

## Kendenup Graphite Project Acquired

- **150km<sup>2</sup> of tenure secured over Kendenup graphite field in the southwest of Western Australia:**
  - **Purchase of granted exploration licence hosting the historical **Kendenup graphite workings**.**
  - **Application for adjacent open ground hosting the historical **Martigallup graphite occurrences**.**
- **Graphite mineralisation intersected on Martigallup licence by recent diamond drill testing of an EM anomaly for base metals.**
- **The EM anomaly appears to be along strike from the Kendenup workings and may represent an extension to the horizon that hosts the graphite.**
- **Staged, multi-phase exploration program proposed once application approved and all access permits acquired.**
- **Acquisition complements Kambale graphite, Wilgee Springs and Woodcutters lithium battery metals projects.**

Castle Managing Director, Stephen Stone commented that **“The acquisition of the Kendenup graphite project in Western Australia’s southwest is highly complementary to Castle’s growing battery metals interests comprising the Kambale graphite project and the Wilgee Springs and Woodcutters lithium projects.”**

**“We can see a lot of upside at Kendenup and are very keen to progress this project as rapidly as possible and as we are all of our battery metals projects, with several work programs about to commence or as soon as various licences have been granted.”**

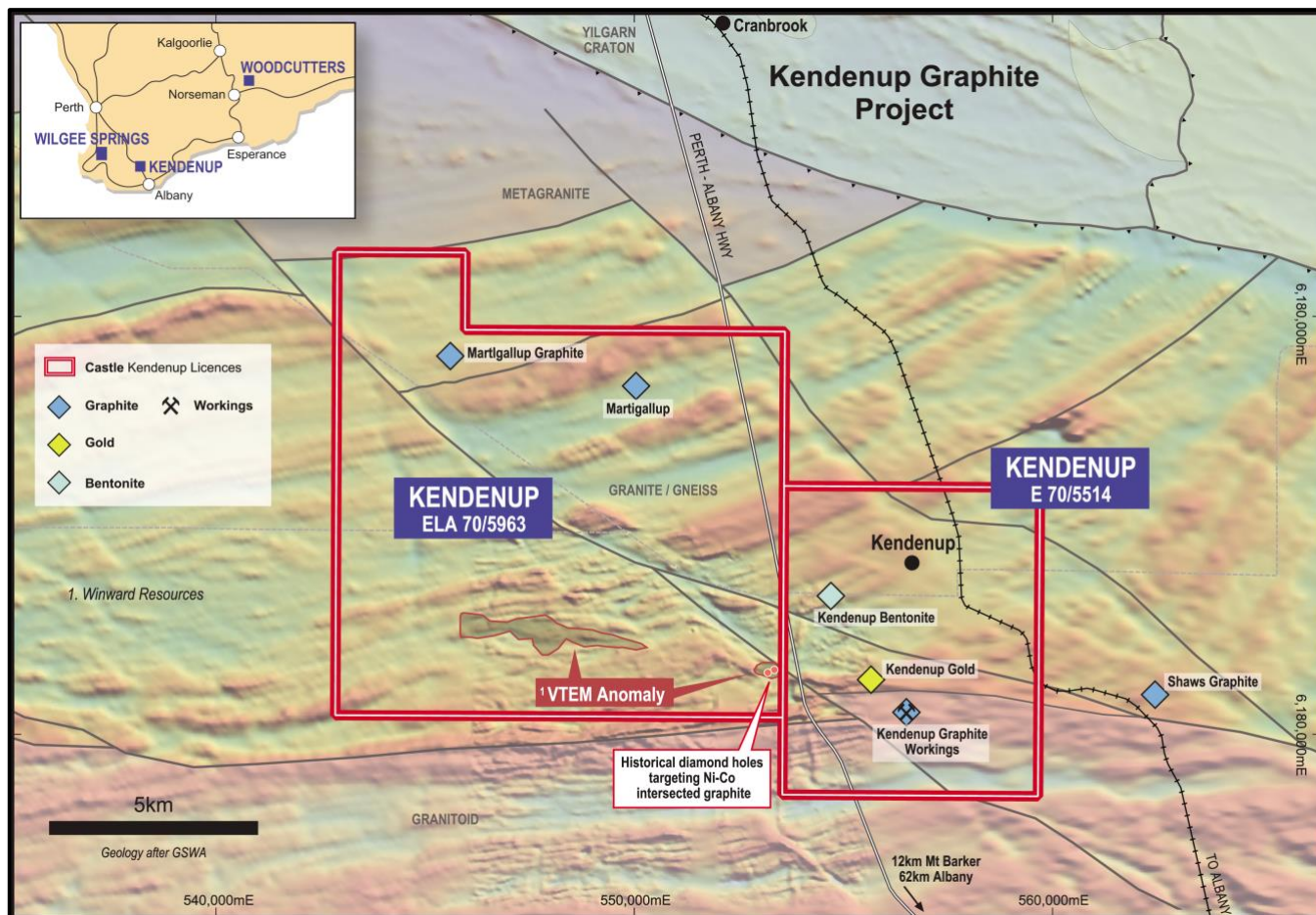
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Explorer and project incubator, Castle Minerals Limited (ASX: CDT) (“Castle”, the “Company”), advises that it has entered into a Tenement Sale Agreement (“Agreement”) and also applied for an adjacent exploration licence covering the historical Kendenup graphite mine and the nearby Martigallup graphite occurrences in the southwest of Western Australia (“Kendenup Graphite Project” or “Project”)(Figs 1 and 2).

A 1913 report by the Inspector of Mines<sup>1</sup> stated that the Kendenup mine workings on the to be purchased, 16-block granted licence (EL70/5514) comprised a 15m-deep vertical shaft and some 20m of level development onto an east-west striking array of veins, lenses and seams of graphitic material. It is not known to what extent these workings were subsequently extended.

Aside from reconnaissance regional programs for gold and base metals, little modern exploration appears to have been completed on the Kendenup licence area.

**Fig 1: Kendenup Graphite Project showing historical workings and heli-VTEM anomalies on regional magnetics and GSWA mapped geology**



On the 37-block Martigallup application area (ELA70/5963), Windward Resources Limited completed soil sampling and a low-level VTEM geophysical survey whilst exploring specifically for nickel-copper mineralisation as the project straddles the contact between the Yilgarn Craton and the western extremity of the Albany-Fraser Mobile Belt. The VTEM defined a number of anomalies, one of which was refined by Windward with fixed-loop ground EM surveying.

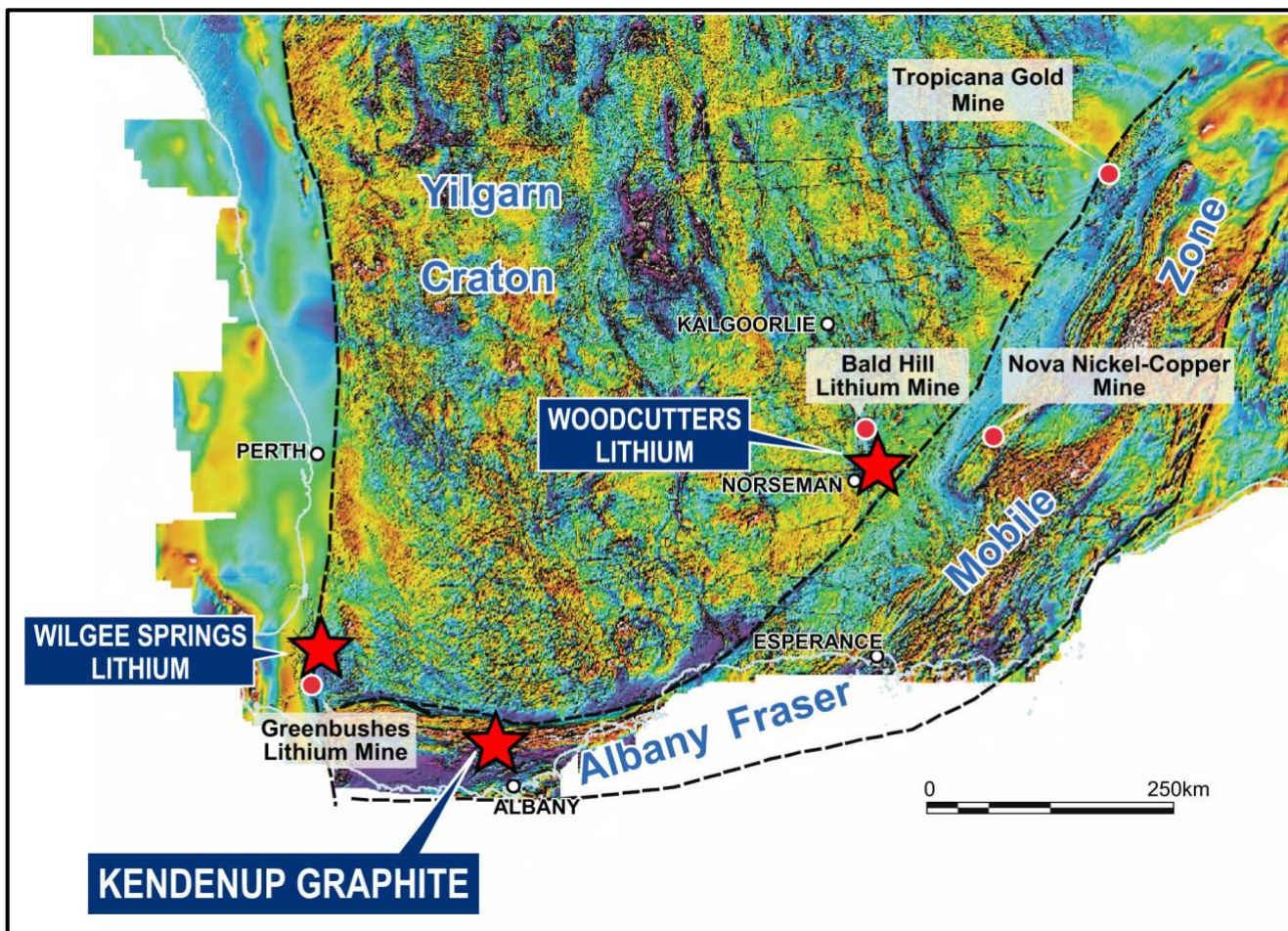
Two diamond drill holes tested the target (Fig 1), each of which intersected zones of graphite with minor sulphide mineralisation. Windward believed that this adequately explained the VTEM conductors and subsequently surrendered the ground<sup>2</sup>. The VTEM anomalies appear to be along strike from the Kendenup workings and may possibly represent an extension to the horizon that hosts the graphite.

The licence application area also covers the Martigallup graphite occurrences which appear in the Mindex database. These were not covered by the Windward VTEM surveys and so remain untested.

The Kendenup Graphite Project has a combined area of 150km<sup>2</sup> with bedrock geology interpreted to be gneiss, granitoids and remnants of Archean mafic rocks. The majority of the area is covered by laterite soils.

The Project comprises mostly freehold farmland to the west of the township of Kendenup. It is well serviced by infrastructure being approximately 12km north of the regional centre of Mt Barker and 62km north of the Port of Albany.

**Fig 1: Location of Castle’s southwest Western Australia battery metals projects**



### Proposed exploration program

Castle intends to undertake a staged, multi-phase exploration program that will commence with the reprocessing and reinterpretation of available geophysical datasets and the relogging and assaying of historical diamond drill hole core for graphite, if the core can be located. Once access agreements are negotiated, the Company will extend VTEM coverage over the project and drill test anomalies as warranted.

### Tenement purchase terms

Castle will purchase granted licence, E70/5514, from Historic Gold Mines Pty Ltd (“Seller”) for an initial cash payment of \$40,000 upon execution of the Agreement and the satisfaction of Conditions Precedent as are standard in such agreements.

Deferred consideration of \$60,000 is payable at Castle’s election in cash or shares (valued at the 10 trading day VWAP of Castle shares on ASX at the time of notifying the Seller a “Trigger Event” has occurred). Any shares issued as deferred consideration will be escrowed for 6 months. The Trigger Event occurs when Castle expends at least \$450,000 in Form 5 reportable expenditure, inclusive of a minimum

of 3,000m of RC and/or diamond core drilling, and access agreement costs within five years. Castle may withdraw from the Agreement at any time without incurring any further expenditure.

*References:*

- 1. Blanchford, T, 1917 The graphite deposits at Kendenup and surrounding districts, Western Australia Geological Survey, Annual Report 1916, p 12-12.*
- 2. Windward Resources Quarterly Activities Report for the three months ending 30 September 2014.*

Authorised for release to ASX by the Board of Castle Minerals Limited:

**Stephen Stone**

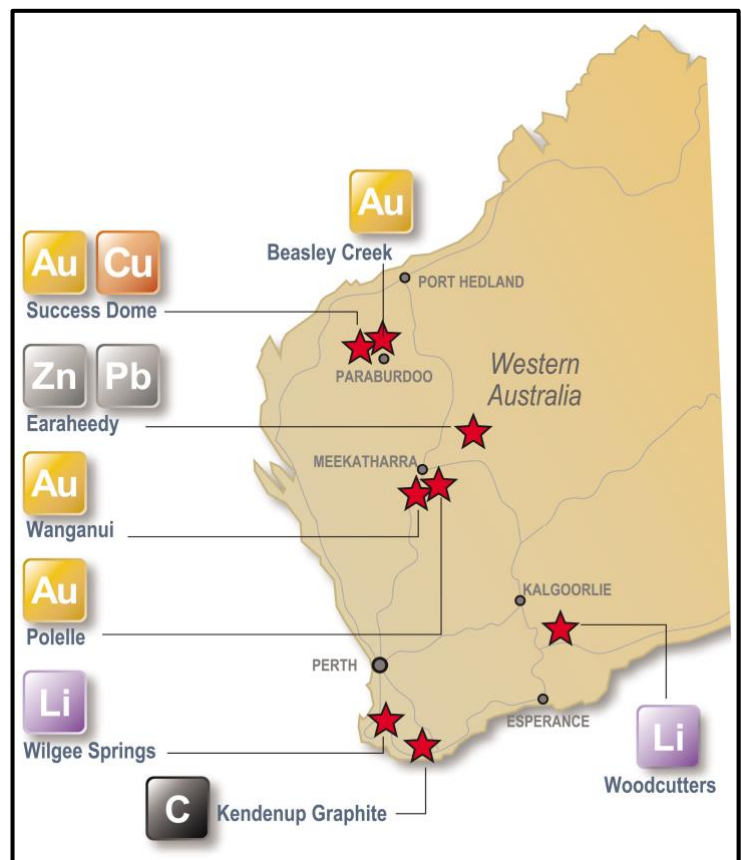
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**About Castle Minerals Limited**

Castle Minerals Limited is an Australian Securities Exchange (ASX: CDT) listed and Perth, Western Australia headquartered company with interests in several projects in Western Australia and Ghana that are prospective for battery metals (lithium and graphite), base metals and gold.

The **Earaheedy Basin** project encompasses terrane prospective for base and precious metals in the Earraheedy and Yerrida basins base metals provinces. The project comprises the **Withnell, Terra Rossa** and **Tableland** sub-projects. The Withnell application is adjacent to the evolving Chinook-Magazine zinc-lead project of Rumble Resources Ltd (ASX: RTR) and north of the Strickland Metals Limited (ASX: STK) Iroquois prospect. The four Terra Rossa applications are immediately east of the Thaduna copper deposit.

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. 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 also of particular interest.



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. Major thrust faults and sub-parallel shear zones highlighted in the regional magnetic and gravity data, combined with additional detailed geophysics data from previous explorers, brought this available area to Castle's attention.

The **Polelle** project (E51/1843, 162.5km<sup>2</sup>), 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. Aeromagnetic surveys have indicated that the southwest trending Albury Heath shear and a splay structure are traceable onto the Polelle project area for some 12km.

At the **Wanganui** project (E51/1703, 18.4km<sup>2</sup>), 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. The Main Lode mineralisation, which can be intermittently traced for at least 1km, is one of at least four structurally related mineralised zones.

The **Wilgee Springs** project (ELA70/5880, 120km<sup>2</sup>), 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.

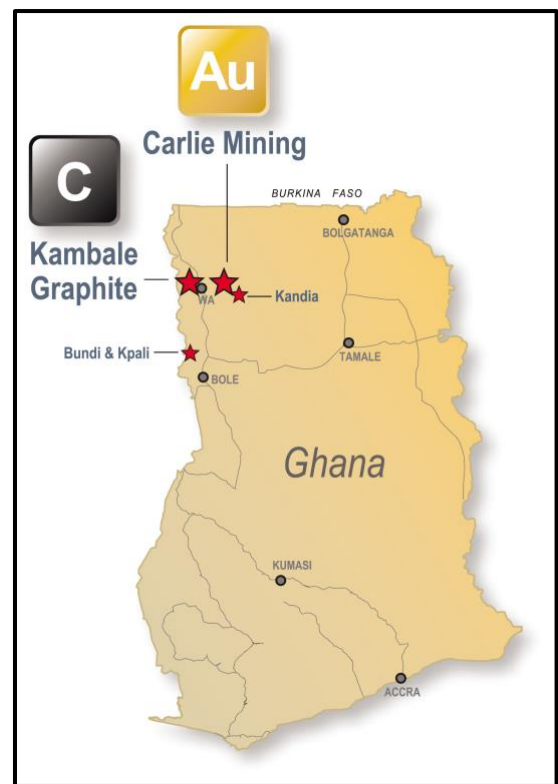
The **Woodcutters** project (ELA15/1847/1847, 242km<sup>2</sup>) is prospective for lithium bearing pegmatites, 25km southeast of the Bald Hill lithium mine in the Bald Hill pegmatite field region and 25km northwest of the Buldania lithium deposit.

In **Ghana, West Africa**, Castle has a substantial and contiguous tenure position in the country's Upper West region. Ghana has a long history of gold exploration and mining with several world-class gold mining operations owned by Tier 1 mining companies. Castle's Ghana 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. The project area is also host to the open-ended **Kambale** graphite project for which test work on near-surface samples produced a 96.4% total carbon fine flake graphite concentrate.

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.

### Cautionary Statement

All of Castle's projects in Australia 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.



The **Kambale graphite deposit** is at an early stage in its evaluation with little known about how extensive the deposit is or how the graphite quality varies within it. Work to date has been undertaken on an easily accessible area which may or may not be representative of the broader deposit once that is known.

To date, the area investigated at Kambale has produced from weathered samples a fine flake size concentrate of a potentially commercially acceptable grade at a reasonably high recovery. Definitive test work on fresh material and material from other parts of the deposit has yet to be undertaken.

### **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.

### **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.