

Activities Report

March 2020 Quarter



**ASX & Media
Release**

ASX Code: CDT

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Board:

Michael Atkins
Chairman

Stephen Stone
Managing Director

James Guy
Non-Executive Director

Company Secretary:

Jade Styants

Capital Structure:

Ordinary Shares: 237.2M

WESTERN AUSTRALIA

Wanganui and Polelle gold project acquisitions

- Castle has entered into agreements to purchase a 100% interest in two quality gold projects, Wanganui and Polelle, located in the prolific Meekatharra gold mining district of Western Australia (refer ASX release 28 April 2020).
- The **Wanganui** project presents an immediate opportunity to extend shallow mined mineralisation down-plunge and to delineate resources for trucking and sale to one or more regional processing facilities.
- The **Polelle** project hosts a mainly obscured and minimally explored greenstone belt comprising a combination of prospective lithological units and major structural features, in particular one linked to the Albury Heath deposit immediately adjacent to the east of licence.

Acquisition Terms

- Castle will purchase a 100% interest in the Wanganui and Polelle granted exploration licences for a total consideration of 30 million new ordinary Castle shares and a combined \$20,000 in deposits and completion payments.
- Castle has undertaken to complete a minimum 2,000m of drilling at Wanganui within six months of completion of its purchase.
- A 1% gross royalty is payable on any gold produced from both projects. 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.
- The purchase is subject to several conditions precedent including but not limited to the simultaneous completion of the purchase of both licences and Castle shareholders approving the issue of the total 30,000,000 consideration shares by 3 July 2020. A shareholders meeting will be held on or about 19 June 2020 to approve the consideration shares, with completion expected to occur 3 days later.
- The vendors have agreed to a six month voluntary escrow on the sale of their consideration shares.

Pilbara Gold Projects – Beasley Creek & Coolyia Creek

- At **Beasley Creek**, which sits on the northern flanks of the Rocklea Dome, historical stream sediment and geophysical datasets were reprocessed and reviewed.
- Structural gold targets were defined within the older Archean sequences that lie immediately below the conglomerate horizons which have been the focus of recent exploration by Castle. The sheared granite - greenstone contact and the "Paulsen Gold Mine" type setting within the gabbro/dolerite units, that intrude the Hardey Sandstone in the northern part of the project area, are of particular interest.
- Plans to undertake field testing of generated targets and general prospecting activities were postponed due to logistical and other complications around COVID 19 related issues. They will be revived and implemented as soon as possible.
- A review of the **Coolyia Creek** project determined that the Company's interest in this project should be relinquished (refer ASX release 4 February 2020).

GHANA

Degbiwu & Gbiniyiri Licences

- Approval by the Ghana Government is still awaited for the farm-out arrangement between Castle's wholly owned Ghana-based subsidiary, Carlie Mining Limited ("Carlie"), and private Ghana company, Iguana Resources Limited ("Iguana"). Iguana may earn up to an 80% interest in Carlie's Degbiwu and Gbiniyiri licences ("Licences") in Ghana's Upper West region by spending a total of US\$11.7 million in three stages over five years (ASX release 14 August 2019).

Julie West Licence

- Castle retains a 4% net smelter precious metal royalty over the Julie West licence that was sold to Azumah Resources Limited and which comprises a key component of Azumah's Wa Gold Project. Ministerial consent for the sale transaction was received during the Quarter (refer ASX release 19 February 2020).
- The Julie West licence hosts the Julie West and Danyawu Ore Reserves of 49,300oz and 10,500oz respectively and the Julie West, Danyawu and Alpha-Bravo Mineral Resources of 64,100oz, 16,000oz and 20,000oz respectively (JORC 2012)(Refer ASX release 23 October 2019).

New Opportunities

- The Company continues to actively generate and review new project opportunities spanning a range of commodities in Australia and overseas.

CORPORATE AND FINANCIAL

Consolidated cash position

- As at 31 March 2020 the consolidated cash position was \$184,000.

Placement

- Castle has received commitments totalling \$488,000 (before expenses) for a placement of 122,000,000 new ordinary shares at an issue price of \$0.004 each to sophisticated investors and directors of the Company ("Placement"). The Placement will be completed in two tranches (details set out below). All new shares issued pursuant to the Placement will rank equally with existing fully paid ordinary shares in the Company.

Tranche 1

- Tranche 1 will comprise an issue of 35,584,690 new ordinary shares to raise a total of \$142,338 before costs. These shares will be issued shortly under the Company's existing placement capacity pursuant to Listing Rule 7.1. which enables an issue of 15% of the present Castle issued capital.

Tranche 2

- Tranche 2 will be issued subject to shareholder approval and will comprise 86,415,310 new ordinary shares to raise an additional \$345,661.

Directors participation

- Directors of the Company have committed to subscribe for 23,750,000 new ordinary shares (\$95,000) which will be included in and issued as part of Tranche 2 ("Director Placement Shares"). The Director Placement Shares require the approval of shareholders pursuant to Listing Rule 10.11.

Shareholders Meeting

- A date will be set and a formal notice will be issued shortly along with the required documentation for the required shareholders meeting to approve the consideration shares for the Wanganui and Polelle projects, the Tranche 2 shares and the Director Placement Shares. The meeting is expected to be held on or around 19 June 2020.

Application of Funds

- Funds raised will be applied to progress exploration on the Company's new Wanganui and Polelle projects (subject to completion), the Beasley Creek gold project in the Pilbara, the Wa Project in Ghana and for general working capital purposes.

Salaries and Fees

- The Castle Managing Director, its two non-executive directors and Company Secretary have opted to defer payment of their salary and fees until end-June 2020.

Stephen Stone

Managing Director

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About Castle Minerals Limited

Castle Minerals is listed on the Australian Stock Exchange (ASX: CDT) and headquartered in Perth, Western Australia. In addition to its interest in the Beasley Creek conglomerate-hosted paleo-placer style gold project in the Pilbara region of Western Australia, it has a large contiguous tenure position in the Upper West region of Ghana, West Africa, a country with a long history of gold exploration and mining. Its Ghana licence holdings encompass large tracts of highly prospective Birimian geological terrane, the host to many of West Africa's multi-million-ounce gold mines. It has recently contracted to acquire two new gold projects in the Meekatharra region of Western Australia

All of Castle's ground in Western Australia and Ghana, whilst at a relatively early stage of exploration, presents a number of targets offering opportunities for discoveries of gold and other minerals.

Cautionary Statement

The Company's Western Australia project areas are considered to be of grass roots or of relatively early stage exploration status. There has been insufficient exploration to define a Mineral Resource. No Competent Person has done sufficient work in accordance with JORC Code 2012 to conclusively determine or to estimate in what quantities gold or other minerals are present. It is possible that following further evaluation and/or exploration work that the confidence in the information used to identify areas of interest may be reduced when reported under JORC Code 2012.

Forward Looking Statement

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

Competent Persons Statement

The scientific and technical information in this Report that relates to the geology of the deposits and exploration results is based on information compiled by Mr Stephen Stone, who is 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 results.

SCHEDULE OF TENEMENTS

Tenement and Name		Interest at beginning of Quarter	Acquired / Disposed (during the Quarter)	Interest at end of Quarter
WESTERN AUSTRALIA				
EL45/4965	Coolyia Creek	80%	80%	0%
EL45/4975	Coolyia Creek	80%	80%	0%
EL47/3490	Beasley Creek	80%	N/A	80%
GHANA				
CARLIE MINING LIMITED				
RLA	Chache	Application	N/A	Application
RLA	Jewoyeli	Application	N/A	Application
RLA	Takariyili	Application	N/A	Application
RLA	Tuole	Application	N/A	Application
RL. 10/23	Jang	100%	N/A	100%
RL. 10/13	Wa	100%	N/A	100%
PL. 10/26	Degbiwu	100%	N/A	100%
PL. 10/23	Bulenga	100%	N/A	100%
PL. 10/25	Charingu	100%	N/A	100%
PLA	Kandia	Application	N/A	Application
PL. 10/24	Baayiri	100%	N/A	100%
RL. 8/27	Gbinyiri	100%	N/A	100%
RL. 8/28	Gurungu	100%	N/A	100%
RL. 8/31	Jumo	100%	N/A	100%
RL. 8/30	Chasia	100%	N/A	100%
RL. 8/29	Perisi	100%	N/A	100%
RLA	Funsi	Application	N/A	Application
PL. 10/47	Kambale	100%	N/A	100%

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

PREVIOUSLY REPORTED INFORMATION

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

Date	Headline
28/04/2020	Acquisition of Western Australia Gold Projects and Placement
11/03/2020	Interim Financial Report for the Half Year Ended 31 December 2019
19/03/2020	Ministerial Approval Granted for Transfer of Julie West Licence
04/02/2020	Coolyia Creek Project Update
23/10/2019	Castle to Receive \$250,000 on Completion of Julie West Sale
26/09/2019	Annual Report to shareholders
14/08/2019	Castle Strikes US\$11.7 Million Farm-Out Agreement