

# **CASTLE MINERALS LIMITED**

**ABN 83 116 095 802**

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2014**

**These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Financial Statements for the year ended 30 June 2014 and any public announcements made by Castle Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.**

**CASTLE MINERALS LIMITED**  
**31 DECEMBER 2014**

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# CASTLE MINERALS LIMITED

31 DECEMBER 2014

Your directors submit their report on the consolidated entity consisting of Castle Minerals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

## DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Michael Ashforth

Michael Ivey

Campbell Ansell

## REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	2014		2013	
	Revenues	Results	Revenues	Results
	\$	\$	\$	\$
Consolidated entity revenues and loss	46,502	(421,378)	35,229	(1,066,004)

Castle's corporate objectives are:

1. Exploration and development of its gold projects in Ghana; and
2. Acquisition and exploration of other mineral resource opportunities, particularly in West Africa.

Castle's activities during the half year were consistent with its defined objectives. Gold exploration focussed on Castle's Akoko and Wa projects where gold resources were identified on both these projects.

## SUBSEQUENT EVENTS

During January 2015 the Company issued 2,500,000 ordinary shares for total consideration of \$30,000. The funds were received during December 2014.

No other matter or circumstance has arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of directors.



Campbell Ansell

Director

Perth, 16 March 2015

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF CASTLE MINERALS LIMITED

As lead auditor for the review of Castle Minerals Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Castle Minerals Limited and the entities it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 16 March 2015

# CASTLE MINERALS LIMITED

31 DECEMBER 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the Half-year ended 31 December 2014  
The accompanying notes are an integral part of this financial statement.

	Half-year	
	2014	2013
	\$	\$
<b>REVENUE</b>	<b>46,502</b>	<b>35,229</b>
<b>EXPENDITURE</b>		
Depreciation expense	(71,050)	(77,157)
Salaries and employee benefits expense	(73,638)	(70,081)
Exploration expenses	(160,229)	(811,064)
Corporate expenses	(38,815)	(41,807)
Administration expenses	(81,815)	(84,604)
Fair value loss on investments held for trading	(32,000)	-
Share based payment expense	(10,333)	(16,520)
<b>LOSS BEFORE INCOME TAX</b>	<b>(421,378)</b>	<b>(1,066,004)</b>
Income tax benefit/(expense)	-	-
<b>LOSS AFTER TAX FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED</b>	<b>(421,378)</b>	<b>(1,066,004)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	33,834	20,638
Other comprehensive income for the period, net of tax	33,834	20,638
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED</b>	<b>(387,544)</b>	<b>(1,045,366)</b>
Basic and diluted loss per share (cents)	(0.3)	(0.9)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# CASTLE MINERALS LIMITED

31 DECEMBER 2014

Consolidated Statement of Financial Position  
in Dollars

	Note	31 December 2014 \$	30 June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		271,172	310,480
Trade and other receivables		18,282	157,333
Financial assets at fair value through profit or loss		44,000	76,000
<b>TOTAL CURRENT ASSETS</b>		<b>333,454</b>	<b>543,813</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	3	299,071	344,113
<b>TOTAL NON-CURRENT ASSETS</b>		<b>299,071</b>	<b>344,113</b>
<b>TOTAL ASSETS</b>		<b>632,525</b>	<b>887,926</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		256,190	164,380
<b>TOTAL CURRENT LIABILITIES</b>		<b>256,190</b>	<b>164,380</b>
<b>TOTAL LIABILITIES</b>		<b>256,190</b>	<b>164,380</b>
<b>NET ASSETS</b>		<b>376,335</b>	<b>723,546</b>
<b>EQUITY</b>			
Contributed equity	4	23,222,885	23,192,885
Reserves		928,891	884,724
Accumulated losses		(23,775,441)	(23,354,063)
<b>TOTAL EQUITY</b>		<b>376,335</b>	<b>723,546</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# CASTLE MINERALS LIMITED

31 DECEMBER 2014

Consolidated Statement of Changes in Equity  
for the period ended 31 December 2014

	Contributed Equity	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>BALANCE AT 1 JULY 2013</b>	23,044,308	733,856	211,354	(21,853,741)	2,135,777
Loss for the period	-	-	-	(1,066,004)	(1,066,004)
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-	-	20,638	-	20,638
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	-	-	20,638	(1,066,004)	(1,045,366)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Performance rights and options vesting during the period	-	16,520	-	-	16,520
<b>BALANCE AT 31 DECEMBER 2013</b>	23,044,308	750,376	231,992	(22,919,745)	1,106,931
<b>BALANCE AT 1 JULY 2014</b>	23,192,885	668,141	216,583	(23,354,063)	723,546
Loss for the period	-	-	-	(421,378)	(421,378)
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-	-	33,834	-	33,831
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	-	-	33,834	(421,378)	(387,544)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	30,000	-	-	-	30,000
Performance rights and options vesting during the period	-	10,333	-	-	10,333
<b>BALANCE AT 31 DECEMBER 2014</b>	23,222,885	678,474	250,417	(23,775,441)	376,335

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# CASTLE MINERALS LIMITED

31 DECEMBER 2014

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year	
	2014	2013
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Expenditure on mining interests	(92,583)	(555,706)
Payments to suppliers and employees	(163,847)	(231,867)
Interest received	4,491	26,898
Other revenue	19,818	7,725
Income tax refund	136,441	174,586
<b>Net cash outflow from operating activities</b>	<b>(95,680)</b>	<b>(578,364)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on disposal of plant and equipment	26,598	-
Payments for plant and equipment	(1,138)	-
<b>Net cash inflow from investing activities</b>	<b>25,460</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	30,000	-
Payment of share issue costs	-	(385)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>30,000</b>	<b>(385)</b>
Net decrease in cash and cash equivalents	(40,220)	(578,749)
Cash and cash equivalents at the beginning of the half-year	310,480	1,636,882
Effects of exchange rate changes on cash and cash equivalents	912	1,258
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>271,172</b>	<b>1,059,391</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## CASTLE MINERALS LIMITED

31 DECEMBER 2014

### NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Castle Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

#### New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2015 annual report as a consequence of these amendments.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)*; and
- AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

#### Going concern

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

During the half-year the Group incurred a net loss of \$421,378 and incurred net cash outflows from operating activities of \$95,680.

The ability of the Group to continue as a going concern is dependent on the Group being able to raise additional funds to meet ongoing exploration commitments and for working capital. The Directors believe that they will be able to raise additional capital as required and are in the process of evaluating the Group's cash requirements. The Directors believe that the Group will continue as a going concern. As a result the financial report has been prepared on a going concern basis. However should the Group be unsuccessful in undertaking additional raisings, the Group may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of assets and liabilities that might be necessary should the Group not continue as a going concern.

# CASTLE MINERALS LIMITED

31 DECEMBER 2014

Financial Statements of Castle Minerals Limited for the Half-Year ended 31 December 2014

## NOTE 2: SEGMENT INFORMATION

For management purposes, the Group has identified only one reportable segment as exploration activities undertaken in Ghana, West Africa. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in this geographic location.

Segment performance is evaluated based on the operating profit or loss and cash flows and is measured in accordance with the Group's accounting policies.

	Half-year	
	2014	2013
	\$	\$
<b>Ghana Exploration Segment</b>		
<b>Ghana segment revenue</b>	<b>20,362</b>	<b>-</b>
<b>Reconciliation of Ghana segment revenue to total revenue before tax:</b>		
Interest revenue	3,216	24,218
Other revenue	22,924	11,011
<b>Total revenue</b>	<b>46,502</b>	<b>35,229</b>
<b>Ghana segment results</b>	<b>(72,925)</b>	<b>(553,360)</b>
<b>Reconciliation of Ghana segment result to loss before tax:</b>		
Corporate depreciation	(6,141)	(6,138)
Other corporate and administration	(342,312)	(506,506)
<b>Loss before tax</b>	<b>(421,378)</b>	<b>(1,066,004)</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2014</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Ghana segment operating assets</b>	<b>282,026</b>	<b>280,952</b>
<b>Reconciliation of Ghana segment operating assets to total assets:</b>		
Other corporate and administration assets	350,499	606,974
<b>Total assets</b>	<b>632,525</b>	<b>887,926</b>
Total assets includes additions to plant and equipment:		
Other corporate and administration	1,138	40,557
	<b>1,138</b>	<b>40,557</b>
<b>Ghana segment operating liabilities</b>	<b>164,680</b>	<b>98,765</b>
<b>Reconciliation of Ghana segment operating liabilities to total liabilities:</b>		
Other corporate and administration liabilities	91,510	65,615
<b>Total liabilities</b>	<b>256,190</b>	<b>164,380</b>

# CASTLE MINERALS LIMITED

31 DECEMBER 2014

## NOTE 3: PLANT AND EQUIPMENT

	Plant and Equipment \$	Motor Vehicles \$	Computer Equipment \$	Total \$
<b>At 30 June 2014</b>				
Cost	563,199	147,710	72,841	783,750
Accumulated depreciation	(268,426)	(112,954)	(58,257)	(439,637)
Net book amount	294,773	34,756	14,584	344,113
<b>Half-year ended 31 December 2014</b>				
Opening net book amount	294,773	34,756	14,584	344,113
Exchange differences	32,847	7,669	23	40,539
Additions	-	-	1,138	1,138
Disposals	-	(15,669)	-	(15,669)
Depreciation charge	(52,437)	(16,457)	(2,156)	(71,050)
Closing net book amount	275,183	10,299	13,589	299,071
<b>At 31 December 2014</b>				
Cost	632,952	118,586	75,328	826,866
Accumulated depreciation	(357,769)	(108,287)	(61,739)	(527,795)
Net book amount	275,183	10,299	13,589	299,071

## NOTE 4: MOVEMENTS OF EQUITY SECURITIES

There were no movements in equity securities on issue during the current or prior interim periods. However, \$30,000 was received during the half-year in advance of 2,500,000 ordinary shares that were issued during January 2015. This amount has been included in contributed equity at 31 December 2014.

## NOTE 5: CONTINGENCIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

The Group holds exploration areas of interest in Ghana for which various prospecting license, administration fees, reconnaissance licences, annual mineral rights fees and other fees are periodically levied to the Group. At 31 December, all invoices received for the fees from the Ghanaian authorities have been paid or accrued as liabilities, however due to the timeframes in receiving some invoices from local authorities, there may be amounts which the Group may be required to settle in the future which have not been taken up as liabilities at 31 December 2014. The amounts and the timing of payment are not able to be determined at the period end and accordingly, no liability has been recognised for the contingent liability.

## CASTLE MINERALS LIMITED

31 DECEMBER 2014

*Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2014*

### **NOTE 6: DIVIDENDS**

No dividends were paid during the half-year. No recommendation for payment of dividends has been made.

### **NOTE 7: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

The market value of all equity investments represent the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments. There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of these financial instruments, or changes in its classification as a result of a change in the purpose or use of these assets.

Due to their short-term nature, the carrying amount of current receivables and current payables is assumed to approximate their fair value.

### **NOTE 8: SUBSEQUENT EVENTS**

During January 2015 the Company issued 2,500,000 ordinary shares for total consideration of \$30,000. The funds were received during December 2014.

No other matter or circumstance has arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

CASTLE MINERALS LIMITED

31 DECEMBER 2014

CASTLE MINERALS LIMITED

In the directors' opinion:

1. the financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Castle Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



**Campbell Ansell**  
Director

Perth, 16 March 2015

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Castle Minerals Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Castle Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Castle Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain 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.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Castle Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Castle Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the ability of the group to raise additional funds to meet ongoing exploration commitments and for working capital. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over the printed name. Above the signature, the letters 'BDO' are handwritten in blue ink.

Glyn O'Brien  
Director

Perth, 16 March 2015