award will lapse accordingly.

10.3.13 CHANGE OF CONTROL EVENT

On the occurrence of a change of control event, being, in general terms, an unconditional takeover bid under Chapter 6 of the Corporations Act, a court sanctioned scheme of arrangement or any other merger involving the Company occurs which results in the holders of Shares holding 50% or less of the voting shares in the Company, the Board may in its sole discretion determine that all or a percentage of unvested Awards will vest and become exercisable in accordance with the Plan rules.

10.3.14 COMPLIANCE WITH LAWS

Awards may not be granted, issued, acquired, transferred or otherwise dealt with under the Plan if to do so would contravene the Corporations Act or any other applicable laws or regulations.

The Plan contains customary and usual terms having regard to Australian law for dealing with administration (including taxation of Awards), variation and termination of the Plan.

10.4 CONTINUOUS DISCLOSURE

The Company will be a 'disclosing entity' for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.5 SUBSTANTIAL HOLDERS

Based on the information known as at the date of this Prospectus and assuming that all Entitlements under the Offer are taken up by Shareholders, the following persons will have a voting power of 5% or more in the Company:

Name of Shareholder	Voting power Castile
Ruffer LLP	9.33%
Golden Energy & Resources Limited	9.01%

Following completion of the Offer but prior to the Shares commencing trading on ASX, the Company will announce to ASX details of its top twenty (20) Shareholders by number of Shares.

10.6 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, holds at the date of this Prospectus, or has held in the two (2) years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,
- and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer.

Canaccord Genuity has acted as lead manager and underwriter to the Offer. Fees payable to Canaccord Genuity for these services are set out in the Underwriting Agreement summarised in Section 9.4.

Bentleys has prepared the Investigating Accountant's Report which is included in Section 5. Fees payable to Bentleys for these services are approximately $35,000 (plus GST).

CSA Global Pty Ltd has prepared the Independent Geologist's Report which is included in Section 6. Fees payable to CSA Global Pty Ltd for these services are approximately $28,500 (plus GST).

Price Sierakowski Corporate has acted as the legal adviser to the Company in relation to the Offer and has prepared the Legal Report on Tenements which is included in Section 7. Fees payable to Price Sierakowski Corporate for these services are approximately $115,000 (plus GST). Price Sierakowski Corporate may receive further fees for additional work done determined on the basis of hours spent at its ordinary hourly rates.

10.7 CONSENTS

Each of the parties referred to below:

- does not make the Offer;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statement in this Prospectus that are specified below in the form and context in which the statements appear.

Canaccord Genuity has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the lead manager and underwriter to the Offer in the form and context in which it is named. Canaccord Genuity has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Bentleys has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the investigating accountant to the Company in the form and context in which it is named and to the inclusion of the Investigating Accountant's Report in Section 5 in the form and context in which it is included. Bentleys has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Investigating Accountant's Report in Section 5.

CSA Global has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the independent geologist to the Company in the form and context in which it is named and to the inclusion of the Independent Geologist's Report in Section 6 in the form and context in which it is included. CSA Global has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Independent Geologist's Report in Section 6.

Price Sierakowski Corporate has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as legal adviser to the Company in the form and context in which it is named and to the inclusion of the Legal Report on Tenements in Section 7 in the form and context in which it is included. Price Sierakowski Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Legal Report on Tenements in Section 7.

Computershare has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Computershare has had no involvement in the preparation of any part of this Prospectus other than being named as the Share Registry. Computershare has not authorised or

caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

10.8 EXPENSES OF THE OFFER

The expenses of the Offer (assuming Full Subscription) are expected to comprise the following amounts, which are exclusive of any GST payable by the Company.

Expense	Full Subscription
Underwriting fees	$575,000
Adviser fees (corporate, accounting, legal, other)	$214,175
ASX and ASIC fees	$135,200
Printing, design and miscellaneous	$63,625
Total	**$988,000**

10.9 LITIGATION

The Company is not involved in any litigation and the Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

10.10 TAXATION

The tax consequences of any investment in New Shares will depend upon each applicant's particular circumstances. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer by consulting their own professional tax advisers. Accordingly, the Company strongly recommends that all applicants obtain their own tax advice before deciding on whether or not to invest. Neither the Company nor any of its Directors accepts any liability or responsibility in respect of the taxation consequences of an investment in Shares under the Offer.

10.11 FOREIGN INVESTOR RESTRICTIONS

This Prospectus does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. No action has been taken to register or qualify New Shares that are offered under this Prospectus or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia except to the extent permitted below.

10.11.1 CANADA

This document constitutes an offering of the New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "**Provinces**") and only to existing Shareholders of the Company in a rights issue. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence. No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating

in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares. The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada. Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars. *Statutory rights of action for damages and rescission.* Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offer document that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser. The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that: (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b)in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered. Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than: (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have. *Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces. *Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant*

foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

10.11.2 HONG KONG

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

10.11.3 NEW ZEALAND

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

10.11.4 UNITED KINGDOM

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company. In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

10.11.5 PANAMA

The New Shares have not been registered with, and are not under the supervision of, the Superintendence of the Securities Market. The Company is offering the New Shares in Panama only to its existing Shareholders with a registered address in Panama. The New Shares are not being offered to the public in Panama.

10.11.6 SINGAPORE

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant

to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are an existing holder of the Company's Shares. In the event that you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

10.12 DIRECTORS' AUTHORISATION

3 December 2019

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Castile Resources Ltd.

Peter Cook
Non-Executive Chairman

11. DEFINITIONS

Application Monies means the amount of money in dollars and cents payable for New Shares under the Offer at $0.20 each.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691), or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532), a wholly owned subsidiary of ASX.

ASX Settlement Operating Rules means the settlement and operating rules of ASX Settlement.

Bentleys means Bentleys Audit & Corporate (WA) Pty Ltd (ACN 121 222 802).

Board means the board of Directors.

Canaccord Genuity means Canaccord Genuity (Australia) Limited (ACN 075 071 466) with Australian Financial Services Licence 234666.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offer closes which is 5.00pm (WST) on 10 January 2020 or such other time and date as the Board determines.

Company means Castile Resources Ltd (ACN 124 314 085).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

CSA Global means the independent expert geologist, CSA Global Pty Ltd (ACN 077 165 532).

Director means a director of the Company.

Eligible Country means Australia, New Zealand, United Kingdom, Canada, Panama, Singapore and Hong Kong or such other jurisdictions as the Directors consider reasonable to extend the distribution of New Shares under the Offer.

Eligible Shareholder means a Shareholder as at the Record Date that has a registered address in an Eligible Country.

Entitlement means an Eligible Shareholder's entitlement to New Shares under the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus that sets out the Entitlement of Shareholders.

Executive Option means an Option on the terms and conditions set out in Section 10.2.

Exposure Period means the period of 7 days after the date of lodgement of this prospectus which period may be extended by ASIC by up to a further 7 days pursuant to section 727(3) of the Corporations Act.

Full Subscription means the subscription of 99,844,305 Shares at an issue price of $0.20 each to raise $19,968,861 under the Offer.

Independent Geologist's Report means the independent geologist's report prepared by CSA Global and included in Section 6.

Ineligible Shareholders are Shareholders who are not Eligible Shareholders.

Ineligible Westgold Shareholder means a Westgold Shareholder who was ineligible to receive Shares under the In-specie Distribution as set out in Westgold's 2019 Notice of Annual General Meeting dated 18 October 2019.

Investigating Accountant's Report means the investigating accountant's report prepared by Bentleys and included in Section 5.

In-specie Distribution has the meaning set out in Section 3.1.

In-specie Distribution Record Date means 28 November 2019.

JORC Code means the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (2012 Edition).

Legal Report on Tenements means the legal report on mining tenements prepared by Price Sierakowski Corporate and included in Section 7.

Listing Rules means the official listing rules of ASX.

Minimum Subscription means the subscription of 55,000,000 Shares at an issue price of $0.20 each to raise $11,000,000 under the Offer.

Mining Act means the *Mineral Titles Act 2019* (NT).

Native Title has the meaning given in the *Native Title Act 1993* (Cth).

New Share means a new Share to be issued under the Offer.

Offer means the non-renounceable pro rata entitlement offer to Eligible Shareholders of 99,844,305 New Shares on the basis of 1 New Share for every 1 Share held at 5.00pm (WST) on the Record Date, at an issue price of $0.20 per New Share to raise $19,968,861 before costs, with a minimum subscription of $11,000,000 before costs.

Opening Date means the date that the Offer opens which is 9:00am WST on 11 December 2019, subject to any extension of the Exposure Period by ASIC.

Projects mean the Rover Project and the Warumpi Project or any one or more of them, as the context requires.

Prospectus means this prospectus dated 3 December 2019.

Record Date means 4 December 2019.

Rover Project means the Rover Project described in Section 3.3.1 and comprising the mining tenements set out in the Rover Project section of the Schedule of Mining Tenements in the Legal Report on Tenements.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Share Registry or **Computershare** means the Company's share registry, Computershare Investor Services Pty Limited (ACN 078 279 277).

Shortfall Offer means the offer of Shortfall Shares as set out in Section 2.6.

Shortfall Shares means that number of New Shares for which a valid Entitlement and Acceptance Form has not been received by 5.00pm (WST) on the Closing Date.

Tenement means a mining tenement or application referred to in the Schedule of Mining Tenements in the Legal Report on Tenements.

Underwriter means Canaccord Genuity (Australia) Limited.

Underwriting Agreement means the underwriting agreement between Canaccord Genuity and the Company as summarised in Section 9.4.

Underwritten Amount means $11,000,000.

VALMIN Code means the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets for Independent Expert Reports (2015 Edition).

Warumpi Project means the Warumpi Project described in Section 3.3.1 and comprising the mining tenements set out in the Warumpi Project section of the Schedule of Mining Tenements in the Legal Report on Tenements.

Westgold means Westgold Resources Limited (ACN 099 260 306).

Westgold AGM means the annual general meeting held by Westgold on 25 November 2019 where Westgold Shareholders approved the In-specie Distribution of Shares to Westgold Shareholders.

Westgold Shareholder means a holder of one or more ordinary, fully paid share in the issued capital of Westgold.

WST means Western Standard Time, being the time in Perth, Western Australia