



Castle Minerals Limited

Annual Report 2023



Corporate Directory

ABN 83 116 095 802

Directors

Michael Atkins (Non-Executive Chairman)

Stephen Stone (Managing Director)

James Guy (Non-Executive Director)

Company Secretary

Jade Styants

Principal Place of Business & Registered Office

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Share Register

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Auditors

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PERTH WA 6000

Website

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Stock Exchange Listing

Castle Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: CDT).

Two classes of options are listed on the Australian Securities Exchange:

Options exercise price \$0.022, expiring 31 December 2023 (ASX code: CDTO); and

Options exercise price \$0.055, expiring 31 December 2024 (ASX code: CDTOA).

Corporate Governance Statement

www.castleminerals.com/corporategovernance.php

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2023 Mineral Resources and Ore Reserves Statement

KEY POINTS

- Castle completed a Maiden JORC Code (2012) Mineral Resource Estimate at the Kambale Graphite Project during the year ended 30 June 2023. The 15.6Mt @ 9.0%TGC Inferred and Indicated Mineral Resource extends from surface over 100m below surface.
- The Kandia and Kpali Gold Mineral Resource Estimates remain unchanged from 2022.

The 2023 Mineral Resources and Ore Reserves estimates (MROR) for Castle are summarised in the tables below:

GRAPHITE MINERAL RESOURCE as at 30 June 2023

Table 2: Graphite Mineral Resource Estimates (5% TGC cut-off) ^{2, 3}

Classification	Tonnes (kt)	Contained TGC (kt)	TGC (%)
Indicated	5,979	542	9.1%
Inferred	9,632	863	9.0%
TOTAL ¹	15,611	1,405	9.0%

(1) Totals may not add exactly due to rounding.

(2) Full Mineral Resource parameters can be found on Castle's ASX release dated 12 April 2023 'Castle's Kambale Project Exceeds 1.4Mt Contained Graphite'.

2023 Mineral Resources and Ore Reserves Statement Continued

(3) The scientific and technical information in this report that relates to the geology of the deposits and exploration results is based on information compiled by Mr Stephen Stone, who is Managing Director of Castle Minerals Limited. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Stone is the Qualified Person overseeing Castle's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration.

Information in this report that relates to geological interpretation, exploration activities, graphite mineralisation, Mineral Resources and results was reviewed by Dr Allan John Parker who is a Member of the Australian Institute of Geoscientists. Dr Parker is an employee of Palaris Australia Pty Ltd which provides geological consultancy services to Castle. Dr Parker is also Director of Geosurveys Australia Pty Ltd, a non-Executive Director of Centrex Limited and was formerly Managing Director of Lincoln Minerals Limited. Dr Parker has sufficient experience relevant to the styles of mineralisation and to the activities which are being presented to qualify as a Competent Person as defined by the JORC code, 2012. Dr Parker consents to the release of the information compiled in this announcement in the form and context in which it appears.

Castle is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Castle confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

GOLD MINERAL RESOURCES
as at 30 June 2023

Table 1: Gold Mineral Resource Estimates^{2, 3}

PROJECT	INDICATED			INFERRED			TOTAL			CUT-OFF
	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au oz	Lower Au g/t
Kandia 8000 Zone				229,000	1.8	13,000	229,000	1.8	13,400	1.0
Kandia 4000 Zone	1,772,000	1.0	57,700	777,000	0.9	21,500	2,549,000	1.0	79,200	0.5
Kpali				2,914,000	1.1	107,200	2,914,000	1.1	107,200	0.5
TOTAL¹	1,772,000	1.0	57,700	3,920,000	1.1	141,700	5,692,000	1.1	199,800	

(1) Totals may not add exactly due to rounding.

(2) Full Mineral Resource parameters can be found as follows:

(a) Castle's ASX release dated 2 July 2014 titled 'Maiden Resource Estimate for the Kpali Gold Prospect'.

(b) Castle's ASX release dated 18 January 2014 titled 'Kpali Gold Discovery'.

(3) The information in this report that relates to Exploration Results and Mineral Resources for the Kandia 8000 Zone, Kandia 4000 Zone and Kpali gold projects in Ghana are based on and fairly represents information compiled by the Competent Person. The Competent Person has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code (2012 Edition). Castle is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Castle confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

GOVERNANCE AND INTERNAL CONTROLS

This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code), unless otherwise stated. This statement is reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June 2023. The information in this statement has been extracted from the relevant ASX reports as indicated below in each Mineral Resource table.

The Mineral Resource estimates listed in this report are subject to Castle's governance arrangements and internal controls. Estimates are derived by a Competent Person (CP) with the relevant experience in the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking. Geology models in all instances are generated by Castle staff and are reviewed by the CP. The CP carries out reviews of the quality and suitability of the data underlying the Mineral Resource estimate. Castle management conducts its own internal review of the estimate to ensure that it honours the Castle geological model and has been classified and reported in accordance with the JORC Code.

The Company has established practices and procedures to monitor the quality of data applied in Mineral Resource estimation, and to commission and oversee the work undertaken by external independent consultants.

In all cases Mineral Resources are estimated and reported in accordance with the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mineral Resources reported in accordance with the 2012 Edition (Kandia 8000 Zone and Kpali) were prepared by Castle Minerals Limited and reviewed by Runge Limited.

Castle confirms that all material assumptions underpinning the Mineral Resources and any forecast information continue to apply and have not materially changed. Further information on Castle Minerals Limited and its Ghana projects and Minerals Resources can be found on its website at www.castleminerals.com which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

2023 Mineral Resources and Ore Reserves Statement Continued

SCHEDULE OF MINING TENEMENTS

as at 22 September 2023

Tenement and Name		Current Interest
WESTERN AUSTRALIA (CASTLE MINERALS LIMITED)		
Meekatharra Projects (Gold, Base Metals)		
E51/1703	Wanganui	100%
E51/1843	Polelle	100%
P51/3190	Polelle North	100%
P51/3191	Polelle North	100%
P51/3192	Polelle North	100%
P51/3193	Polelle North	100%
P51/3194	Polelle North	100%
P51/3195	Polelle North	100%
P51/3196	Polelle North	100%
P51/3197	Polelle North	100%
P51/3198	Polelle North	100%
E51/2124	Womba Well	Application
Pilbara Projects (Gold, Base Metals)		
E47/3490	Beasley Creek	80%
E08/3257	Success	100%
Earaheedy Basin Project (Gold, Base Metals)		
E69/3860	Withnell	100%
E52/3927	Terra Rosa	100%
E52/3930	Terra Rosa East	100%
E52/3931	Terra Rosa South	100%
E52/3928	Marymia	Application
E52/4165	Terra Rosa	Application
E52/4166	Terra Rosa	Application
Great Southern Project (Graphite)		
E70/5514	Kendenup	100%
E70/5963	Kendenup	100%
E70/6494	Kendenup	Application
Wilgee Springs Project (Lithium)		
E70/5880	Wilgee	Application
Woodcutters Project (Lithium)		
E15/1846	Woodcutters	100%
E15/1847	Woodcutters	100%

2023 Mineral Resources and Ore Reserves Statement Continued

SCHEDULE OF MINING TENEMENTS

as at 22 September 2023

Tenement and Name		Current Interest
GHANA (CARLIE MINING LIMITED) ⁽¹⁾		
Kambale Graphite Project		
PL 10/47	Kambale	100%
Carlie Mining Gold Projects		
RL 10/52	Jewoyeli	Application
RL 10/13	Wa	100%
PL 10/26	Degbiwu	100%
PL 10/23	Bulenga	100%
PL 10/25	Charingu	Application
PL 10/13	Kandia	Application
PL 10/24	Baayiri	Application
RL 8/27	Gbinyiri	Application
RL 8/31	Jumo	Application

- (1) All Australian on-ground activities are subject to the respective licences being granted (refer Castle Schedule of Mineral Licences), the obtaining of respective landholder access agreements, native title Land Access and exploration Agreements, heritage clearance surveys and other permits and approvals as required from time to time.
- (2) Government of Ghana has the right to acquire a 10% free carried interest in all licences and is entitled to a 5% Gross Royalty on production. All licences are held in 100% owned Ghana based subsidiary, Carlie Mining Limited, other than Kambale (PL10/47) which is wholly owned by Kambale Graphite Limited. Pursuant to the Ghana Mining Act a number of the licences are proceeding through a process of renewal, extension or reduction in area. Castle has paid the appropriate fees, has been receipted for these and is awaiting final contract documentation from the Ghana Minerals Commission ("MINCOM").

FORWARD LOOKING STATEMENT

Statements regarding Castle's plans, forecasts and projections with respect to its mineral properties and programs are forward-looking statements. There can be no assurance that Castle's plans for development of its mineral properties will proceed. There can be no assurance that Castle will be able to confirm the presence of Mineral Resources or Ore Reserves, that any mineralisation will prove to be economic or that a mine will be successfully developed on any of Castle's mineral properties. The performance of Castle may be influenced by a number of factors which are outside the control of the Company, its Directors, staff or contractors.

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Castle Minerals Limited ("Company") and the entities it controlled at the end of, or during, the year ended 30 June 2023.

DIRECTORS

The names and details of the Group's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Michael Atkins, B.Comm, FAICD, (Non-Executive Chairman).

Michael is a Fellow of the Australian Institute of Company Directors and was previously a Fellow of the Institute of Chartered Accountants in Australia.

Since 1987 Mr Atkins has been involved in the executive management and as a non-executive Chairman of numerous publicly listed resource companies with operations in Australia, USA, South East Asia and Africa, including as managing director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction phase, and as founder and executive chairman of Botswana gold company Gallery Gold Ltd. Mr Atkins has been non-executive Chairman of numerous ASX listed companies, including Westgold Resources and Azumah Resources.

Mr Atkins is currently a non-executive director of ASX listed SRG Global Limited. Mr Atkins was Chairman of Legend Mining Ltd until his resignation in May 2023 and non-executive director of Warrego Energy Limited until March 2023 where he resigned following takeover by Hancock Energy (PB) Pty Ltd. Mr Atkins has not held any other former public company directorships in the last three years.

Stephen Stone, BSc (Hons) Mining Geology, MAusIMM, FAICD, (Managing Director).

Mr Stone graduated with honours in Mining Geology from University of Wales, Cardiff in 1978 and then spent several years at the large open pit and underground copper mines of the Zambian Copperbelt. He came to Australia in 1986 and since then has been involved in the identification, assessment and acquisition of numerous projects and the formation, financing and management of several ASX listed exploration companies. In addition to his work in Africa he has spent several years operating in the People's Republic of China.

Mr Stone is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors. Mr Stone has not held any former public company directorships in the last three years.

James Guy, BAppSc, GradDipApplFin, (Non-Executive Director).

Mr Guy is a geologist who brings with him more than 30 years of technical experience in the mining industry, both locally and internationally, with extensive experience in exploration, project feasibility and mining operations. Mr Guy has previously held senior executive positions with several ASX listed junior resource companies and with banking group, NR Rothschild & Sons. He is currently principal of James Guy & Associates Pty Ltd.

Mr Guy has not held any former public company directorships in the last three years.

COMPANY SECRETARY

Jade Styants, BCom, CA, FCIA, FCIS.

Mrs Styants is a Fellow Chartered Secretary, Chartered Accountant and corporate finance professional with over 25 years' experience assisting a range of Australian and international listed and unlisted companies across a range of industry sectors.

Directors' Report Continued

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Castle Minerals Limited were:

	Ordinary Shares	Options over Ordinary Shares
Michael Atkins	20,841,189	4,000,000
Stephen Stone	52,661,627	16,000,000
James Guy	4,818,990	8,000,000

PRINCIPAL ACTIVITIES

During the year the Group carried out exploration on its tenements and acquired additional tenements with the objective of identifying gold, graphite and other economic mineral deposits. There was no significant change in the nature of the Group's activities during the year.

DIVIDENDS

No dividends were paid, declared or recommended during the financial year.

REVIEW OF OPERATIONS

KAMBALE GRAPHITE PROJECT, GHANA

In April 2023 Castle announced a Maiden JORC Code (2012) Mineral Resource Estimate of 15.6Mt at 9.0% total graphitic carbon ("TGC") containing 1.41Mt of graphite calculated by independent consultants Palaris (Australia) Ltd ("MRE"), comprising 6.0Mt at 9.1% TGC in the Indicated (39%) and 9.6Mt at 9.0% TGC in the Inferred (61%) classifications respectively. The MRE hosted by twelve, sub-parallel, steep to moderately dipping graphitic schist zones extending over 2.3km north-south within a corridor up to 0.5km wide. The mineralised zones were delineated using data from several phases of trenching and drilling which comprised 386-holes for a combined 16,018m of RAB, Aircore, RC and diamond core drilling. Of this database, 85 RC and 4 diamond core holes for a total of 8,644m were used in the actual estimation. Please refer to the 2023 Mineral Resources and Ore Reserves Statement for further details on the estimated mineral resource.

Mineralisation commences at or close to surface and extends to at least 120m below surface. The MRE excluded any mineralisation below the 200mRL, or approximately 100m below the topographic surface. A material proportion of mineralisation intersected by drilling did not qualify for inclusion in the MRE due to insufficient drill density.

A campaign designed to increase drill density of the newly discovered mineralisation commenced during the June 2023 quarter, through a 43-hole, 5,335m infill extensional RC drilling programme. An MRE update will be undertaken in due course.

In addition to the planned MRE update, Castle's next programme at Kambale will be to auger drill test 13 priority-one Loupe EM conductor targets that were recently delineated as part of an initiative to evaluate more distal areas of the 149km² Kambale prospecting licence.

Metallurgical test work under the supervision of consultants, IMO Pty Ltd, at its affiliated Perth laboratory, Metallurgy Pty Ltd has been completed. A 95.1% TGC bulk fine flake natural graphite concentrate was successfully produced.

The bulk concentrate produced will then be shipped to a specialist metallurgical service in Germany where it will be micronised, spheronised, purified, coated and further evaluated for its use in the manufacture of battery anode material ("BAM") used in the manufacture of electric vehicle battery anodes.

The Company plans to commence in Q4 2023 a scoping study to assess the technical and commercial merits of establishing a mining and processing operation at Kambale.

During the year the Kambale prospecting licence (PL10/47) was renewed by Ghana MINCOM in the name of newly established, wholly owned, Ghanaian registered subsidiary, Kambale Graphite Limited. This restructure will provide greater flexibility for development and financing of the Kambale Graphite Project, if warranted.

WOODCUTTERS – EASTERN GOLDFIELDS REGION, WESTERN AUSTRALIA (LITHIUM)

The Woodcutters lithium exploration project lies along a southeast - northwest structural trend from the pegmatite field that hosts the Bald Hill lithium-tantalum deposit (owned by Alita Resources Limited), 25km to the northwest, and the Liontown Resources Limited (ASX: LTR) owned Buldania lithium deposit, 25km to the southwest. Both exploration licences were granted during the December 2022 quarter and a Land Access and Exploration Agreement with the relevant Native Title party secured.

Directors' Report Continued

A 937-sample soils program was completed in March 2023 to cover a 10km north-west trending zone in the northern margin of Castle's two granted licences which total 482km². The selected sampling zone is considered to be a favourable geological setting for lithium mineralisation. It is largely underlain by Eastern Goldfields Greenstone metasediments and is close to the contact between these and Archean granites, the most likely source of any lithium mineralisation if it is present.

Mid-2023 Castle reported five priority-ranked lithium-in-soils anomalies had been delineated within a total of 21 anomalies of variable priority warranting further infill soil sampling and geophysics to identify any buried pegmatites in all priority soil anomaly areas with emphasis on those most distal from granite centres from which fractionation may have emanated. This further work commenced in September 2023.

EARAHEEDY BASIN, WESTERN AUSTRALIA

The Earahedy Basin project comprises the Withnell and Terra Rossa sub-projects. The geology, prospectivity and strategic value of these areas are analogous to and closely associated with provincial-scale Earahedy base metals discovery of Rumble Resources Ltd (ASX: RTR) and north of the Strickland Metals Limited (ASX: STK) Iroquois prospect.

Several targets have been delineated for drilling at Terra Rossa after results were received from a 671-sample soils campaign where samples were analysed using the Ultrafine+ technique. Plans for an RC drill program are pending the securing of a land access with the respective Native Title party and the undertaking of an access survey.

BEASLEY CREEK – PILBARA REGION, WESTERN AUSTRALIA

The Beasley Creek project lies on the northern flanks of the Rocklea Dome in the southern Pilbara. The strategy is to define orogenic-style, structurally controlled gold targets within the various Archean sequences. Lithium anomalism is also being followed-up. Exploration work has identified two strong gold targets which are located within a structurally bound, northwest trending corridor in the centre of the licence. The first comprises a consistent 600m zone with associated copper anomalism. The second comprises a smaller anomalous gold zone with a multi-element association of silver, bismuth, nickel, platinum and palladium.

Two high-priority lithium targets have also been identified. These areas are associated with a strong geochemical signature in both soil and stream sediment samples characteristic of LCT pegmatites. These are located in the southern section of the greenstone terrane, close to their margin with the Rocklea Dome granite.

SUCCESS DOME – PILBARA REGION, WESTERN AUSTRALIA

The Success Dome project lies in the Ashburton structural corridor and is located midway between the Paulsen's and Ashburton gold deposits. It is prospective for gold and base metals. Several high priority targets have been identified following a reinterpretation of the regional aeromagnetic data which identified specific structures coincident with historical geochemical data. An initial phase of exploration to investigate targets generated by Castle is planned once land access with the relevant native title party has been secured and a site heritage survey completed.

POLELLE – MEEKATHARRA REGION, WESTERN AUSTRALIA

The Polelle project, 25km south of Meekatharra and 7km southeast of the operating Bluebird Mine, hosts a mainly obscured and minimally explored greenstone belt. The belt is comprised of a combination of prospective lithological units and major structural features including the Albury Heath shear which hosts the Albury Heath deposit immediately adjacent to the east boundary of Castle's licence.

WANGANUI – MEEKATHARRA REGION, WESTERN AUSTRALIA

At the Wanganui project, 33km south-west of the active Meekatharra mining centre and 15km south-west of the operating Bluebird gold mine, the opportunity is to test for down-plunge and along strike extensions to the existing Main Lode North and South deposits, as well as for other similar targets.

Deep RC drilling by Castle has demonstrated the likelihood for the development of high-grade gold shoots below the North and South Open Pits as well as at other targets along the Main Lode Shear zone. The Main Lode mineralisation, which can be intermittently traced for at least 1km, is one of at least four structurally related mineralised zones. This part of the licence encompasses a part of the eastern flank of the Meekatharra-Wyloo Greenstone, a largely underexplored region due to its extensive soil cover.

Directors' Report Continued

WILGEE SPRINGS – GREENBUSHES REGION, WESTERN AUSTRALIA

The Wilgee Springs project, along strike from and within the same metamorphic belt as the World-Class Greenbushes lithium mine, 25km to the south in Western Australia's South-Western region, provides an opportunity to explore using the latest geochemical and geophysical techniques for spodumene bearing pegmatites beneath a lateritic cover that has previously hampered exploration. A conservation management plan (CMP) has been drafted and submitted to the Department of Biodiversity, Conservation and Artefacts as part of the licence approvals process. Once the licence is granted, it is proposed that advanced geochemical and geophysical exploration technologies will be utilised over the extensive laterite cover which has hampered previous exploration, together with an orientation and soil sampling campaign along existing access roads and tracks.

WOOMBA WELL

The Woomba Well tenure covers terrain prospective for lithium bearing pegmatites and was identified following an interrogation of the GSWA critical minerals dataset (Report 233. SW Yilgarn Laterite 2020 Critical Metals digital data). The licence is awaiting grant. Once granted, initial exploration of the area will consist of a surface geochemical program comprising soil sampling and possible air core drilling.

GREAT SOUTHERN GRAPHITE – KENDENUP, WESTERN AUSTRALIA

The Great Southern Graphite project comprises two granted licences encompassing the historical Kendenup graphite workings and the adjacent Martagallup graphite occurrences.

Eight areas of interest were identified in the June 2022 Quarter by a low-impact, orientation ground EM survey using the recently developed Loupe instrument. The results reinforce the view that there is considerably more graphite mineralisation to be discovered in the area. Negotiations are being progressed at the project to secure land access agreements with freehold landowners to enable an extension of an initial orientation low-impact Loupe ground EM survey to be conducted.

GOLD PROJECTS, GHANA

Castle has a substantial and contiguous tenure position in Ghana's emerging Upper West region. Its licence holdings encompass large tracts of highly prospective Birimian geological terrane, the host to many of West Africa's and Ghana's multi-million-ounce gold mines.

Particular technical attention is being directed towards the Kpali, Bundi and Kandia gold discoveries and generally the evaluation of options that will see exploration at these appropriately funded.

Castle retains a 4% net smelter precious metal royalty over the adjacent Julie West licence, a key component of Azumah Resources Limited's Wa Gold Project.

Please refer to the relevant releases made by the Company to the ASX for further information.

FINANCIAL REVIEW

The Group began the financial year with a cash reserve of \$4,762,603. During the year, the Group raised \$2,500,000 (before costs) from the issue of 125,000,000 fully paid ordinary shares. Funds were used to progress exploration at the Company's exploration projects in Western Australia and Ghana and to provide it with greater flexibility to respond to new opportunities.

During the year total exploration expenditure incurred by the Group amounted to \$4,333,459 (2022: \$1,481,483). In line with the Company's accounting policies, all exploration expenditure is expensed as incurred. Net administration expenditure incurred amounted to \$1,284,794 (2022: \$675,970).

The Group incurred an operating loss after income tax for the year ended 30 June 2023 of \$5,618,253 (2022: \$2,157,453).

The Groups cash balance at 30 June 2023 was \$700,240 (2022: \$4,762,603), plus term deposits with maturities greater than three months of \$2,000,000 (2022: nil).

Going concern

For the year ended 30 June 2023 the Group recorded a loss of \$5,618,253 (2022: \$2,157,453) and had net cash outflows from operating activities of \$4,397,313 (2022: \$2,219,810), with working capital of \$1,945,168 (2022: \$4,603,189).

The Group currently has no cash generating assets in operation and \$700,240 of available funds and \$2,000,000 of term deposits at 30 June 2023.

The ability of the Group to continue as a going concern is dependent on securing additional funding through capital raisings and/or sale of interests in projects to continue to fund its operational and marketing activities.

These conditions indicate an uncertainty that may cast a doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believes there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

Directors' Report Continued

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are confident the Group will be successful in sourcing further capital from the issue of additional equity securities to fund the ongoing operations of the Group having previously been successful when raising funds through equity issues; and
- the ability of the Group to scale back certain parts of their activities that are non-essential so as to conserve cash.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Operating Results for the Year

Summarised operating results are as follows:

	2023	
	Revenues	Loss
	\$	\$
Consolidated Group revenues and loss before income tax expense	30,418	(5,618,253)

Shareholder Returns

	2023	2022
Basic loss per share (cents)	(0.5)	(0.2)

Business Risk Management

The board is responsible for ensuring that risks, and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has several mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk; and
- implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

The Company is committed to the effective management of risk to reduce uncertainty in the Company's business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Company's strategic objectives and future prospects. The key risks affecting the Company and its future performance include but are not limited to:

Exploration risk	<p>The Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration and evaluation is a high-risk undertaking. The Company's performance is dependent on the successful exploration and evaluation of resources or reserves. There can be no assurance that exploration of the Company's projects, or any other tenements/licences that may be acquired in the future, will result in the discovery of a significant economic mineral deposit. Even if a deposit is identified by the Company, there can be no guarantee that it can be economically exploited. 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, local title processes, changing government regulations and many other factors beyond the control of the Company.</p> <p>In addition, the tenements/licences forming the projects of the Company may include various restrictions excluding, limiting or imposing conditions upon the ability of the Company to conduct exploration activities. While the Company will formulate its exploration plans to accommodate and work within such access restrictions, there is no guarantee that the Company will be able to satisfy such conditions on commercially viable terms, or at all.</p>
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Directors' Report Continued

	<p>Castle's potential future earnings, profitability and commercialisation of its resources will be dependent on the successful discovery and subsequent extraction of those resources to the extent that may be required to fulfil commercial obligations. Successful commodity development and production is dependent on obtaining all necessary consent and approvals and the successful design, construction and operation of efficient gathering, processing and transportation facilities. No assurance can be given that Castle will be able to obtain all necessary consents and approvals in a timely manner, or at all.</p>
Regulatory risk	<p>The Company's exploration activities are dependent upon the maintenance (including renewal) of the tenements/licences in which the Company has or acquires an interest. Maintenance of the Company's tenements/licences is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements/licences in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority or whether the Company will be able to meet the conditions of renewal on commercially reasonable terms, if at all.</p>
Liquidity and future funding risk	<p>The Company has no operating revenue and is unlikely to generate any operating revenue in the foreseeable future. Exploration and evaluation costs will continue to use funds from the Company's current cash reserves.</p> <p>Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to meet its operating and growth objectives. The Company prepares cash forecasts and maintains cash balances to meet short and long-term cash requirements. The Company's objective is to raise sufficient funds from equity and/or debt to finance its exploration and evaluation activities until its operations become profitable.</p> <p>Castle's ability to continue its exploration and evaluation activities over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms, or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities, respond to competitive pressures and could result in delay or reduction in further exploration and evaluation activities which could have a material adverse effect on the Company's ability to continue as a going concern.</p>
Sovereign risk	<p>A number of Castle's exploration activities are carried out in Ghana. As a result, Castle will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country.</p>
Government policy	<p>The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of the Company. Changing attitudes to environmental, land care, cultural heritage and indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements/licences (inclusive of applications).</p>
Failure to satisfy expenditure commitments and licence conditions	<p>Each tenements/licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Castle could lose title to or its interest in the tenements/licences if conditions are not met or if insufficient funds are available to meet expenditure commitments.</p>
Estimates of Mineral Resources	<p>The Company has estimated Inferred and Indicated Mineral Resources across its tenements/licences. The Mineral Resources are estimates only and are based on interpretations, knowledge, experience and industry practice which may change when new techniques or information becomes available. Inclusion of material in a Mineral Resource estimate does not require a conclusion that material may be economically extracted at the tonnages indicated, or at all. Estimates that are valid when made may change significantly when new information becomes available. In addition, commodity price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render reserves and resources uneconomic and so may materially affect the estimates.</p>
Reliance on key personnel	<p>Castle has just a few executives and senior personnel and so progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss or failure to personnel would be dependent upon the quality and timing of the employee's replacement.</p>
Changes in commodity price	<p>Castle's prospects, perceived value and potential future earnings will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its exploration and evaluation programs. Relevant commodity values and long-term price will fluctuate and are affected by numerous industry factors including global and regional demand for, and supply of the commodity, production cost levels in major producing regions and macroeconomic factors such as inflation, interest rates and currency exchange rates. These factors may cause volatility which in turn, may affect Castle's ability to finance its activities and may have to curtail or suspend some or all of its proposed exploration and evaluation activities. In such circumstances, Castle would also need to assess the economic impact of any sustained lower commodity prices on recoverability.</p>
Exchange rate risk	<p>The Company funds its exploration activities in Ghana using foreign currency. Accordingly, the revenues, earnings, costs, expenses, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuation. Further, the future value of the Company's shares may fluctuate in accordance with movements in the exchange rates and interest rates.</p>

Directors' Report Continued

Land access risk	<p>Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements/licences is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. Access to land in Australia and Ghana for exploration purposes can be affected by land ownership including private (freehold) land, native title access and heritage clearances, pastoral lease and regulatory requirements. Rights to mineral tenements/licences carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area.</p>
Environmental risk	<p>The Company's projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company or its subsidiaries, or non-compliance with environmental laws or regulations.</p>
Climate change	<p>The activities of Castle are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact Castle. While it will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Castle will not be impacted by these occurrences.</p>

CORPORATE GOVERNANCE

The board are committed to achieving and demonstrating the high standard of corporate governance. The Corporate Governance Statement for the Group was approved by the board on 21 September 2023 and can be viewed on the Company's website at www.castleminerals.com.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report no significant changes in the state of affairs of the Group occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 6 September 2023, Mr David K. Renner was appointed a non-executive director of Castle's wholly owned Ghanaian subsidiary, Kambale Graphite Limited, the holder of the Kambale Graphite Project mineral licence.

On 22 September 2023 the Company offered shareholders the opportunity to participate in a Share Purchase Plan to subscribe for fully paid ordinary shares in the Company to raise up to \$1 million (before costs).

Other than as detailed above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

Directors' Report Continued

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Remuneration policy

The remuneration policy of Castle Minerals Limited has been designed to align director and executive interests with shareholder and business objectives by providing a fixed remuneration component and offering specific short term and long-term incentives designed to encourage improved performance.

The board of Castle Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain qualified and experienced directors to run and manage the Group.

The remuneration policy, setting the terms and conditions for the board members, executive directors and other senior executives, was developed by the board. All executives receive a base salary and superannuation. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements, from time to time.

The executive directors and executives who receive a salary from the Company also receive a superannuation guarantee contribution required by the government, which was 10.5% for the 2023 financial year, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using either the Black-Scholes or Binomial methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$200,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option issues.

Elements of remuneration

- **Fixed remuneration**

Executive fixed remuneration is competitively structured and comprises the fixed component of the remuneration package. The fixed component includes cash and superannuation to comprise the employee's total employee cost. Fixed remuneration is designed to reward the Executive for the scope of their role, their skills, experiences and qualifications, together with their individual performance.

- **Short term incentive (STI)**

The Company implemented a short-term incentive plan during the 2020 financial year in respect to the Managing Director. The Managing Director will have the opportunity to earn a discretionary annual incentive award, delivered in the form of cash. The STI is reviewed on a quarterly basis by the Board, who is responsible for determining whether a bonus amount is paid (including making no payment) based on the achievement of strategic and or business objectives. For the year ended 30 June 2023 the Board exercised their discretion, and the Managing Director was awarded a cash bonus of \$42,000 (inclusive of superannuation), with the amount settled after the reporting period (2022: \$60,000). For the year ended 30 June 2023 a cash bonus of \$14,000 was awarded to Mr Guy in his capacity as a consultant, with the amount settled after the reporting period (2022: \$25,000 was paid to Guy Family Trust as nominee for James Guy & Associates Pty Ltd, a business of which Mr Guy is principal).

Directors' Report Continued

The objective of a variable STI remuneration is to link the achievement of the Company's operational targets with the remuneration received by the Managing Director charged with meeting those targets. The Company's STI objectives are to motivate the Managing Director to achieve the short-term annual objectives linked to Company success and shareholder value creation, create a strong link between performance and reward, share Company success with the Managing Director as he contributes to it and create a component of the employment costs that is responsive to short and medium terms changes in the circumstances of the Company.

- Long term incentive (LTI)

The LTI offered to directors and executives forms a key part of their remuneration and assists to align their interest with the long-term interest of shareholders. The purpose of the LTI is to link remuneration to an appropriate financial performance indicator, such as share price, over a long measurable period, as determined by the Board. In this regard, options over unissued shares provide a performance linked incentive component in the remuneration package for directors and executives to motivate and reward their performance. The current period option issue was approved by shareholders at the Annual General Meeting held on 16 November 2022.

Summary revenue, loss, loss per share, share price and KPM compensation

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed Group.

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Revenue	30,418	110,688	75,587	339,812	82,791
Net loss	(5,618,253)	(2,157,453)	(1,990,450)	(775,247)	(494,738)
Loss per share (cents)	(0.5)	(0.2)	(0.3)	(0.3)	(0.2)
Share price at year end (cents)	1.1	2.2	1.4	0.9	0.5
Total KMP compensation	839,433	446,728	379,421	351,697	204,060

No dividends have been paid.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial years ended 30 June 2023 or 30 June 2022.

Voting and comments made at the Company's 2022 Annual General Meeting

The Company received 93.7% of "yes" votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Service agreements

Each of the Directors has agreed to letters of appointment with standard terms commencing from their appointments until such time as the Director resigns or is not re-appointed by shareholders when required to stand for re-election, together with standard clauses for dismissal in the case of misconduct. There are no provisions for termination payments other than accrued fees.

Effective from 1 July 2022 up to 30 June 2023, except as noted for Mr Stone, the remuneration for each of the Directors was as follows:

Director	Annual Salary (\$)	Time Commitment	Fees for Additional Time
Michael Atkins	80,000	~2 days per month	\$1,500 per day in excess of 2 days per month
Stephen Stone ⁽¹⁾	252,000	90% of his available time during normal business hours	N/A
James Guy	40,000	~2 days per month	N/A

- (1) Effective from 1 June 2023 Mr Stone's annual remuneration was increased to \$280,000 inclusive of statutory superannuation, in recognition of a time commitment of 100% of his available time during the normal business hours of the Company.

Directors' Report Continued

Details of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table. The key management personnel of the Group include only the directors as per page 7.

Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Key management personnel of the Group

	Short-Term \$				Post- Employment \$	Share-Based Payments \$	Total \$	Performance Related %
	Salary & Fees	Cash Bonus	Non-Cash benefits ⁽²⁾	Annual & Long Service Leave	Super- annuation	Options		
Directors								
Michael Atkins								
2023	72,398	-	-	-	7,602	57,600	137,600	41.9
2022	72,727	-	-	-	7,273	-	80,000	-
Stephen Stone								
2023	230,166	42,000	-	5,900	24,167	230,400	532,633	51.1
2022	229,091	54,545	-	(10,272)	28,364	-	301,728	19.9
James Guy ⁽¹⁾								
2023	36,199	14,000	-	-	3,801	115,200	169,200	76.4
2022	36,364	25,000	-	-	3,636	-	65,000	38.7
Total key management personnel compensation								
2023	338,763	56,000	-	5,900	35,570	403,200	839,433	54.7
2022	338,182	79,545	-	(10,272)	39,273	-	446,728	19.0

(1) In addition to Mr Guy's non-executive director fee a total of \$137,526 (2022: \$135,320) was invoiced by James Guy & Associates Pty Ltd, a business of which Mr Guy is principal. James Guy & Associates Pty Ltd provided geological consulting services to the Group during the year. The amounts paid were at usual commercial rates with fees charged on an hourly basis.

(2) The Company had in place Directors & Officers Liability Insurance during the entire year with the premium being \$15,629 (2022: \$14,001).

Share-based compensation

Options

Options are issued to directors and executives as part of their remuneration from time to time. The options are not issued based on performance criteria but are issued to the majority of directors and executives of Castle Minerals Limited to increase goal congruence between executives, directors and shareholders. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company. The following options over ordinary shares of the Company were granted to or vesting with key management personnel during the year:

Directors' Report Continued

	Grant Date	Granted Number	Vesting Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents) ⁽¹⁾	Exercised Number	% of Remuneration
Directors								
Michael Atkins	16/11/2022	4,000,000	16/11/2022	30/06/2025	3.0	1.4	Nil	41.9
Stephen Stone	16/11/2022	16,000,000	16/11/2022	30/06/2025	3.0	1.4	Nil	47.0
James Guy	16/11/2022	8,000,000	16/11/2022	30/06/2025	3.0	1.4	Nil	74.2

(1) The value at grant date in accordance with AASB 2: Share-Based Payments of options granted during the year as part of remuneration. For options granted during the current year, the valuation inputs for the Black-Scholes option pricing model were as follows:

	Underlying Share Price (cents)	Exercise Price (cents)	Volatility	Risk Free Interest Rate	Valuation Date	Expiry Date
Directors	2.3	3.0	117.13%	3.25%	16/11/2022	30/06/2025

There were no ordinary shares issued upon exercise of remuneration options to directors or other key management personnel of Castle Minerals Limited during the year.

Equity instruments held by key management personnel

Share holdings

The numbers of shares in the Company held during the financial year by each director of Castle Minerals Limited and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below. There were no shares granted during the reporting period as compensation.

2023	Balance at start of the year	Received during the year on the exercise of options	Received during the year in lieu of Director fees	Other changes during the year	Balance at end of the year ⁽¹⁾
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Directors of Castle Minerals Limited

Ordinary shares

Michael Atkins	20,841,189	-	-	-	20,841,189
Stephen Stone	51,961,627	-	-	700,000	52,661,627
James Guy	4,818,990	-	-	-	4,818,990

(1) At year end there are no nominally held shares.

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Castle Minerals Limited and other key management personnel of the Company, including their personally related parties, are set out below:

2023	Balance at start of the year	Granted as compensation	Exercised	Expired	Balance at end of the year ⁽¹⁾	Vested and exercisable ⁽²⁾	Unvested
Directors of Castle Minerals Limited							
Michael Atkins	2,000,000	4,000,000	-	(2,000,000)	4,000,000	4,000,000	-
Stephen Stone	8,000,000	16,000,000	-	(8,000,000)	16,000,000	16,000,000	-
James Guy	4,000,000	8,000,000	-	(4,000,000)	8,000,000	8,000,000	-

(1) Unlisted options are exercisable at \$0.03, expiring 30 June 2025.

(2) All options were vested and exercisable at the 30 June 2023.

Directors' Report Continued

Loans to key management personnel

There were no loans to key management personnel during the year.

Other transactions with key management personnel

KMP other services

James Guy & Associates Pty Ltd, a business of which Mr Guy is principal, provided geological consulting services to the Castle Minerals Group during the year. The amounts paid were on arms' length commercial terms and are disclosed in the remuneration report in conjunction with Mr Guy's compensation. At 30 June 2023 there was \$11,625 (2022: \$18,938) owing to James Guy & Associates Pty Ltd.

End of audited Remuneration Report

DIRECTORS' MEETINGS

During the year the Company held five meetings of directors. The attendance of directors at meetings of the board were:

	Directors Meetings	
	A	B
Michael Atkins	5	5
Stephen Stone	5	5
James Guy	5	5

Notes

A - Number of meetings attended.

B - Number of meetings held during the time the director held office during the year.

SHARES UNDER OPTION

Unissued ordinary shares

Unissued ordinary shares of Castle Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price (cents)	Number of options
5 October 2021	31 December 2023	2.2	52,172,944
19 January 2022	31 December 2024	5.5	54,960,000
23 December 2022 ⁽¹⁾	30 June 2025	3.0	36,000,000
16 March 2023	31 December 2024	5.5	83,333,333
21 March 2023	31 December 2024	5.5	15,000,000
			241,466,277

No option holder has any right under the options to participate in any other share issue of the Company or any other Group.

(1) Included in these options were options granted as remuneration to the five most highly remunerated officers of the Company and the Group during the year, but are not key management persons and hence not disclosed in the remuneration report:

Name of officer	Date granted	Exercise price (cents)	Number of options
Jade Styants	23 December 2022	3.0	3,000,000

No options were granted to the directors or any of the five highest remunerated officers of the Company since the end of the financial year.

Directors' Report Continued

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Castle Minerals Limited paid a premium of \$16,098 to insure the directors and officers of the Company. The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

NON-AUDIT SERVICES

The following non-audit services were provided by the Group's auditor, BDO Audit (WA) Pty Ltd or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

BDO Audit (WA) Pty Ltd or associated entities received or are due to receive the following amounts for the provision of non-audit services:

	2023	2022
	\$	\$
Tax compliance and advisory services	13,085	10,000
Total remuneration for non-audit services	13,085	10,000

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

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 20.

Signed in accordance with a resolution of the directors.



Stephen Stone
 Managing Director
 Perth, 22 September 2023

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF CASTLE MINERALS LIMITED

As lead auditor of Castle Minerals Limited for the year ended 30 June 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth

22 September 2023



Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2023	Notes	2023 \$	2022 \$
CONTINUING OPERATIONS			
Revenue	4(a)	30,418	409
Other income	4(b)	-	110,279
Depreciation expense		(50,401)	(28,597)
Salaries and employee benefits expense		(266,844)	(264,932)
Tenement acquisition and exploration expenses		(4,333,459)	(1,481,483)
Corporate expenses		(113,418)	(162,173)
Administration expenses		(365,700)	(296,365)
Finance costs		(449)	(991)
Share-based payment expense	21(b)	(518,400)	(33,600)
LOSS BEFORE INCOME TAX		(5,618,253)	(2,157,453)
INCOME TAX EXPENSE	6	-	-
LOSS AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		(5,618,253)	(2,157,453)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		32,994	(1,865)
Other comprehensive income for the year, net of tax		32,994	(1,865)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		(5,585,259)	(2,159,318)
Basic and diluted loss per share attributable to the members of Castle Minerals Limited (cents per share)	20	(0.5)	(0.2)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2023	Notes	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	700,240	4,762,603
Trade and other receivables		82,689	64,027
Other current assets	8	2,000,000	-
TOTAL CURRENT ASSETS		2,782,929	4,826,630
NON-CURRENT ASSETS			
Plant and equipment		95,980	128,026
Right-of-use assets	9	-	23,300
TOTAL NON-CURRENT ASSETS		95,980	151,326
TOTAL ASSETS		2,878,909	4,977,956
CURRENT LIABILITIES			
Trade and other payables	10	823,745	192,615
Lease liabilities	9	-	20,551
Employee benefit obligations		14,016	10,275
TOTAL CURRENT LIABILITIES		837,761	223,441
NON-CURRENT LIABILITIES			
Employee benefit obligations		8,774	5,282
TOTAL NON-CURRENT LIABILITIES		8,774	5,282
TOTAL LIABILITIES		846,535	228,723
NET ASSETS		2,032,374	4,749,233
EQUITY			
Contributed equity	11	37,316,926	35,011,926
Reserves	12	1,968,452	1,372,058
Accumulated losses		(37,253,004)	(31,634,751)
TOTAL EQUITY		2,032,374	4,749,233

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2023

	Notes	Contributed Equity \$	Share-based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2021		30,009,956	894,136	241,187	(29,477,298)	1,667,981
Loss for the year		-	-	-	(2,157,453)	(2,157,453)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	(1,865)	-	(1,865)
TOTAL COMPREHENSIVE LOSS		-	-	(1,865)	(2,157,453)	(2,159,318)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	11	5,526,709	-	-	-	5,526,709
Share issue transaction costs	11, 21	(524,739)	205,000	-	-	(319,739)
Options issued during the year	21	-	33,600	-	-	33,600
BALANCE AT 30 JUNE 2022		35,011,926	1,132,736	239,322	(31,634,751)	4,749,233
Loss for the year		-	-	-	(5,618,253)	(5,618,253)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	32,994	-	32,994
TOTAL COMPREHENSIVE LOSS		-	-	32,994	(5,618,253)	(5,585,259)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	11	2,500,000	-	-	-	2,500,000
Share issue transaction costs	11, 21	(195,000)	45,000	-	-	(150,000)
Options issued during the year	21	-	518,400	-	-	518,400
BALANCE AT 30 JUNE 2023		37,316,926	1,696,136	272,316	(37,253,004)	2,032,374

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.



Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2023	Notes	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(659,581)	(692,961)
Interest received		9,073	409
Interest paid		(449)	(991)
Expenditure on mining interests		(3,746,356)	(1,526,267)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	19	(4,397,313)	(2,219,810)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for term deposits		(2,000,000)	-
Payments for plant and equipment		-	(129,754)
Proceeds on sale of plant and equipment		-	110,279
Refund of rental security deposit		-	12,000
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(2,000,000)	(7,475)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		2,500,000	5,526,709
Payment of share issue costs		(150,000)	(319,739)
Principal elements of lease payments		(20,551)	(20,009)
NET CASH INFLOW FROM FINANCING ACTIVITIES		2,329,449	5,186,961
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4,067,864)	2,959,676
Cash and cash equivalents at the beginning of the financial year		4,762,603	1,801,005
Effects of exchange rate changes on cash and cash equivalents		5,501	1,922
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	700,240	4,762,603

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated Group consisting of Castle Minerals Limited and its subsidiaries. The financial statements are presented in the Australian currency. Castle Minerals Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 20 September 2023. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Castle Minerals Limited is a for-profit Group for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Castle Minerals Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(iii) Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value.

(v) Going concern

For the year ended 30 June 2023 the Group recorded a loss of \$5,618,253 (2022: \$2,157,453) and had net cash outflows from operating activities of \$4,397,313 (2022: \$2,219,810), with working capital of \$1,945,168 (2022: \$4,603,189).

The Group currently has no cash generating assets in operation and \$700,240 of available funds and \$2,000,000 of term deposits at 30 June 2023.

The ability of the Group to continue as a going concern is dependent on securing additional funding through capital raisings and/or sale of interests in projects to continue to fund its operational and marketing activities.

These conditions indicate an uncertainty that may cast a doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believes there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are confident the Group will be successful in sourcing further capital from the issue of additional equity securities to fund the ongoing operations of the Group having previously been successful when raising funds through equity issues; and
- the ability of the Group to scale back certain parts of their activities that are non-essential so as to conserve cash.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Notes to the Consolidated Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Castle Minerals Limited.

When the Group ceases to have control, any retained interest in the subsidiary is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Castle Minerals Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Notes to the Consolidated Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(d) Foreign currency translation continued

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(g) Leases

The Group leased office premises for a fourteen-month term that commenced on 1 January 2022. Upon commencement of the lease the Group recognised a lease liability for this lease, measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, being 6.5%. Following the expiration of that lease, a new lease for office premises was executed with a term of 12 months for which the applicable exemption allowed by AASB 16 has been availed with the short-term lease payments recognised on a straight-line basis as an expense in profit or loss.

Where the Group is lessee, the Group recognises a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group's office lease agreement contains an option for the lessee to extend for a further twelve-month term.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received, and any initial direct costs.

Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Where leases have a term of 12 months or less or relate to low value assets the Group may apply exemptions in AASB 16 to not capitalise any such leases and instead recognise the lease payments on a straight-line basis as an expense in profit or loss.

(h) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Notes to the Consolidated Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(j) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Classification continued

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iii) Measurement continued

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Notes to the Consolidated Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(j) Financial assets continued

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

(k) Exploration and evaluation costs

Exploration and evaluation costs are expensed (and not capitalised) in the year they are incurred.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting date. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are paid on normal commercial terms.

(m) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date in respect of employees' services up to the reporting date are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Other long-term employee benefit obligations

The group also has liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current employee benefit obligations in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(n) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(o) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Notes to the Consolidated Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(o) Earnings per share continued

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(p) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

The Group's transactions in Ghana are subject to VAT administered by the Value Added Tax Service of the Republic of Ghana. VAT may only be recoverable once the Group's operations are producing revenue in Ghana. Hence, at the Group's current level of activity, being exploration, VAT is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the respective taxation authorities, are presented as operating cash flows.

(q) Share-based payments

The Group granted benefits to suppliers, employees and consultants in the form of share-based payment transactions.

The share-based payments are measured at fair value equal to the value of goods and services received. For equity-settled transactions with employees the fair value of the equity instruments is measured at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or quoted active market price, using the assumptions detailed in note 21.

(r) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and contractors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or quoted active market price, using the assumptions detailed in note 21. If any of these assumptions, including the probability of achieving the performance hurdle were to change, there may be an impact on the amounts reported.

Acquisition of assets

In determining whether an acquisition is a business combination or an asset acquisition, management apply significant judgement to assess whether the net assets acquired constitute a 'business' in accordance with AASB 3. Under that standard, a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and necessarily consists of inputs, processes, which when applied to those inputs, have the ability to create outputs.

Notes to the Consolidated Financial Statements continued

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

(ii) Price risk

Given the current level of operations and financial assets held the Group is not exposed to commodity or equity price risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

(b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentrations of credit risk for the Group are the cash and cash equivalents and security bonds (as part of other receivables) held with financial institutions, and GST recoverable from the Australian Taxation Office. All material deposits are held with the major Australian banks, or the Australian government, for which the Board evaluate credit risk to be minimal.

As the Group does not presently have any trade receivables, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade payables as disclosed in the statement of financial position. All trade payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The carrying values of all financial assets and liabilities of the Group approximate their fair values due to their short-term nature.

Notes to the Consolidated Financial Statements continued

3. SEGMENT INFORMATION

For management purposes, the Group has identified two reportable segments being: exploration activities undertaken in Australia; and, exploration activities undertaken in Ghana, West Africa. These segments include activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the respective 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.

	2023	2022
	\$	\$
Exploration segments		
Segment revenue and other income – Australia	-	-
Segment revenue and other income – Ghana	-	110,279
Segment revenue and other income – Total	-	110,279
Reconciliation of segment revenue and other income to total revenue and other income before tax:		
Interest revenue	30,418	409
Other revenue and income	-	-
Total revenue and other income	30,418	110,688
Segment results – Australia	(625,405)	(1,203,083)
Segment results – Ghana	(3,708,054)	(168,121)
Segment results – Total	(4,333,459)	(1,371,204)
Reconciliation of segment result to loss before tax:		
Corporate depreciation	(50,401)	(28,597)
Finance costs	(449)	(991)
Share-based payment expense	(518,400)	(33,600)
Other corporate and administration	(715,544)	(723,061)
Loss before tax	(5,618,253)	(2,157,453)

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

	2023	2022
	\$	\$
3. SEGMENT INFORMATION CONTINUED		
Segment operating assets - Australia	-	-
Segment operating assets – Ghana	-	-
Segment operating assets – Total	-	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	2,878,909	4,977,956
Total assets	2,878,909	4,977,956
Segment operating liabilities - Australia	165,349	80,698
Segment operating liabilities – Ghana	517,833	39,568
Segment operating liabilities – Total	683,182	120,266
Reconciliation of segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	163,353	108,457
Total liabilities	846,535	228,723
4. REVENUE AND OTHER INCOME		
(a) Revenue from continuing operations		
Interest	30,418	409
(b) Other income		
Net gain on disposal of plant and equipment	-	110,279
	-	110,279
5. EXPENSES		
Loss before income tax includes the following specific expenses:		
Defined contribution superannuation expense	41,459	44,353
6. INCOME TAX		
(a) Income tax benefit		
Current tax	-	-
Deferred tax	-	-
	-	-

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

2023

2022

\$

\$

6. INCOME TAX CONTINUED

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense	(5,618,253)	(2,157,453)
Prima facie tax (benefit)/expense at the Australian tax rate of 30% (2022: 30%)	(1,685,476)	(647,236)
Tax effect of amounts which are not deductible in calculating taxable income:		
Share-based payments	155,520	10,080
Other	22,103	21,841
	(1,507,853)	(615,315)
Movements in unrecognised temporary differences	(8,625)	(37,123)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	1,701,881	660,844
Foreign tax rate differential	(185,403)	(8,406)
Income tax expense	-	-

(c) Unrecognised temporary differences

Deferred Tax Assets (at 30%)

On Income Tax Account

Capital raising costs	90,380	86,774
Foreign exploration tax losses	6,237,933	4,940,114
Accruals and other provisions	35,368	10,547
Tenement acquisition costs	139,306	145,650
Australian carry forward capital losses	1,345,530	1,819,543
Australian carry forward tax losses	2,753,381	1,832,802

Deferred Tax Liabilities (30%)

Net deferred tax assets

-	-
10,601,898	8,835,430

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group's ability to use losses in the future is subject to the companies in the Group satisfying the relevant tax authority's criteria for using these losses.

Foreign exploration tax losses are incurred in Ghana and are arrived at after adjusting losses reported in financial statements in line with tax principles. Mining concerns are allowed to deduct the losses over a five-year period subsequent to the year in which the loss was incurred.

7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and in hand	700,240	4,762,603
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	700,240	4,762,603

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

8. CURRENT ASSETS – OTHER CURRENT ASSETS

Term Deposits	2,000,000	-
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Other current assets represent cash held on term deposit with original maturities greater than three months.

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

2023

2022

\$

\$

9. LEASES

(i) Amounts recognised in the Statement of Financial Position

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets

Opening carrying value of right-of-use-asset	23,300	-
Additions	-	40,560
Depreciation of Right of Use Asset	(23,300)	(17,260)
Closing carrying value of right-of-use-asset	-	23,300

Lease liabilities

Opening balance of lease liability	20,551	-
New leases	-	37,560
Interest charges	449	991
Repayment of principle	(21,000)	(18,000)
Closing balance of lease liabilities	-	20,551

(ii) Amounts recognised in the Statement of Profit or Loss

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

Depreciation charge for right-of-use assets	23,300	17,260
Interest expense (included in finance costs)	449	991
Expenses relating to short-term leases (included in administration expenses)	15,258	30,867

The Company leased office premises for a fourteen-month term that commenced on 1 January 2022. Following the expiration of that lease, a new lease for office premises was executed with a term of 12 months for which the applicable exemption allowed by AASB 16 has been availed with the short-term lease payments recognised on a straight-line basis as an expense in profit or loss.

10. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	207,166	32,218
Other payables and accruals	616,579	160,397
	823,745	192,615

Information about the Group's exposure to foreign exchange and liquidity risk is provided in note 2.

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

11. CONTRIBUTED EQUITY

	Notes	2023		2022	
		Number of shares	\$	Number of shares	\$
(a) Share capital					
Ordinary shares fully paid	11(d)	1,124,492,984	37,316,926	999,492,984	35,011,926
Total contributed equity		1,124,492,984	37,316,926	999,492,984	35,011,926

(b) Movements in ordinary share capital

Beginning of the financial year		999,492,984	35,011,926	732,500,818	30,009,956
Issued during the year:					
– Issued for cash at \$0.012 per share		-	-	126,843,833	1,522,126
– Issued for cash at \$0.02 per share		125,000,000	2,500,000	-	-
– Issued for cash at \$0.03 per share		-	-	120,000,000	3,600,000
– Issued for cash upon exercise of \$0.02 options		-	-	20,000,000	400,000
– Issued for cash upon exercise of \$0.022 options		-	-	108,333	2,383
– Issued for cash upon exercise of \$0.055 options		-	-	40,000	2,200
Transaction costs		-	(195,000)	-	(524,739)
End of the financial year		1,124,492,984	37,316,926	999,492,984	35,011,926

(c) Movements in options on issue

	Number of options	
	2023	2022
Beginning of the financial year	126,632,944	35,500,000
Issued, exercisable at \$0.022 on or before 30 June 2023	-	4,000,000
Issued, exercisable at \$0.022 on or before 31 December 2023	-	52,281,277
Issued, exercisable at \$0.03 on or before 30 June 2025	36,000,000	-
Issued, exercisable at \$0.055 on or before 31 December 2024	98,333,333	55,000,000
Exercised at \$0.02, expiring 30 June 2022	-	(20,000,000)
Exercised at \$0.022, expiring 30 June 2023	-	(108,333)
Exercised at \$0.055, expiring 31 December 2024	-	(40,000)
Expired on 30 June 2023, exercisable at \$0.015	(15,500,000)	-
Expired on 30 June 2023, exercisable at \$0.022	(4,000,000)	-
End of the financial year	241,466,277	126,632,944

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

(e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

11. CONTRIBUTED EQUITY CONTINUED

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2023 and 30 June 2022 are as follows:

	2023	2022
	\$	\$
Cash and cash equivalents	700,240	4,762,603
Trade and other receivables	82,689	64,027
Other current assets – Term Deposits	2,000,000	-
Trade and other payables	(823,745)	(192,615)
Lease liabilities	-	(20,551)
Employee benefit obligations (current)	(14,016)	(10,275)
Working capital position	1,945,168	4,603,189

12. RESERVES

(a) Reserves

Foreign currency translation reserve	272,316	239,322
Share-based payments reserve	1,696,136	1,132,736
	1,968,452	1,372,058

(b) Nature and purpose of reserves

(i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled Group are recognised in other comprehensive income as described in note 1(d) and accumulated within a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

13. DIVIDENDS

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

14. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent Group, its related practices and non-related audit firms:

(a) Audit services

BDO Audit (WA) Pty Ltd - audit and review of financial reports	44,400	39,000
Total remuneration for audit services	44,400	39,000

(b) Non-audit services

BDO (WA) Pty Ltd - tax compliance services	13,085	10,000
Total remuneration for other services	13,085	10,000

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

15. CONTINGENCIES

Contingent liabilities

Wanganui and Polelle tenement acquisitions

In accordance with tenement acquisition agreements entered during the 2021 financial year for the Wanganui and Polelle projects, the following deferred consideration may become payable in future periods:

- A 1% gross royalty is payable on any gold produced from both projects; and
- A once only milestone payment of \$50,000 is payable when either a decision is made to mine ore or an ore reserve of at least 30,000oz gold has been declared on one of the projects.

Beasley Creek tenement acquisition

In accordance with a tenement acquisition agreement entered during the 2018 financial year, the following deferred consideration may become payable in future periods:

- 2,000,000 performance rights to vest into fully paid ordinary shares of the Company, on the date that the Company submits a Form 5 (in the form specified in the Mining Act) stating that the Company has expended \$500,000 on the tenement.

Ghana

The mineral licences held in Ghana by the Group through its wholly owned Ghanaian subsidiaries, Carlie Mining Limited and Kambale Graphite Limited, are subject to compliance with the Minerals and Mining Act 2006 (Act 703) and various other laws and regulations governing their application, granting, extension, renewal, and general operation. Failure to comply with these conditions may render the licences liable for forfeiture. The Group has for several of its licences applied for extensions of term or renewal and/or a reduction in licence area and is awaiting approval from the Ghana MINCOM and the Ghana Minister of Lands and Natural Resources for these. Such approvals will be subject to the payment of various fees which the Group will consider and pay on an individual licence basis as-and-when such fees have been determined and presented. There is no guarantee that the obligations and terms pertaining to individual or all of the Group's licences can or will be economically complied with.

16. RELATED PARTY TRANSACTIONS

(a) Parent Group

The ultimate parent Group within the Group is Castle Minerals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 17.

	2023	2022
	\$	\$
(c) Key management personnel compensation		
Short-term benefits	400,663	407,455
Post-employment benefits	35,570	39,273
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	403,200	-
	839,433	446,728

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 18.

(d) Transactions and balances with other related parties

Other services

James Guy & Associates Pty Ltd, a business of which Mr Guy is principal, provided geological consulting services to the Group during the year totalling \$137,526 (2022: \$135,320). The amounts paid were on arms' length commercial terms and are disclosed in the remuneration report in conjunction with Mr Guy's compensation. At 30 June 2023 there was \$11,625 (2022: \$18,938) owing to James Guy & Associates Pty Ltd.

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

17. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of incorporation	Class of shares	Equity Holding*	
			2023 %	2022 %
Carlie Mining Ltd	Ghana	Ordinary	100	100
Kambale Graphite Ltd ⁽¹⁾	Ghana	Ordinary	100	-
Black Volta Minerals Ltd ⁽²⁾	Australia	Ordinary	100	-

*The proportion of ownership interest is equal to the proportion of voting power held.

- (1) Kambale Graphite Ltd was incorporated on 6 September 2022 with Castle Minerals Ltd the sole shareholder. Effective from 18 May 2023 ownership of the Group's Kambale Prospecting Licence (PL 10/47) was transferred to this entity, with associated exploration expenditure being incurred within this entity from that date.
- (2) Black Volta Minerals Ltd was incorporated on 4 July 2022 with Castle Minerals Ltd the sole shareholder. This entity has been dormant since incorporation.

18. EVENTS OCCURRING AFTER THE REPORTING DATE

On 6 September 2023, Mr David K. Renner was appointed a non-executive director of Castle's wholly owned Ghanaian subsidiary, Kambale Graphite Limited, the holder of the Kambale Graphite Project mineral licence.

On 22 September 2023 the Company offered shareholders the opportunity to participate in a Share Purchase Plan to subscribe for fully paid ordinary shares in the Company to raise up to \$1 million (before costs).

Other than as detailed above, no other matter or circumstance has arisen since 30 June 2023, 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.

	2023 \$	2022 \$
19. CASH FLOW INFORMATION		
(a) Reconciliation of net profit or loss after income tax to net cash outflow from operating activities		
Net loss for the year	(5,618,253)	(2,157,453)
Non-Cash Items		
Depreciation of non-current assets	50,401	28,597
Net gain on disposal of plant and equipment	-	(110,279)
Share-based payments expense	518,400	33,600
Net exchange differences	33,870	3,591
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	(18,550)	(20,490)
Increase/(decrease) in trade and other payables	629,586	10,039
Increase in employee benefit obligations	7,233	(7,415)
Net cash outflow from operating activities	(4,397,313)	(2,219,810)

(b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Options issued to consultants and suppliers for nil consideration (note 21).

Notes to the Consolidated Financial Statements continued

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2023

2022

20. LOSS PER SHARE

(a) Basic and diluted loss per share

Basic and diluted loss per share attributable to the owners of the Company (cents per share)

	(0.5)	(0.2)
	\$	\$

(a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share

(5,618,253)	(2,157,453)
-------------	-------------

Number of shares **Number of shares**

(b) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

1,035,794,354	892,341,769
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(c) Information on the classification of options

As the Group made a loss for the year ended 30 June 2023, the options on issue were considered anti-dilutive and were not included in the calculation of diluted earnings per share. The options currently on issue could potentially dilute basic earnings per share in the future.

21. SHARE-BASED PAYMENTS

(a) Employees and contractors' options

The Group provides benefits to employees (including directors) and contractors of the Group in the form of share-based payment transactions, whereby employees or consultants render services in exchange for options to acquire ordinary shares. The exercise prices of the options granted and on issue at 30 June 2023 range from 2.2 cents to 5.5 cents per option, with expiry dates ranging from 31 December 2023 to 30 June 2025. All options granted vested immediately upon issue.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share in the capital of the Company with full dividend and voting rights.

During the year, 15,000,000 listed options with an exercise price of 5.5 cents and expiring 31 December 2024 were granted to corporate advisors as part consideration for capital raising expenses. Additionally, 36,000,000 unlisted options with an exercise price of 3 cents and expiring 30 June 2025 were granted to employees and consultants.

Fair value of options granted

The weighted average fair value of the listed options granted during the year was 0.3 cents (2022: 0.8 cents). The listed options vested on the date of issue. The fair value of the 5.5 cents listed options issued was determined by reference to the closing price of 0.3 cents on the grant date of 21 March 2023.

The weighted average fair value of the unlisted options granted during the year was 1.4 cents (2022: 0.8 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2023	2022
Weighted average exercise price (cents)	3.0	2.2
Weighted average life of the option (years)	2.5	2.0
Weighted average underlying share price (cents)	2.3	1.4
Expected share price volatility	117.1%	140.9%
Risk free interest rate	3.25%	0.03%

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

21. SHARE-BASED PAYMENTS CONTINUED

Set out below is a summary of the share-based payment options granted:

	2023		2022	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	44,500,000	3.1	35,500,000	1.8
Granted	51,000,000	3.7	29,000,000	3.9
Forfeited	-	-	-	-
Exercised ⁽¹⁾	-	-	(20,000,000)	2.0
Expired	(19,500,000)	1.6	-	-
Outstanding at year-end	76,000,000	3.9	44,500,000	3.1
Exercisable at year-end	76,000,000	3.9	44,500,000	3.1

(1) The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2022 was 3.1 cents.

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.6 years (2022: 1.6 years), and the exercise prices range from 2.2 cents to 5.5 cents. The option expiry dates range from 31 December 2023 to 30 June 2025.

	2023	2022
	\$	\$
(b) Expenses arising from share-based payment transactions		
Total expenses arising from share-based payment transactions recognised during the period were as follows:		
Options issued to corporate advisors ('share issue transaction costs')	45,000	205,000
Options issued to employees and contractors ('share-based payment expense')	518,400	33,600
	563,400	238,600

22. COMMITMENTS

Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

within one year	821,337	575,580
later than one year but not later than five years	1,736,899	1,728,183
	2,558,236	2,303,763

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

23. PARENT GROUP INFORMATION

The following information relates to the parent Group, Castle Minerals Limited, at 30 June 2023. The information presented here has been prepared using accounting policies consistent with those presented in note 1.

Current assets	2,671,197	4,684,218
Non-current assets	95,980	151,326
Total assets	2,767,177	4,835,544
Current liabilities	319,928	183,874
Non-current liabilities	8,774	5,282
Total liabilities	328,702	189,156
Contributed equity	37,316,926	35,011,926
Share-based payments reserve	1,696,136	1,132,736
Accumulated losses	(36,574,587)	(31,498,274)
Total equity	2,438,475	4,646,388
Loss for the year	(5,076,313)	(2,326,997)
Total comprehensive loss for the year	(5,076,313)	(2,326,997)

As detailed in note 15, there are contingent liabilities in respect to tenement acquisition agreements that the parent Group has entered or co-signed with a subsidiary Group, and contingent assets of the parent Group resulting from sale of a subsidiary.

24. DEED OF CROSS GUARANTEE

Castle Minerals Limited and Black Volta Minerals Limited are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly owned entity has been relieved from the requirement to prepare a financial report and directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

(a) Consolidated statement of profit or loss, statement of comprehensive income and summary of movements in consolidated retained losses

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Castle Minerals Limited, they also represent the 'extended closed group'.

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

2023

\$

24. DEED OF CROSS GUARANTEE CONTINUED

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained losses for the year ended 30 June 2023 of the closed group consisting of Castle Minerals Limited and Black Volta Minerals Limited.

Consolidated statement of comprehensive income

Revenue	30,418
Depreciation expense	(50,401)
Salaries and employee benefits expense	(266,844)
Tenement acquisition and exploration expenses	(625,405)
Corporate expenses	(113,418)
Administration expenses	(365,700)
Finance costs	(449)
Doubtful debts and impairment expense	(3,166,114)
Share-based payment expense	(518,400)
Loss before income tax	(5,076,313)
Income tax expense	-
Loss for the period	(5,076,313)
Other comprehensive income	-
Total comprehensive loss for the period	(5,076,313)

Summary of movements in consolidated retained losses

Retained losses at the beginning of the financial year	(31,498,274)
Loss for the year	(5,076,313)
Retained losses at the end of the financial year	(36,574,587)

Notes to the Consolidated Financial Statements continued

30 JUNE 2023

2023

\$

24. DEED OF CROSS GUARANTEE CONTINUED

(b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2023 of the closed group consisting of Castle Minerals Limited and Black Volta Minerals Limited.

Current assets

Cash and cash equivalents	592,924
Trade and other receivables	78,273
Other current assets	2,000,000
Total current assets	2,671,197

Non-current assets

Plant and equipment	95,980
Total non-current assets	95,980
Total assets	2,767,177

Current liabilities

Trade and other payables	305,912
Employee benefit obligations	14,016
Total current liabilities	319,928

Non-current liabilities

Employee benefit obligations	8,774
Total non-current liabilities	8,774

Total liabilities

Total liabilities	328,702
Net assets	2,438,475

Equity

Contributed equity	37,316,926
Reserves	1,696,136
Accumulated losses	(36,574,587)
Total equity	2,438,475

Directors' Declaration

In the directors' opinion:

- (a) the financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 21 to 45 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the consolidated Group will be able to pay its debts as and when they become due and payable;
- (c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2023, comply with Section 300A of the *Corporations Act 2001*; and
- (d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



Stephen Stone
Managing Director
Perth, 22 September 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Castle Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Castle Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Accounting for Share-based Payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the year ended 30 June 2023, the Group issued options to employees, consultants and brokers which have been accounted for as share-based payments.</p> <p>Refer to Note 21, Note 1(q) and Note 1(r) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions.</p> <p>Due to the complex and judgemental estimates used in determining the valuation of the share-based payments, we consider the accounting for the share based payment expense to be a key audit matter.</p>	<p>Our audit procedures in respect of this area included but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Holding discussions with management to understand the share-based payment transactions in place; • Reviewing management’s determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists, to assess the reasonableness of management’s valuation inputs in respect of volatility; • Assessing the reasonableness of the share-based payment in equity; and • Assessing the adequacy of the related disclosures in Note 1(q), Note 1(r) and Note 21 of the Financial Report.



Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 18 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Castle Minerals Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish extending to the right.

Neil Smith

Director

Perth

22 September 2023

ASX ADDITIONAL INFORMATION

For the year ended 30 June 2023

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is shown below. All information is current as at 14 September 2023.

Distribution of equity securities

Spread of holdings	CLASS OF EQUITY SECURITY					
	Ordinary shares (ASX: CDT)		\$0.022 Options (ASX: CDTO)		\$0.055 Options (ASX: CDTOA)	
	Number of holders	% of CDT	Number of holders	% of CDTO	Number of holders	% of CDTOA
1 – 1,000	94	0.00	-	-	-	-
1,001 – 5,000	60	0.02	-	-	-	-
5,001 – 10,000	184	0.14	1	0.02	1	0.00
10,001 – 100,000	1,611	6.71	30	3.34	68	2.48
Over 100,000	1,295	93.13	80	96.65	139	97.51
Total holdings on Register	3,244	100.00	111	100.00	208	100.00

There were 1,281 holders of less than a marketable parcel of ordinary shares (calculated at \$0.01 per share).

Substantial Shareholders

These substantial shareholders have notified the Company in accordance with section 671B of the Corporations Act 2001:

Rank	Holder name	Ordinary shares held	% of issued capital
1	Stepstone Pty Ltd	51,961,627	7.09%

Twenty largest shareholders

The names of the twenty largest shareholders of quoted ordinary shares are:

Holder name	Ordinary shares held	% of issued capital
MR GEORGE ALEXANDER BONNEY	52,095,000	4.63
STEPSTONE PTY LTD	23,202,193	2.06
GLADSTONE SUPER PTY LTD <GLADSTONE SUPER FUND A/C>	20,500,000	1.82
CITICORP NOMINEES PTY LIMITED	19,554,889	1.74
MR CRAIG ALAN DORAN	17,500,001	1.56
CRAWFORD ASSETS PTY LTD	14,000,000	1.25
MR MICHAEL WILLIAM ATKINS	12,107,107	1.08
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	11,696,196	1.04
10 BOLIVIANOS PTY LTD	11,479,999	1.02
MR DENIS HAZBIC	11,379,948	1.01
J CLIFT CONSULTING PTY LIMITED <J CLIFT CONSULTING A/C>	10,487,071	0.93
WINDAMURAH PTY LTD <ATKINS SUPER FUND A/C>	8,734,082	0.78
MR GARIN LEWIS DRURY	8,411,569	0.75
MR MICHAEL WILLIAM GAULE	8,382,571	0.75
SOFT QUIBIT PTY LTD <LION AND SUN FAMILY A/C>	8,300,000	0.74
MR STEPHEN STONE <THE PEARLSTONE A/C>	8,259,434	0.73
MR CAL DOUGLAS TOSTEVIN	8,000,000	0.71
MR VINCENZO BRIZZI & MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	7,950,000	0.71
MR ANTANAS GUOGA	7,750,000	0.69
SUPERHERO SECURITIES LIMITED <CLIENT A/C>	7,224,555	0.64
Total	277,014,615	24.63

ASX ADDITIONAL INFORMATION CONTINUED

For the year ended 30 June 2023

Twenty largest option holders (ASX: CDTO)

The names of the twenty largest option holders of quoted options exercisable at \$0.022 expiring 31 December 2023:

Holder name	Ordinary shares held	% of issued capital
FIRST INVESTMENT PARTNERS PTY LTD	9,141,144	17.52
PIENAAR SUPERANNUATION HOLDINGS PTY LTD <PIENAAR SF A/C>	3,689,452	7.07
YELDAH HOLDINGS PTY LTD <T & L HADLEY SUPER FUND A/C>	2,000,000	3.83
DOMAIN CONSULTING GROUP PTY LTD <JUDGE FAMILY A/C>	1,975,000	3.79
MR LAURENTIU CEASU	1,537,301	2.95
MRS LINDA GAYE BOAL	1,500,534	2.88
MR ROSS DIX HARVEY	1,098,065	2.10
MR KIRROLOS GHABRIEL GUIRGIS	1,060,001	2.03
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,015,000	1.95
MR JUSTIN PATRICK BRIZZI	1,010,272	1.94
MR JODY ALAN DENNISON	1,000,000	1.92
MR LUKAS STUECKEL	1,000,000	1.92
CRAWFORD ASSETS PTY LTD	1,000,000	1.92
MR KEITH MURRAY THOMPSON	999,450	1.92
HENDRIE SUPER FUND PTY LTD <HENDRIE SUPERFUND A/C>	950,000	1.82
MR ANDREW GORDON ANDERSON	900,000	1.73
DVR INVEST PTY LTD <ECHO CAPITAL A/C>	833,333	1.60
DMM INVEST PTY LTD	800,000	1.53
MR AJIT NAGPAL	772,637	1.48
MS BETINA CHOR	722,222	1.38
XENIUS CAPITAL PTY LTD	650,000	1.25
MR SIWEI HE & MRS WEI JIANG	600,000	1.15
MR MARK JOSEPH JACKSON & MRS LISA MAREE JACKSON	600,000	1.15
Total	34,854,411	66.81

Twenty largest option holders (ASX: CDTOA)

The names of the twenty largest options holders of quoted options exercisable at \$0.055 expiring 31 December 2024:

Holder name	Ordinary shares held	% of issued capital
MR GARIN LEWIS DRURY	10,938,650	7.14
MR CRAIG ALAN DORAN	9,424,916	6.15
10 BOLIVIANOS PTY LTD	9,395,692	6.13
MRS ALISON CLAIRE OVENDEN	7,000,000	4.57
JL AND RA ROBERTS PTY LTD	6,000,001	3.91
MR VINCENZO BRIZZI & MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	5,722,221	3.73
MR LEMUEL CHERLOABA	5,271,269	3.44
MR SHANE MICHAEL PEARCE	4,335,000	2.83
GOFFACAN PTY LTD	4,099,999	2.67
MR ANDREW ROBERT MITCHELL	3,930,327	2.56
MR ALI MOHAMMED PARVEZ UKANI	3,508,975	2.29
YEOH SUPER PTY LTD <YEOH SUPER A/C>	3,333,336	2.17
MR MICHAEL WILLIAM GAULE	3,312,722	2.16
MR CHARLIE YEOH	3,098,253	2.02
YELDAH HOLDINGS PTY LTD <T & L HADLEY SUPER FUND A/C>	3,000,000	1.96
AUTUMN ORIGIN CAPITAL PTY LTD	2,777,777	1.81
MR ALAN WAYNE HADWIGER	2,345,000	1.53
HACHEM ENTERPRISES PTY LTD <JAMES ENTERPRISES FAMILY A/C>	1,750,000	1.14
MS MEGAN LOUISE CARTER	1,666,667	1.09
J CLIFT CONSULTING PTY LIMITED <J CLIFT CONSULTING A/C>	1,500,000	0.98
DR ROBERT GROPEL	1,500,000	0.98
MR ALAN PHILIP MAY	1,500,000	0.98
MR JUSTIN PATRICK BRIZZI	1,500,000	0.98
Total	96,910,805	63.22

ASX ADDITIONAL INFORMATION CONTINUED

For the year ended 30 June 2023

Voting rights

All ordinary shares are fully paid and carry one vote per share without restriction.

Unlisted Options

36,000,000 unlisted options exercisable at 3 cents, expiring 30 June 2025.

The unlisted options carry no dividend or voting rights.

Number of holders – 5