

CASTLE COMPLETES OVERSUBSCRIBED \$3.6M PLACEMENT

Funds to Advance Exploration and Drilling Programs across Battery Metals, Base Metals and Gold Properties

- Heavily oversubscribed placement completed to raise \$3.6M (before costs) from professional and sophisticated investor clients of Peak Asset Management.
- Increases working capital to ~\$6.0M.
- Places Castle on stronger footing to accelerate work at its Battery Metals projects in Western Australia and Ghana and drill in the first half of 2022 several of the targets it has been defining at its Earahedy, Beasley Creek and Polelle base metals and gold projects.

Castle Managing Director, Stephen Stone commented “Today’s heavily oversubscribed \$3.6 million placement is a great start to 2022 and will boost Castle’s working capital to \$6.0 million placing the Company on a stronger footing to accelerate work at its Battery Metals projects in Western Australia and Ghana and to drill in coming months several of the targets it has been defining at its Earahedy, Beasley Creek and Polelle base metals and gold projects.”

“Existing and new shareholders can look forward to a strong news flow in the coming months covering progress on our range of exciting and evolving projects.”

Explorer and project incubator, Castle Minerals Limited (ASX: CDT) (“Castle”, the “Company”), advises that it has received firm commitments from professional and sophisticated investors to subscribe for 120,000,000 fully paid new ordinary shares in the Company (“New Share”) at an issue price of \$0.03 per share to raise \$3,600,000 before costs (“Placement”). The Placement was heavily oversubscribed.

Each New Share will have an attaching option exercisable at \$0.055 each, expiring on 31 December 2024 (“New Option”) on a 1:3 basis. The Company will apply for quotation of the New Options on the ASX. The rights and liabilities of the New Options are set out in Appendix A.

Use of proceeds

The net proceeds of the placement will enable Castle to advance several of its projects into the drilling phase with the ultimate intention of confirming ‘flag-ship’ status at one or more of these assets.

A proportion of the funds raised will be used for general working capital purposes.

Battery Metals projects

- With encouraging test work completed at the **Kambale graphite project**, Ghana (refer ASX release 21 September 2021), the next stages are a ground EM geophysics survey and drill traverses to define the deposit's limits and grade distribution ahead of the recovery of fresh graphitic schist material for confirmatory test work in Perth;
- The recently acquired **Kendenup project**, near Mt. Barker in the south of Western Australia, encompasses the historical Kendenup graphite workings which have not been investigated for several decades. An adjacent licence application hosts the Martigullup graphite occurrences and associated EM anomalies that require more extensive drill testing (refer ASX release 24 November 2021); and
- Licence applications at **Wilgee Springs** and **Woodcutters** cover zones proximal to the world-class Greenbushes and Bald Hill lithium deposits respectively. Once granted, these will be evaluated for the presence of spodumene bearing pegmatites (refer ASX release 5 October and 10 November 2021).

Base Metals and Gold projects

- The historical Sioux prospect on the granted **Withnell** licence, within the Company's expansive **Earaheedy zinc-lead project**, is a priority target for drilling given its close proximity to the emerging Rumble Resources Ltd (ASX: RTR) Chinook-Magazine zinc-lead-copper discovery and the Strickland Metals Ltd (ASX: STK) Iroquois base metals discovery to the immediate south (refer ASX release 11 August 2021). Castle's **Terra Rossa** licences also have a very similar stratigraphy to the Iroquois prospect with several areas of anomalism to be followed-up.
- At **Beasley Creek** in the Pilbara, Castle has been firming up drill targets to test for structurally-controlled, orogenic gold mineralisation in greenstone stratigraphy that in the past has received minimal attention for gold or base metals (refer ASX release 5 August 2021); and
- The **Polelle gold project**, east of Meekatharra, is south of the Side Well project and the interesting Mulga Bill gold discovery of Great Boulder Resources (ASX: GBR) and is also adjacent to the Tea Well gold anomaly of unlisted explorer, SensOre Pty Ltd (refer ASX release 7 October 2021).

NB: All exploration and drill plans are subject to any native title access agreement, heritage survey, landowner agreement and government permitting requirements being agreed and executed.

Placement Details

The Placement price represents an 19.52% discount to the fifteen-day volume weighted average price on the ASX of \$0.036 per share up to 7 January 2022.

The New Shares will be issued under the Company's existing capacity pursuant to ASX Listing Rule 7.1 (76,901,697 New Shares) and ASX Listing Rule 7.1A (43,098,303 New Shares).

The New Options and LM Options as defined below, will be issued under the Company's existing capacity under ASX Listing Rule 7.1 (40,000,000 New Options + 15,000,000 LM Options).

Quotation for New Shares, New Options and LM Options will be sought on or around 17 January 2022.

As far as the Company is aware, no securities were issued or agreed to be issued to a related party or otherwise a person referred to in ASX Listing Rule 10.11.

Lead Manager

Peak Asset Management acted as Lead Manager to the Placement. It will be paid a fee of six percent on the funds raised under the Placement and 15,000,000 options exercisable at \$0.055 each, expiring on 31 December 2024 ("LM Options"). The Company will apply for quotation of the LM Options on the ASX. The rights and liabilities of the LM Options are set out in Appendix A.

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

Stephen Stone

Managing Director

stone@castleminerals.com

+61 (0) 418 804 564

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 Earacheedy 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.

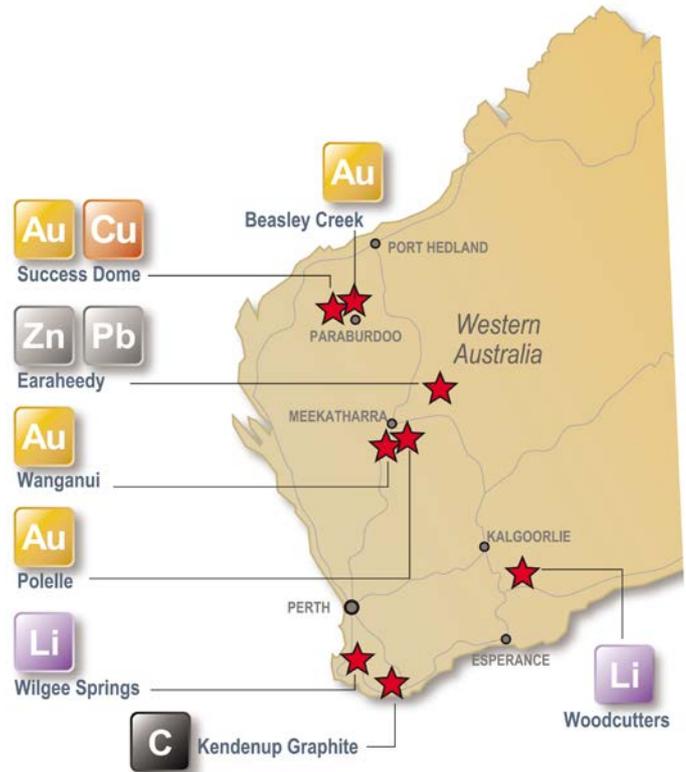
The **Success Dome** project lies in the Ashburton structural corridor and is located midway between the Paulsen’s and Ashburton gold deposits. It is prospective for gold and base metals. Major thrust faults and sub-parallel shear zones highlighted in the regional magnetic and gravity data, combined with additional detailed geophysics data from previous explorers, brought this available area to Castle’s attention.

The **Polelle** project (E51/1843, 162.5km²), 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 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, 18.4km²), 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 **Wilgee Springs** project (ELA70/5880, 120km²), 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, 242km²) 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.



The **Kendenup** project (EL70/5514 – granted) comprises the historical Kendenup graphite workings and an adjacent application encompasses the Martigallup graphite occurrences (ELA70/5963).

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.

APPENDIX A – Rights and Liabilities attached to the New Options and LM Options

Entitlement	Each option entitles the holder to subscribe for one share in the Company upon exercise of the option.
Exercise Price	Subject to any reconstruction of capital, the amount payable upon exercise of each option will be \$0.055.
Expiry Date	Each option will expire at 5.00pm (Perth, Western Australian time) on 31 December 2024. An option not exercised before the option Expiry Date will automatically lapse on the option Expiry Date.
Exercise Period	The Options are exercisable at any time on or prior to the option Expiry Date.
Notice of Exercise	The Company will provide to each option holder a notice that is to be completed when exercising the options (“Notice of Exercise”). The options may be exercised any time before the Expiry Date by providing the Company the Notice of Exercise accompanied by payment in full of the Exercise Price for each option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
Exercise Date	A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of payment of the Exercise Price for each option being exercised in cleared funds.
Timing of issue of Shares on exercise	<p>Within 5 Business Days after the Exercise Date, the Company will:</p> <ul style="list-style-type: none"> (a) allot and issue the number of Shares required under the terms and conditions in respect to the number of options specified in the Notice of Exercise and for which cleared funds have been received by the Company; (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and (c) if admitted to the Official List of the ASX at the time, apply for official quotation on ASX of the shares pursuant to the exercise of the Options. <p>If a notice delivered under clause (b) above is not effective for any reason to ensure that an offer for sale of the shares does not require disclosure to investors, the Company must, within 20 Business Days after becoming aware that the notice is ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the shares does not require disclosure to investors.</p>
Shares issued on exercise	Shares issued on exercise of the options will rank equally with the then issued shares of the Company.
Quotation of shares issued on exercise	If admitted to the Official List of the ASX at the time, application will be made by the Company to ASX for quotation of the shares issued upon exercise of the options.

Reconstruction of capital	If at any time the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return of capital), all rights of an optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
Participation in new issues	There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options without exercising the options.
Change in exercise price	An option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the options can be exercised.
Transferability	The options are transferable subject to the terms of the Corporations Act and the ASX Listing Rules and to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.