

Castle Acquires Beasley Creek Conglomerate Gold Project



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Capital Structure:

Quoted Shares: 207M
3c Options: 6M

Board:

Michael Atkins
Chairman

Stephen Stone
Managing Director

Ian Hobson
Non-Executive Director &
Company Secretary

- 80% interest in exploration licence application at Beasley Creek, 52km northwest of Paraburdoo, West Pilbara region
- 16km strike of prospective Hardey Formation, including 2km strike of GSWA mapped Hardey Conglomerate
- Historical surficial gold workings (including large tailings pond) coincident with mapped conglomerate horizon
- Orientation site visit confirms Hardey Formation with conglomerate boulders observed in spoil heaps from old workings and in surface lag
- Acquisition continues strategy to build a stable of quality early-stage West Australian projects offering accelerated value appreciation

Castle Minerals Limited (ASX:CDT) is pleased to advise that it has secured the right to acquire an 80% interest in an exploration licence at Beasley Creek in the West Pilbara region of Western Australia that encompasses 16km strike of Hardey Formation stratigraphy including at least 2km strike of its prospective basal conglomerate horizon with very encouraging, coincident historical surficial gold workings and recent detector diggings (Project)(Figure1, Photo 1)

The Hardey Conglomerate unit, as mapped by the Geological Survey of Western Australia (GSWA), is described as a 'clast supported polymictic, pebble to boulder conglomerate with the clasts derived from the underlying greenstone succession'.

This description is consistent with field observations by Castle geologists who have completed an orientation appraisal of the area during which boulders of Hardey Conglomerate were observed on spoil dumps (Photos 2A, B, C, and 3).

"We are extremely pleased to have acquired in a very competitive environment another high-quality project where the presence of Hardey Formation over 16km strike with at least 2km strike of GSWA mapped Hardey conglomerate, coincident historical gold workings and conglomerate boulders in spoil heaps confirm its excellent prospectivity for Witswatersrand-style conglomerate hosted gold" said Castle Managing Director, Stephen Stone.

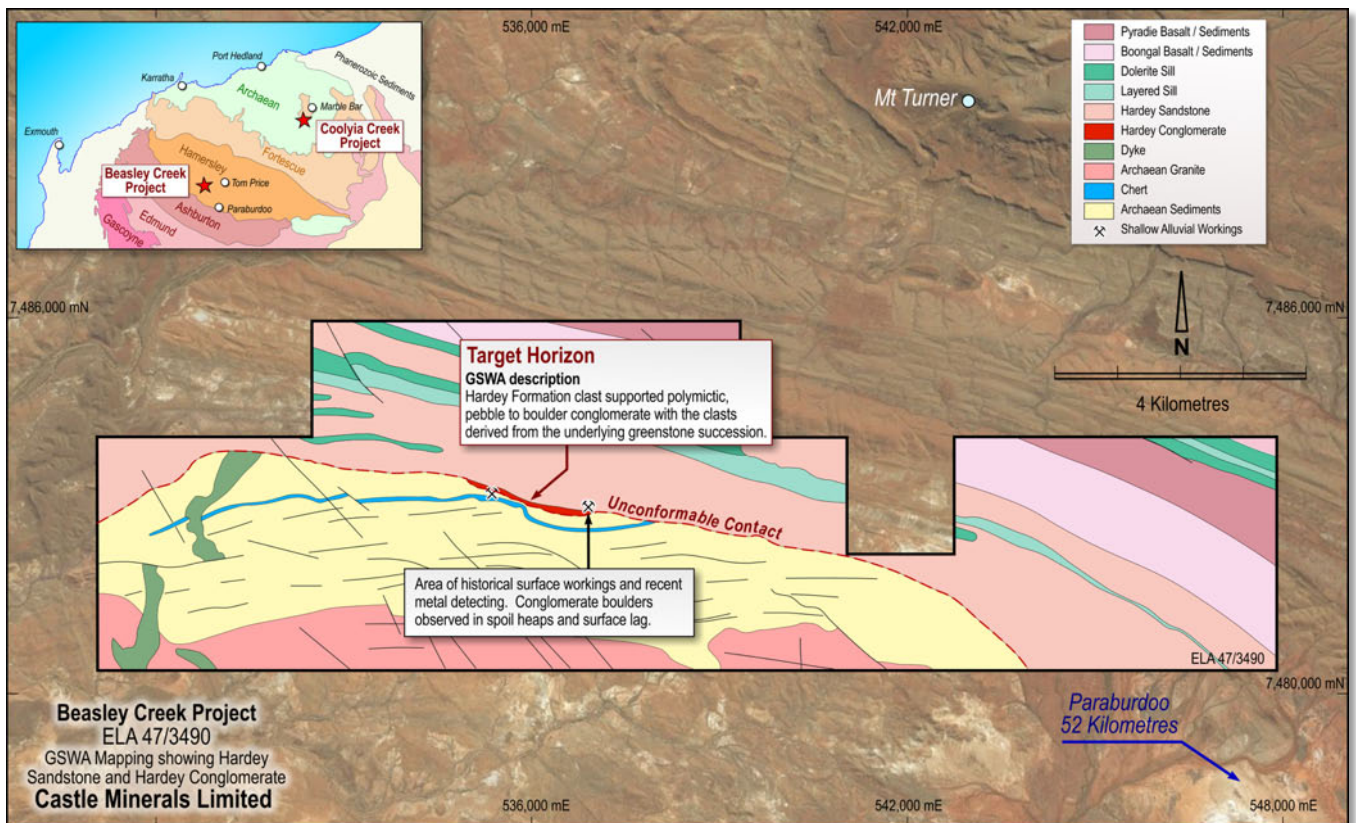
"Hot on the heels of the recent Coolyia Creek Project purchase, this acquisition continues Castle's strategy to refocus on acquiring a stable of quality, early-stage West Australian projects offering accelerated value appreciation, with other deals also under consideration".

The Vendor of the 25 block, 79km² licence application (ELA 47/3490) is Rosane Pty Ltd, an entity associated with prospector, Bob Creasy.

The licence area lies on the northern flanks of, and unconformably above, older Archean quartzites and schists belonging to the regionally prominent Rocklea Dome. It has previously been explored for a range of commodities including gold, copper, diamonds, iron ore and gemstones.

Castle is presently compiling and reviewing historical reports and data and collating other available datasets prior to planning a first-pass field evaluation programme. This will comprise detailed mapping to confirm in-situ and define the Hardey Conglomerate horizon, to determine if there are unexposed east-west extensions to what was mapped by the GSWA and to map other key stratigraphic units in the area; rock-chip, lag, soil and stream sediment sampling and metal detecting.

Figure 1: GSWA mapping showing location of ELA 47/3490 at Beasley Creek, the Hardey Formation, mapped location of Hardey Conglomerate and position of historical workings

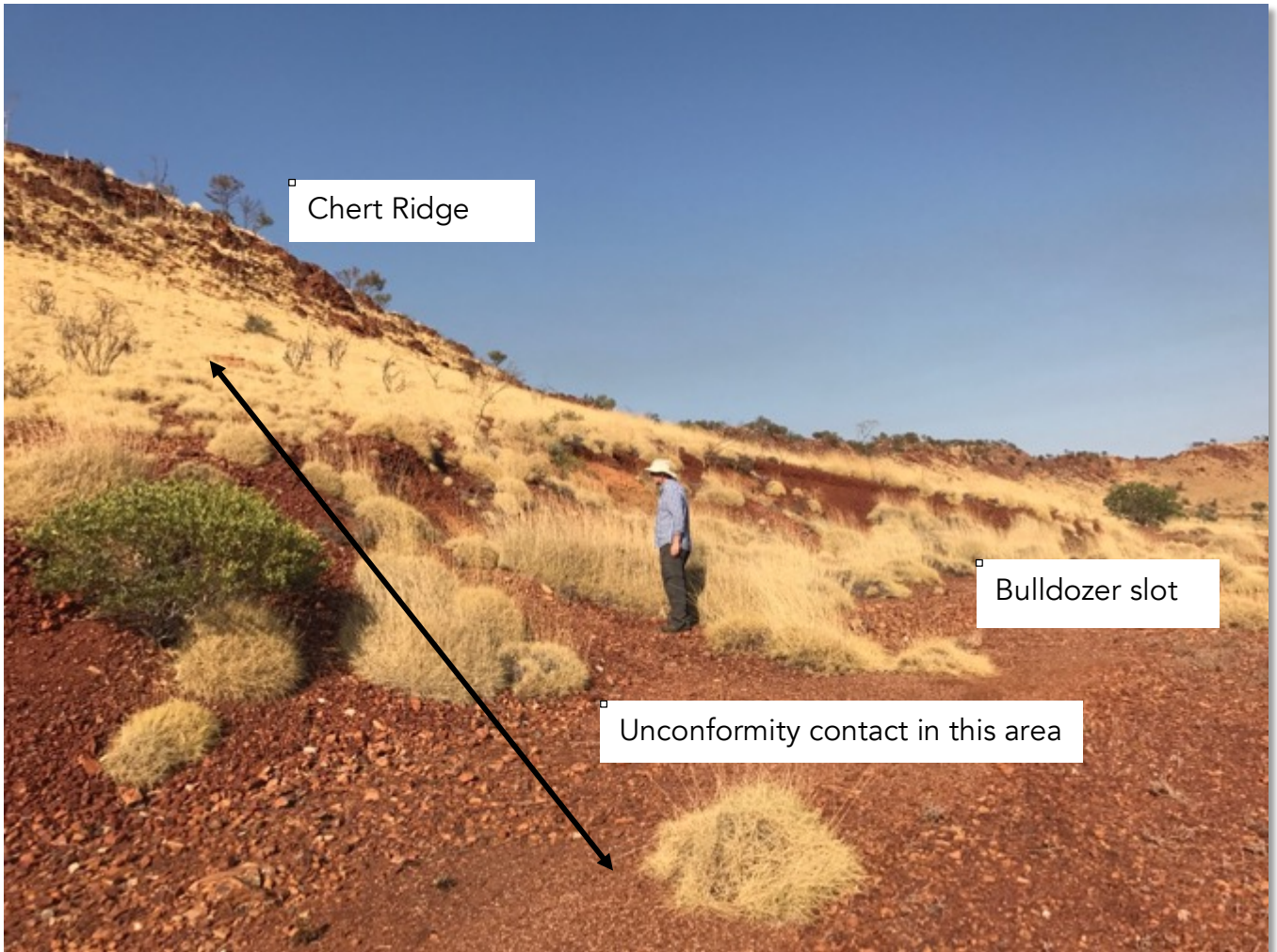


Transaction

The consideration payable to the Vendor for an 80% interest in ELA 47/3940, with the Vendor’s 20% interest free carried to a decision to mine, comprises an Initial Consideration of a non-refundable cash consideration of \$80,000 and 2.0M new ordinary Castle shares. Upon Settlement of the transaction, including the grant of and subsequent registration of Castle’s interest in the licence, the Vendor will receive a Deferred Consideration in two parts; a First Milestone of \$50,000 cash and 2.0M Castle shares and a Second Milestone Payment comprising 2.0M Castle Performance Rights that will vest as and when Castle submits a Form 5 expenditure report of greater than \$500,000 expenditure.

Castle undertakes to keep the licence in good standing at all times that it retains an interest. Once Castle has advanced the project to a Decision to Mine, the Vendor will be required to contribute pro-rata to all future expenditure or dilute according to standard industry terms.

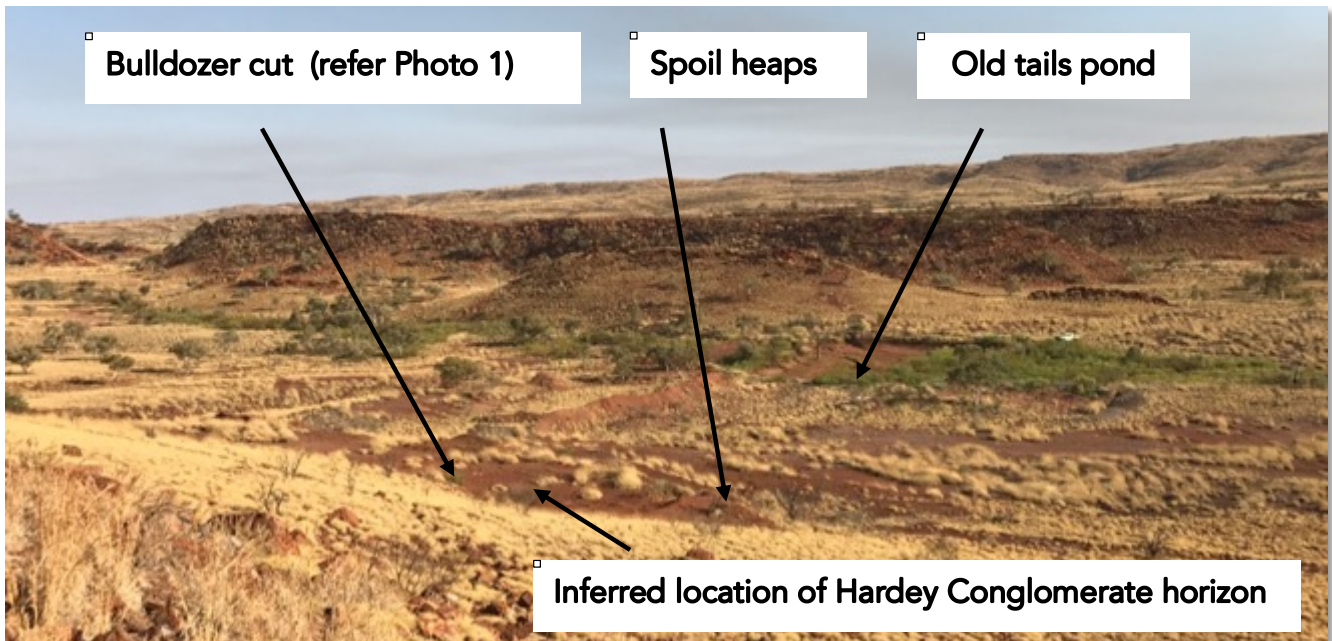
Photo 1: Old bulldozer cutting on or close to the Hardey Conglomerate horizon.



Photos 2A, 2B and 2C: Saw cut samples of conglomerate boulders retrieved from spoil heaps



Photo 3: View north from prominent narrow chert ridge (refer Photo 1) towards old tails pond area and showing extent of the historical diggings and mechanical scrapings



Coolyia Creek Project

Castle's geologists have also completed an orientation site visit to the recently acquired Coolyia Creek project and the Company will report on that once all information has been compiled.

Stephen Stone
Executive Director
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About Castle Minerals Limited

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

Cautionary Statement

The Coolyia Creek and Beasley Creek Projects are considered to be of very early stage, grass roots exploration status. No Competent Person has done sufficient work in accordance with JORC Code 2012 to conclusively determine if gold is present in conglomerates on the licences applied for or to estimate in what quantities but in each case the general integrity of mapping by the GSWA has been confirmed. Boulders of the same have been found in the vicinity of gold workings close to the GSWA mapped Hardey Conglomerate horizon at Beasley Creek. It is possible that following further evaluation and/or exploration work that the confidence in the information used to identify and acquire interests in the areas of interest in the Pilbara may be reduced when reported under JORC Code 2012. No work other than a desk-top review or low-impact reconnaissance mapping and sampling can be undertaken at either Project until the licences are granted which amongst other things requires the consent of the Minister, or an Officer of the department acting with the authority of the Minister, and is also subject to the statutory Native Title notification and negotiation period.

There are no material exploration results in this release and there is also no requirement for a JORC Code, 2012 Edition table.

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 a Director of Castle Minerals Limited. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone is the Qualified Person overseeing Castle's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration results.

Forward Looking Statement

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