

Activities Report

December 2020 Quarter



HIGHLIGHTS

The December Quarter 2020 saw Castle report high-grade intercepts from a 3,172m, 48-hole multi-target reverse circulation (RC) drilling programme at the Wanganui project and the delineation by a 1,877 sample geochemical survey of several gold and copper anomalies at the Polelle project, both in the Meekatharra district of Western Australia.

The Company also applied for nine prospecting licences immediately to the north of the Polelle exploration licence and is waiting on the grant of an exploration licence at Success Dome (Figs 1 to 9).

A \$1.00 million share placement and heavily oversubscribed Share Purchase Plan increased working capital by \$2.46 million.

WESTERN AUSTRALIA

Wanganui

- A 3172m, 48-hole multi-target RC programme extended Main Lode shallow high-grade mineralisation further south, returning 4m at 8.33g/t Au from 18m, including 2m at 15.39g/t Au from 18m (CWRC042) and 2m at 1.27g/t Au from 25m (CWRC043). These holes specifically targeted a magnetic low anomaly immediately south of the Main Lode South Pit.
- An intercept of 4m at 1.32g/t Au from 71m (CWRC045) extended mineralisation and the host structure further below the South Pit.
- Consistent anomalism striking ~300m was intersected in several holes drilled to test a magnetic low coincident with the interpreted northern extension of the Main Lode (North Target).
- Previously unknown zones of alteration were identified in reconnaissance drilling to test several structural targets interpreted from aeromagnetics.

Polelle

- Six gold and three copper anomalies were delineated by a wide-spaced, 1,877 sample auger programme. None of the anomalies appear to have been drilled previously.
- The gold anomalies are probably associated with shear-hosted mineralisation and the copper anomalies may be indicative of volcanogenic massive sulphide (VMS) style mineralisation.
- The 58km² programme was conducted over areas of relatively shallow cover comprising 36% of the 144.5km² Polelle licence area and is the project's first large-scale systematic geochemical survey.

Aeromagnetic surveys

- Drilling at Wanganui and geochemical sampling at Polelle utilised data generated by the Castle commissioned high-resolution aeromagnetic geophysical survey completed in the September Quarter 2020. This work improved the definition of the key structures believed to control mineralisation and generated several new areas of interest.

ASX & Media Release

ASX Code: CDT
21 January 2021

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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: 732.5M
Unlisted Options: 35.5M

Fig 1: Location of Castle’s Western Australia projects

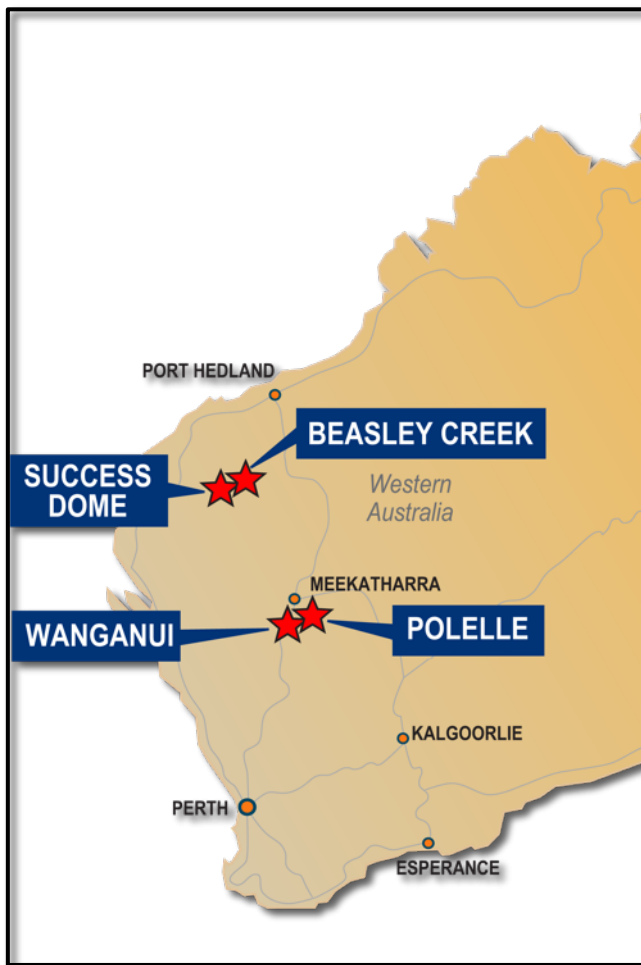
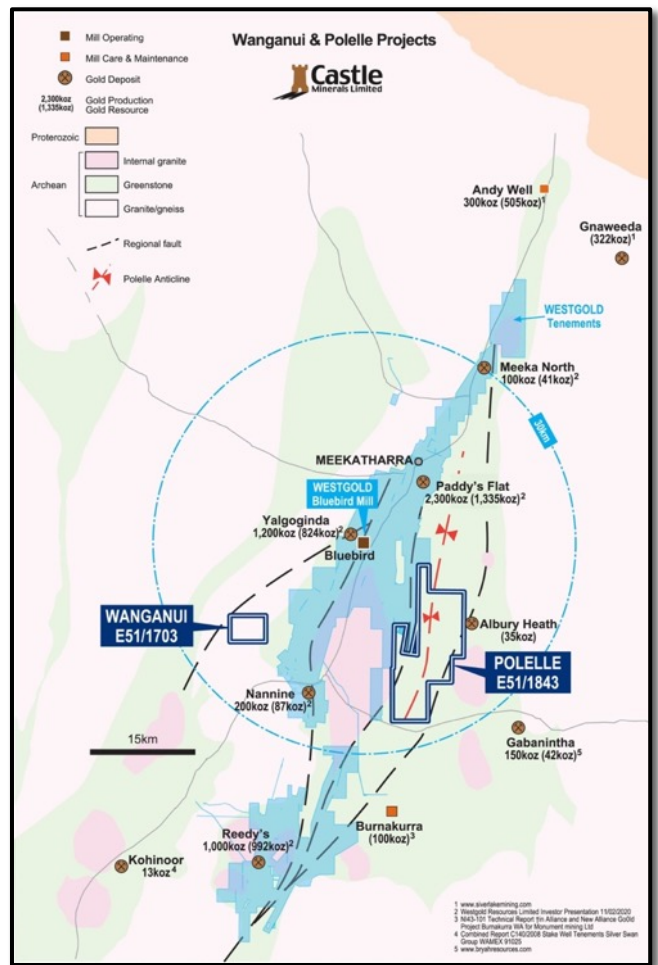


Fig 2: Regional position of Wanganui and Polelle projects



Beasley Creek

- Castle geologists undertook a field reconnaissance trip to validate the results of stream sediment sampling conducted during the previous Quarter which obtained gold values in all 47 bulk stream sediment samples collected, with a peak value of 92ppb Au. This work confirmed four anomalous zones associated with several different geological settings.

Success Dome

- The Company awaits the grant of its application for a 70-block, 220km² exploration licence covering Success Dome in the increasingly active Ashburton region of Western Australia.

GHANA

- Castle is assessing various options to advance and/or monetise its Ghana project interests held through wholly owned Ghana registered subsidiary, Carlie Mining Limited.
- As well as its extensive continuous tenure encompassing large tracts of prospective Birimian greenstones, Castle retains a 4% net smelter precious metal royalty over the Julie West licence and deposits that was sold to Azumah Resources Limited and which comprises a key component of Azumah’s pre-development Wa Gold Project.

NEW OPPORTUNITIES

- Castle continues to generate and assess an array of mainly Western Australia gold opportunities for possible acquisition.

CORPORATE AND FINANCIAL

- Maintained, as at 31 December 2020, a consolidated cash position of \$2.54 million.
- Raised \$2.46M from a combined \$1.0M placement of new shares and a heavily oversubscribed Share Purchase Plan which raised \$1.46M. Shares were issued at \$0.01 per share.
- Held on 25 November 2020 the Annual General Meeting of shareholders at which all resolutions were approved.
- Expended during the Quarter \$518,000 on exploration and evaluation costs (\$486,000 Wanganui and Polelle. \$32,000 Beasley Creek. \$6,000 Success Dome. \$12,000 Ghana). Further details of the exploration and evaluation activity during the December Quarter is set out in the accompanying Appendix 5B report.
- The Company made cash payments of \$128,000 to related parties and their associates. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors.

NEXT QUARTER

Castle's plans for the March 2021 Quarter include:

- Planning for an RC drilling programme at Wanganui to test for southern extensions to the Main Lode;
- Extensional and infill geochemical sampling and drilling of priority targets at Polelle;
- Rock chip and infill soil sampling to define drill targets at Beasley Creek;
- Reconnaissance soil sampling at Success Dome;
- Progress of Ghana options; and
- Review of new acquisition opportunities.

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

Stephen Stone

Managing Director

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Fig 3: Wanganui Project - Plan of most recent RC drilling

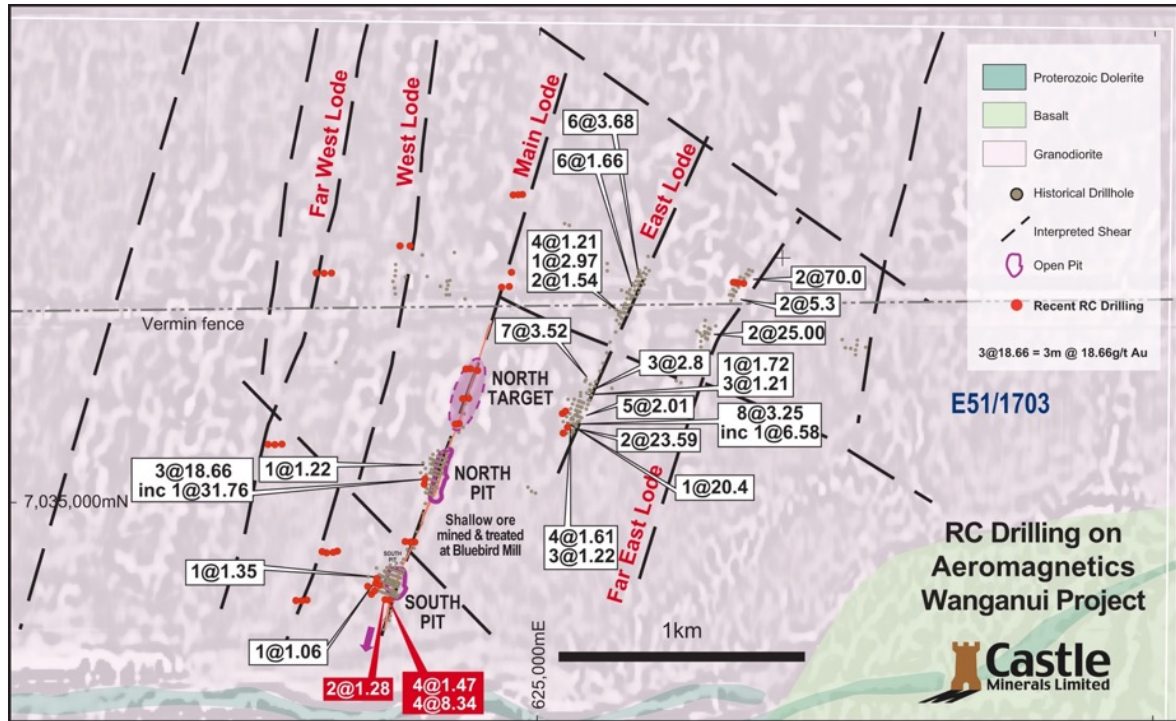


Fig 4: Wanganui Project - Plan of RC drilling results on the Wanganui Main Lode

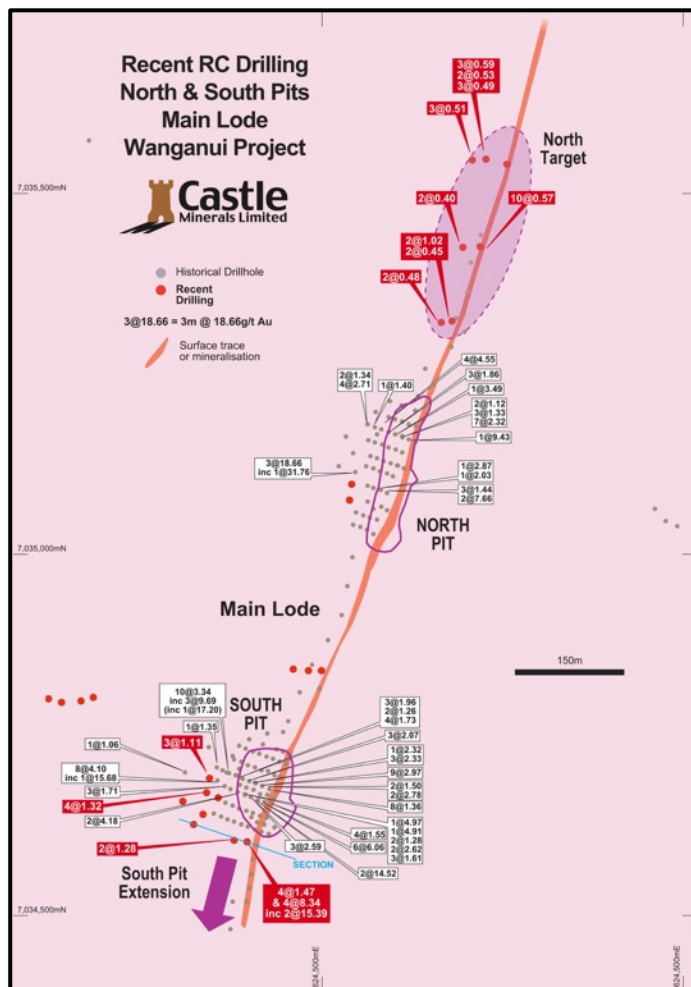


Fig 5: Wanganui Project - Drill Section 7034608N

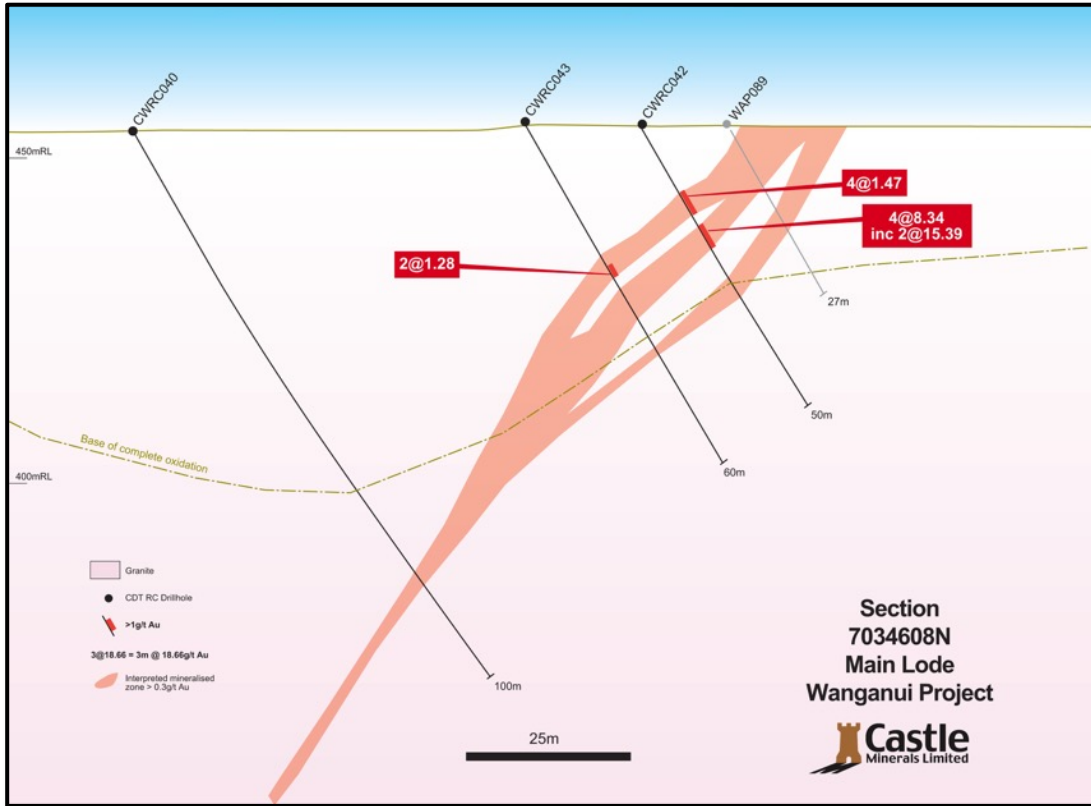


Fig 6a & 6b: Polelle Project – Auger sampling results (gold and copper)

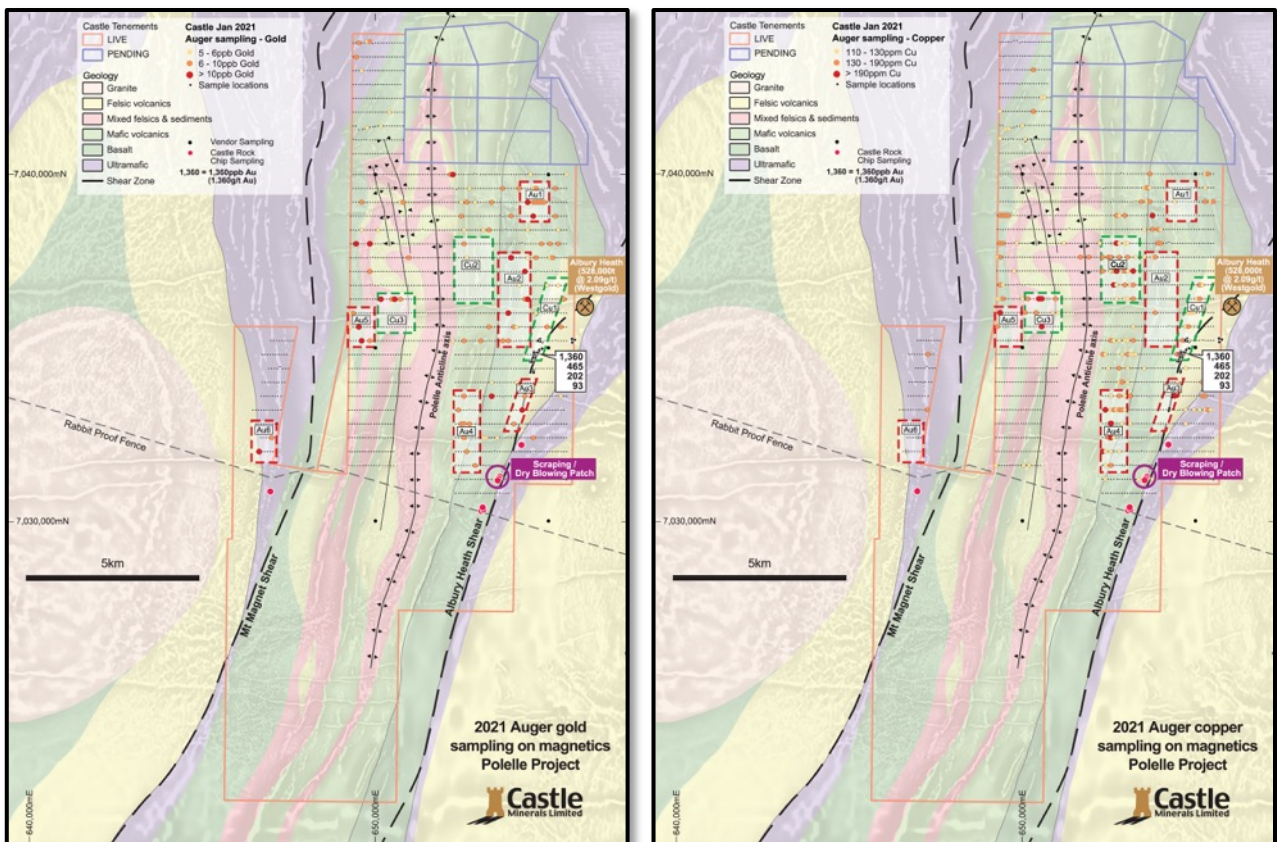


Fig 7: Regional position of Beasley Creek and Success Dome projects

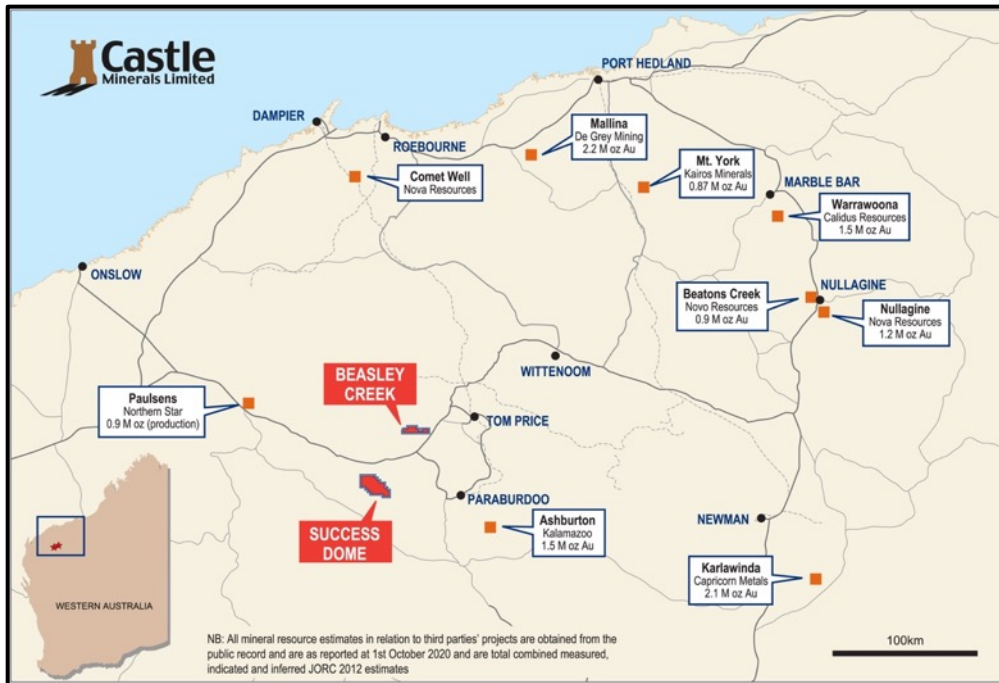
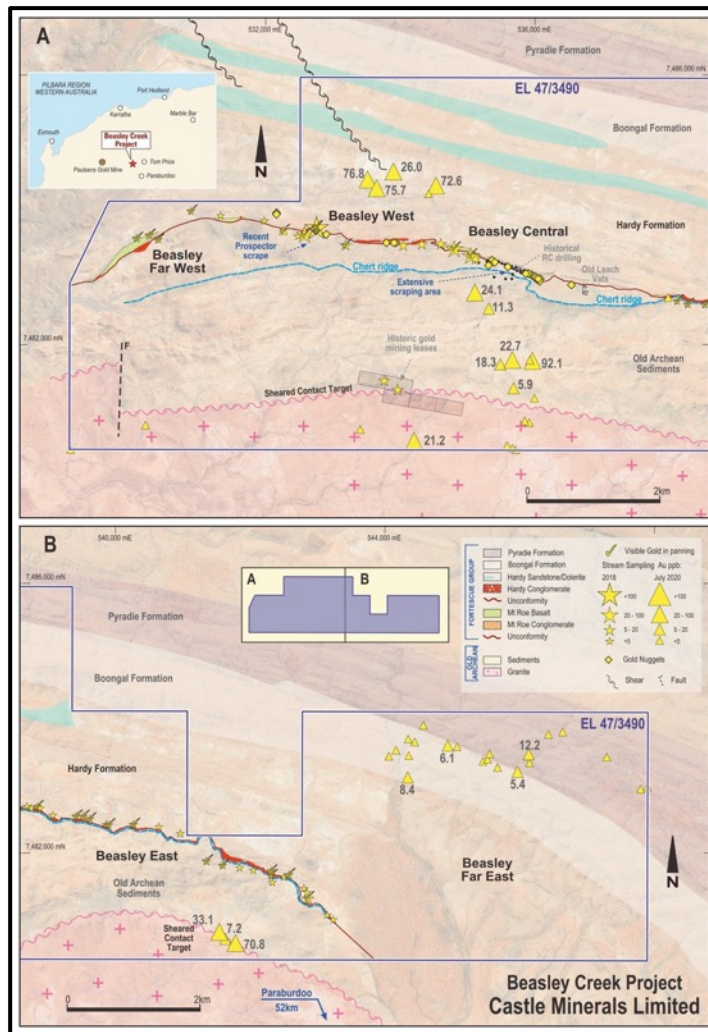


Fig 8: Beasley Creek – Recent stream sediment sampling results



About Castle Minerals Limited

Castle Minerals is an Australian Stock Exchange (ASX: CDT) listed and Perth, Western Australia headquartered company with interests in several projects in Western Australia and Ghana that are prospective for gold and other minerals.

At the **Wanganui project** (E51/1703, 18.4km²), 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 **Polelle project** (E51/1843, 162.5km²), 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 (Inferred Resource of 528,000t at 2.09g/t Au for 35,479oz Au) immediately adjacent to the east boundary of Castle's licence. Aeromagnetics have indicated that the southwest trending Albury Heath shear is traceable onto the Polelle project area for some 7.5km.

The **Beasley Creek** project lies on the northern flanks of the Rocklea Dome in the southern Pilbara. The strategy is to define structurally controlled gold targets within the various Archean sequences. These lie immediately above and below the 16km east-west striking conglomerate horizons which had been the initial focus of exploration by Castle. The sheared granite - greenstone contact and the "Paulsen Gold Mine" type setting within the gabbro/dolerite units, that intrude the Hardy Sandstone in the northern part of the project area, are of particular interest.

The **Success Dome** project is a recent application for an exploration licence 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. More locally, Success Dome lies immediately adjacent to the southern margin of the Hamersley Basin and 40km southwest of Castle's Beasley Creek gold project. 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.

In **West Africa**, Castle has a substantial and contiguous tenure position in Ghana'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 extensive tracts of highly prospective Birimian geological terrane, the host to many of West Africa's and Ghana's multi-million-ounce gold mines.

Castle also retains a 4% net smelter precious metal royalty over the adjacent Julie West licence which comprises a key component of Azumah'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.

Fig 9: Ghana: Wa Project Licences



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. 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 results.

PREVIOUSLY REPORTED INFORMATION

Additional details, where applicable, can be found in the releases referenced in this Report and/or in the following releases lodged by the Company with the ASX:

Headline	Date
High-Grade Mineralisation Extended South at Wanganui Main Lode	16 Dec 2020
Notice of ceasing to be a substantial holder (CRC)	26 Nov 2020
Appendix 3G: Notification of issue, conversion or payment up of equity securities	25 Nov 2020
Appendix 2A: Application for quotation of securities	25 Nov 2020
Issue of Shares - Notice given under section 708A(5) of the Corporations Act	25 Nov 2020
Results of Annual General Meeting	25 Nov 2020
Polelle Project Extended	25 Nov 2020
Appendix 3Y: Change of Director's Interest Notice (Atkins)	9 Nov 2020
Notice of change of interests of substantial holder (Stepstone)	6 Nov 2020
Appendix 3Y: Change of Director's Interest Notice (Guy, Stone)	6 Nov 2020
Appendix 2A: Application for quotation of securities	6 Nov 2020
RC Drilling Completed at Wanganui	5 Nov 2020
Share Purchase Plan Closes Heavily Oversubscribed	4 Nov 2020

SCHEDULE OF CASTLE MINERAL LICENCES

Tenement and Name		Interest at beginning of Quarter	Acquired / Disposed (during the Quarter)	Interest at end of Quarter
WESTERN AUSTRALIA				
E47/3490	Beasley Creek	80%	n/a	80%
E51/1703	Wanganui	100%	n/a	100%
E51/1843	Polelle	100%	n/a	100%
PLA 51/3190-98	Polelle	0%	Application	Application
ELA 08/3257	Success	0%	Application	Application
GHANA ⁽¹⁾				
Carlie Mining Limited				
RLA	Cache	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 ⁽²⁾	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 ⁽²⁾	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%

(1) 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.

(2) Carlie Mining Limited has entered into a farm-out arrangement with private Ghana company, Iguana Resources Limited, who may earn up to an 80% interest in the Degbiwu and Gbinyiri licences located 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).