

Activities Report – December 2023 Quarter

Kambale Graphite Project:

- Advanced test work to process previously successfully produced graphite concentrate into a purified high-value form suitable for use in lithium-ion battery anodes.
- Briefed prospective members of proposed commercialisation scoping study team.
- Progressed community and key stakeholder engagement plan.

Polelle and Wanganui Projects:

- Executed an Option to farm-out the Polelle & Wanganui projects to ASX: GBR and monetised upfront share consideration. Purchased project royalties from third parties.

GHANA

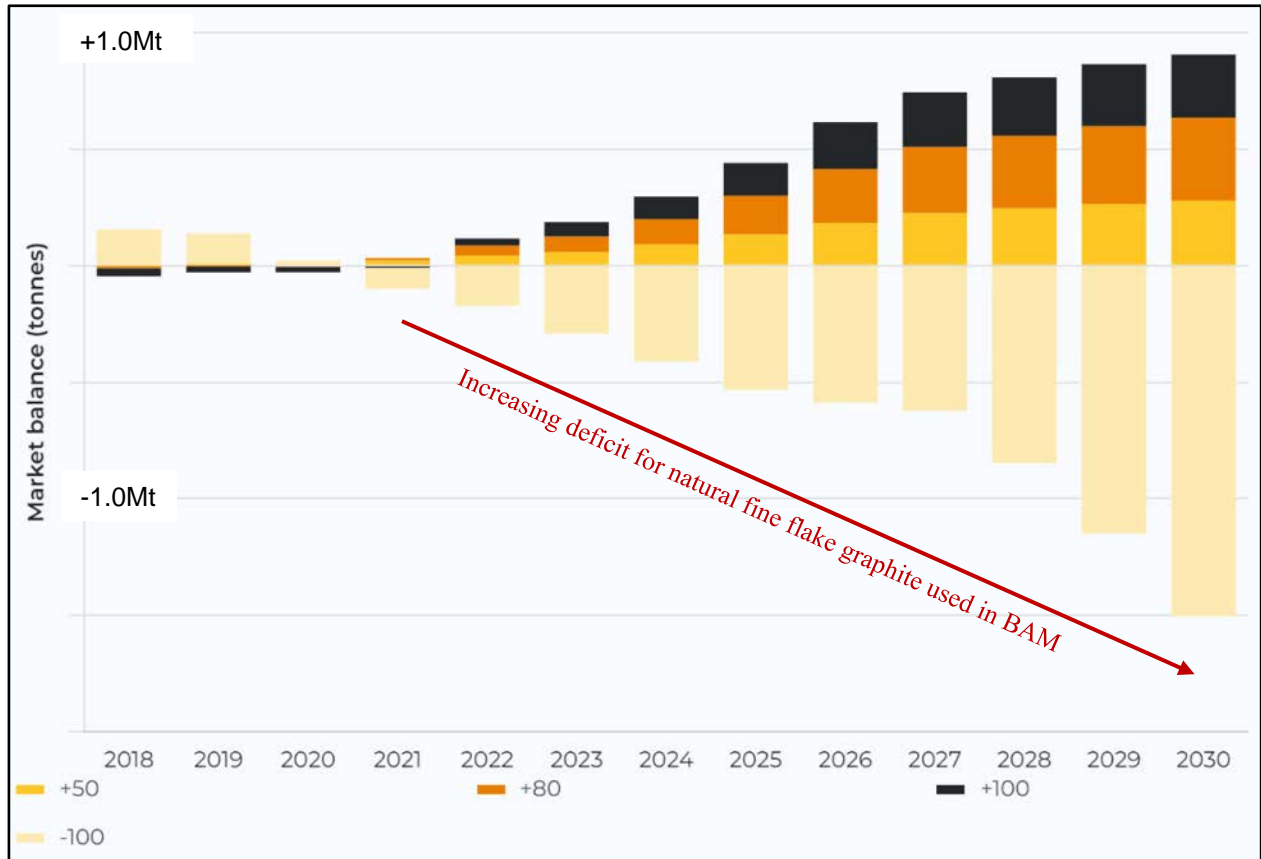
Kambale Graphite Project

Castle is fast-tracking an evaluation of its 100%¹ owned Kambale Graphite Project (“KGP”), Ghana, to coincide with a forecast increase in demand for and looming supply deficit of natural fine flake graphite concentrates and Battery Anode Material (“BAM”). This is used in the manufacture of electric vehicle (“EV”) batteries, stationary power storage units and consumer electronic products.

- The focus in the December Quarter was on test work to demonstrate that the 95.1% TGC graphite concentrate, successfully produced in the September 2023 Quarter, can be transformed (micronised, spheronised and purified) into a benchmark 99.95% TGC required for BAM manufacture.
- Concentrate was sent to Germany where specialist metallurgical laboratory, ProGraphite GmbH, (“ProGraphite”) has been conducting a wide range of processing and evaluation tests. Results are expected shortly.
- Pending the purification test work results from ProGraphite and graphite markets intelligence feedback, the button will be pushed on a high-level study to identify an optimal way forward to approach development of the Project. Mining and metallurgical engineers, graphite markets and other specialists have been identified to participate in the forthcoming study phase and scope-of-works are being formulated.
- The study, when completed in Q2 2024, will facilitate discussions with possible product off-takers, development partners, project financiers, government ministries, affected communities and other stakeholders.
- The key recommendations of a community benchmarking study were reviewed. It included the scope for an independently managed Stakeholder Engagement Plan which has commenced and is expected to be completed and reported by end-March Quarter 2024.

WHY GRAPHITE and KAMBALE?

- Electric vehicle (“EV”) lithium-ion batteries contain an anode (-ve) and a cathode (+ve).
- The anode comprises +95% graphite and there is 40kg-70kg of graphite in a typical EV battery pack and 10x -15x more graphite (by weight) than lithium (in the cathode).
- Battery anode material (“BAM”) is made from a fine flake form (-100 mesh) of natural graphite or synthetically produced graphite.
- Synthetic graphite is made from petroleum or coal refinery residue (coke) involving orders of magnitude higher levels of CO₂ emissions.
- Mined and concentrated natural graphite is micronised, spheronised, purified (“SPG”) and then coated to become BAM.
- In most cases ~30% of the original graphite concentrate becomes BAM.
- There are forecasts for an additional 100 million light EV sales to 2030 alone and a major supply deficit of fine flake natural graphite is forecast.
- China produces ~95% of the world’s BAM with non-China anode, Li-ion battery and EV manufacturers therefore critically dependent upon China supplies.
- China has insufficient natural fine flake graphite to meet internal demand and is importing concentrates via offtake contracts with many of the world’s new or proposed graphite mines.
- China wants to grow and protect its battery and EV business and in December 2023 introduced ‘temporary’ export licence controls on graphite, anodes and EV batteries.
- The USA Inflation Reduction Act is a multi-billion dollar initiative to stimulate in-country manufacturing of batteries and EVs via reliable, independent supply chains of quality, sustainable critical minerals, including graphite.
- The USA has also introduced more stringent controls on how enterprises can access IRA funding. This includes exclusions where material levels of enterprise ownership or product inputs are from “countries of concern”.
- The EU has introduced a similar supply chain stimulus initiative (“Critical Raw Materials Act”) with several other countries likely to follow suit.
- Increasing ESG requirements mean that non-China based manufacturers will need to accept a higher cost for BAM.
- The Kambale Graphite Project is strategically well located and very well timed to participate as an uncommitted source of natural fine flake graphite in the new critical mineral supply chains being established by the USA, EU and other countries.
- Ghana is a well-respected, safe, politically stable, modern and fast-growing West African jurisdiction with a long history of mining by international Tier-1 companies. It has a highly skilled workforce, excellent infrastructure, well established contracting and supply sectors plus international ports with full access to all world markets.



-100 mesh natural flake graphite deficit forecast to grow
Source: Benchmark Intelligence Natural Graphite Forecast Q2 2023

Carlie Mining Limited (Gold)

Carlie Mining Limited (“Carlie”), a wholly owned Ghanaian registered subsidiary of Castle, holds a substantial tenure position in Ghana’s emerging Upper West region. Its 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.

- Particular technical attention is being directed towards the **Kpali, Bundi** and **Kandia** gold discoveries and generally the evaluation and progress of options that will see exploration at these appropriately funded and advanced.
- Carlie is entitled to **4% NSR royalty** on gold production from the **Julie West** licence which it sold to neighbour and gold project developer, Azumah Resources Limited (unlisted). This licence is a component of Azumah’s proposed 148,000tpa, 11-year mine life Black Volta Gold project where development is scheduled to commence in 2024 (refer <https://ibaera.com/project-news/black-volta-gold-project-ghana/>).

WESTERN AUSTRALIA

Woodcutters (Lithium)

The Woodcutters Lithium Project lies in the same structural zone as the Bald Hill lithium-tantalum mine, 25km to the north west and is 25km north east of the Buldania lithium deposit.

Having confirmed the Project’s lithium prospectivity through extensive data compilation, reprocessing of available geophysics and several phases of field reconnaissance and geochemical sampling, the Company has initiated a process to identify a farm-in party.

Wilgee Springs (Lithium)

The Wilgee Springs exploration licence application encompasses an area considered prospective for lithium bearing pegmatites. It lies within the same metamorphic belt and along strike within the same structural zone that hosts the Greenbushes lithium mine, the world’s largest, highest grade and lowest cost, hard rock, spodumene concentrate producing operation.

- The licence is still awaiting grant pending approvals from the Dept. of Biodiversity, Conservation and Artefacts (DBCAs) and Dept of Mines, Industry Regulation and Safety (DMIRS) before any work can commence.

Earaheedy (Base Metals)

Castle’s Earraheedy base metals project comprises the **Withnell** and **Terra Rossa** sub-projects. The geology and prospectivity of Withnell and Terra Rossa are analogous to and closely aligned with the nearby Rumble Resources Limited’s (ASX: RTR)(“Rumble”) provincial-scale Earraheedy base metals discovery.

- Several targets have been delineated at both sub-projects. In particular, a key prospect at Terra Rossa has an interesting copper prospectivity This warrants more focused attention and possible drilling. The Company is working through the Native Title process to enable access asap.

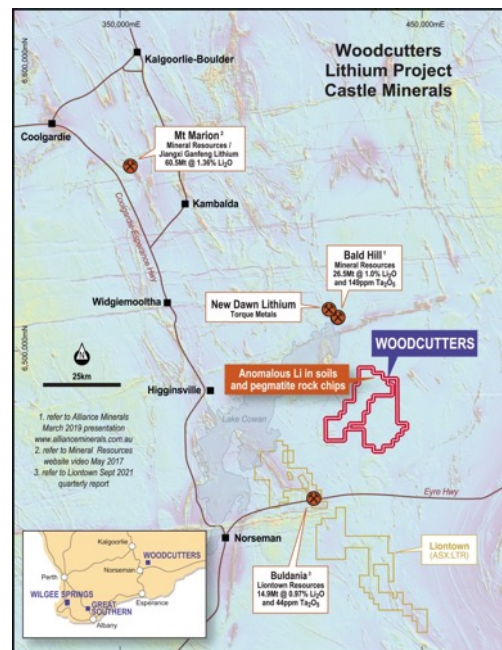


Fig 1: Woodcutters Lithium Project and its proximity to major lithium deposits in region.

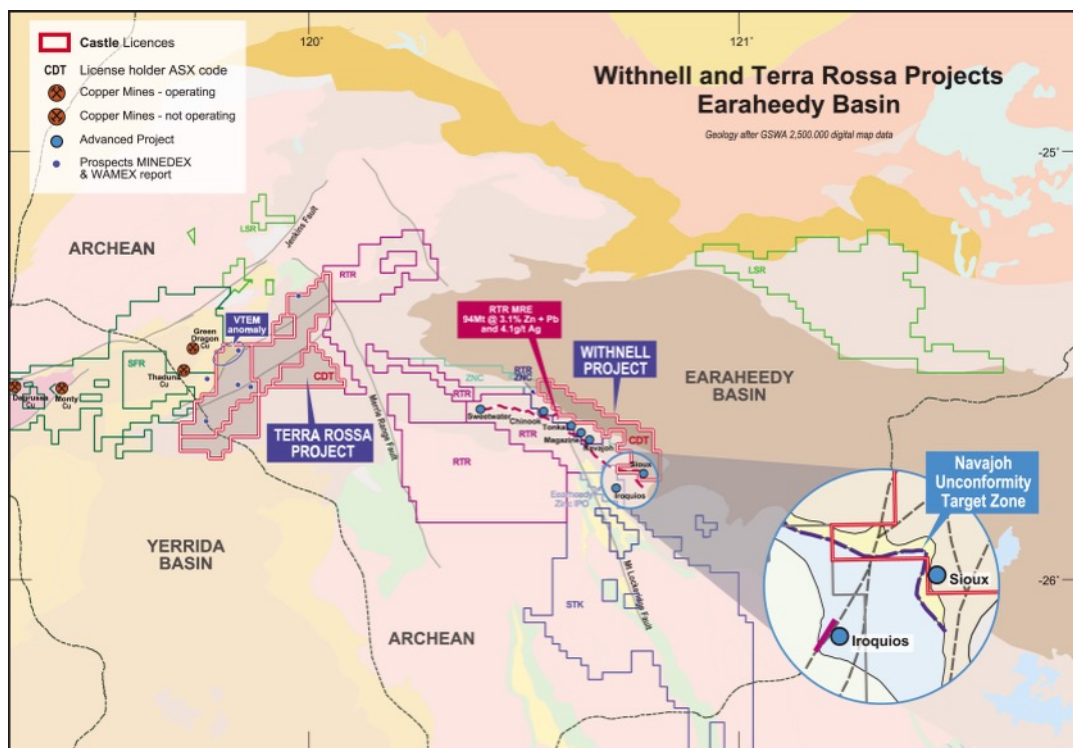


Fig 2: Earraheedy Project: Withnell and Terra Rossa sub-project areas.

Wanganui-Polelle (Gold)

On 30 November 2023 ASX was advised that Castle had entered into a 12-month Option Agreement (“Option”) to farm-out the Polelle and Wanganui projects (“Projects”) to ASX listed Great Boulder Resources Limited (“GBR”) whereby GBR paid an upfront option payment of \$50,000, payable in GBR scrip (since sold) and a commitment to spend a minimum \$250,000 on exploration. GBR may exercise the Option to acquire a 75% interest in the Projects by paying Castle an additional \$100,000 in GBR scrip. The Option may be extended for an additional 12-months by the payment of a second option fee of \$100,000 and a commitment to spend an additional \$400,000 during the second option period. If GBR elects to exercise the Option the parties will enter into a 75:25 contributing joint venture. Prior to the Option, Castle purchased from third parties two pre-existing 1% gross revenue royalties over the Projects.

Great Southern Project (Graphite)

- The Kendenup-Martagallup Graphite Project has been stalled pending negotiations to secure additional land access agreements with freehold landowners to enable an encouraging and previously completed orientation and low-impact Loupe ground EM survey to be extended. Despite extensive representations by Castle, these agreements have not been forthcoming so the Company has reluctantly decided that it will relinquish its remaining licence interests.

Success Dome (Base Metals. Gold)

- The Company has relinquished its Success Dome licence.

CORPORATE AND FINANCIAL

- As at 31 December 2023 Castle maintained a consolidated cash position of \$1.14 million.
- During the December 2023 Quarter \$406,000 was expended on exploration and evaluation costs. Further details of cashflow movements during the December 2023 Quarter are set out in the accompanying Appendix 5B Report.
- The Company made cash payments of \$78,000 to related parties and their associates. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors.
- During the December 2023 Quarter the Company completed a Shareholders Purchase Plan (“SPP”) and then placed the shortfall to raise a combined total of \$1,000,000 before expenses. Applicants were issued new ordinary shares at a price of \$0.01 each along with a separate attaching offer of one free option for every two new shares subscribed for. Each option issued has an exercise price of \$0.018 and expires on 7 January 2025.
- Subsequent to Quarter end, the Company sold for \$50,570 its shareholding in Great Boulder Resources Limited (ASX: GBR) acquired as part of the recent farm-out of the Polelle and Wanganui projects to GBR.

NEXT QUARTER

During the March 2024 Quarter, Castle is planning to:

Kambale (Graphite)

- Complete and report on the progress of tests designed and undertaken by specialist consultants ProGraphite, Germany, to confirm Kambale concentrate as a suitable base for the production of high-value micronised, spheronised and purified (“SPG”) Battery Anode Material (“BAM”);
- Finalise scopes for and appoint mining and metallurgical engineers and other specialists to undertake a high-level multi-disciplinary study to identify the optimal way forward for the Project and assess the technical and commercial merits of establishing at Kambale a mining and processing operation;

- Complete an independently managed Stakeholder Engagement Plan; and
- Initiate discussions with possible Project development and offtake partners.

Carlisle Mining Limited (Ghana)(Gold)

- Advance strategies to fund and/or monetise the gold assets including the 4% Julie West gold royalty.

Woodcutters (Lithium)

- Secure a farm-out arrangement.

Earaheedy (Base metals)

- Finalise the scope of a geophysical programme to better define targets and subject to results, a proposed drill programme at Terra Rossa to test priority targets for copper, zinc and lead mineralisation; and
- Execute access agreement(s) with the relevant NT parties to enable proposed work programmes to proceed.

Cash Conservation

- The Company continues to focus on its Kambale Graphite Project where in the March 2024 Quarter budgeted exploration and evaluation expenses are materially lower than in recent Quarters. It is also aiming to establish exploration partnerships on, but not limited to, the Beasley Creek (gold and lithium), Earraheedy (Terra Rossa and Withnell) and Woodcutters (lithium) projects. The Company has also instigated a range of parallel cash conservation initiatives.

**NB: In general, all planned activities in Western Australia are subject to, amongst other things, the respective licence being granted (refer Table 1: Schedule of Castle's Mineral Licences), the obtaining of commercially acceptable Native Title Land Access and Exploration Agreements ("NTLAEAs"). In addition, satisfactory heritage clearance surveys being undertaken and other statutory permits and approvals obtained as required from time to time. The timeframes and costs for the obtaining of these are not necessarily within the control of Castle. The costs and uncertainty associated with obtaining NTLAEAs and to undertake access surveys for each specific exploration phase is in some cases disproportionate to the budgeted technical programme(s) being proposed thereby warranting reconsideration or postponement.*

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

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

In Ghana, West Africa, the emerging flagship **Kambale Graphite Project** owned by 100% Ghanaian subsidiary, Kambale Graphite Limited, is progressing through technical and commercial evaluation for the production of battery grade material to be used in lithium-ion battery manufacture.

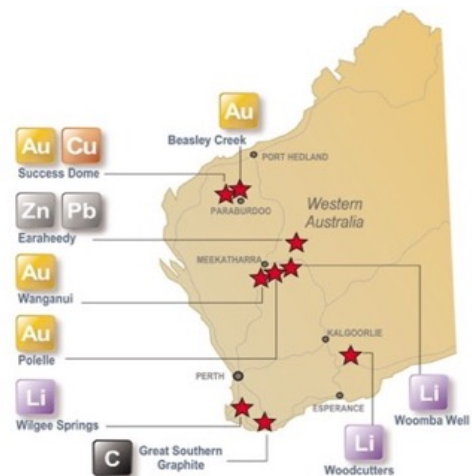
Castle's 100% owned Ghanaian subsidiary, **Carlie Mining Ltd**, holds a 2,686km² tenure position in the same Upper West region. This encompasses large tracts of highly prospective Birimian geological terrane, the host to many of West Africa's and Ghana's multi-million-ounce gold mines. It has delineated several advanced gold exploration targets including at **Kpali, Bundi and Kandia**. It also retains a **4% net smelter precious metal royalty** over the Julie West licence, a key component of Azumah Resources Limited's nearby Black Volta gold project.

In **Western Australia**, The **Earaheedy Basin** project comprises the **Withnell and Terra Rossa** sub-projects. The Withnell licence is strategically located adjacent to the evolving World-Class Chinook-Magazine zinc-lead project of Rumble Resources Ltd (ASX: RTR) and north of the Strickland Metals Limited (ASX: STK) Iroquois prospect. The Terra Rossa licences have additional prospectivity for copper.

The **Beasley Creek** project is prospective for gold and lithium and lies on the northern flanks of the Rocklea Dome in the southern Pilbara.

The **Polelle** project, 7km southeast of the operating Bluebird gold mine near Meekatharra, hosts a mainly obscured and minimally explored greenstone belt prospective for gold and possibly base metals whilst the **Wanganui** project is prospective for down-plunge high-grade gold shoots. Both have been farmed-out to Great Boulder Resources Limited (ASX: GBR)

The **Wilgee Springs** project, along strike from and within the same metamorphic belt as the world-class Greenbushes lithium mine 25km to the south, is prospective for spodumene bearing pegmatites as is the **Woodcutters** project, 25km south east of the Bald Hill lithium mine and 25km north west of the Buldania lithium deposit. The **Woomba Well** project is similarly prospective for lithium bearing pegmatites.



STATEMENTS

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).

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 Statements

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 release that relates to the geology of the deposits and exploration.

Information in this report that relates to the geological interpretation and Mineral Resources is based on information compiled by Jamie Logan, a full time employee of Palaris Australia Pty Ltd, under the direction and supervision of Dr Allan John Parker. Dr Parker is a Member of the Australasian Institute of Geoscientists, an employee of Palaris Australia Pty Ltd, Director of Geosurveys Australia Pty Ltd, a Non-Executive Director of Centrex Limited and was formerly Managing Director of Lincoln Minerals Limited. Dr Parker has sufficient experience relevant to the styles of mineralisation and to the activities which are being presented to qualify as a Competent Person as defined by the JORC code, 2012. Dr Parker consents to the release of the information compiled in this release in the form and context in which it appears.

Information in this report that relates to metallurgical test work managed by Independent Metallurgical Operations Pty Ltd ("IMO") is based on, and fairly represents, information and supporting documentation compiled and/or reviewed by Mr Peter Adamini BSc (Mineral Science and Chemistry) who is a member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Adamini is a full-time employee of IMO who has been engaged by Castle Minerals Ltd to provide metallurgical consulting services. Mr Adamini consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

PREVIOUSLY REPORTED INFORMATION RELATING TO THIS QUARTERLY REPORT

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

Headline	Date
GBR to Acquire Polelle & Wanganui Projects	30 Nov 2023
Castle Boosts Kambale Graphite Resource To 22.4Mt	23 Oct 2023
Results of Share Purchase Plan	20 Oct 2023
Rock Chip Sampling Extends Lithium Anomalism at Woodcutters	9 Oct 2023

KAMBALE GRAPHITE PROJECT SUMMARY JORC CODE (2012) MRE (5% TGC CUT-OFF)

Classification	Tonnes (kt)	Contained TGC (kt)	TGC (%)
Indicated	9,556	843	8.8%
Inferred	12,872	1,096	8.5%
Total	22,438	1,939	8.6%

SCHEDULE OF CASTLE MINERAL LICENCES (AS AT DATE OF THIS REPORT)

Tenement and Name		Interest at beginning of Quarter	Acquired / Disposed (during the Quarter)	Interest at end of Quarter
WESTERN AUSTRALIA				
Meekatharra Project				
EL51/1703	Wanganui	100%	Optioned to ASX: GBR	100%
EL51/1843	Polelle	100%	Optioned to ASX: GBR	100%
PL51/3190 - 3198	Polelle North	100%	Optioned to ASX: GBR	100%
Pilbara Project				
E 47/3490	Beasley Creek	80%		80%
EL 08/3257	Success	100%	100%	0%
Earaheedy Basin Project				
EL 69/3860	Withnell	100%		100%
EL 52/3927	Terra Rossa	100%		100%
EL 52/3930	Terra Rossa East	100%		100%
EL 52/3931	Terra Rosa South	100%		100%
ELA 52/3928	Marymia	Application		Application
ELA 52/4165	Terra Rossa	Application		Application
ELA 52/4166	Terra Rossa	Application		Application
Kendenup Project				
EL 70/5514	Kendenup	100%		100%
EL 70/5963	Kendenup	100%		100%
Wilgee Springs Project				
ELA 70/5880	Wilgee	Application		Application
Woodcutters Project				
EL 15/1846	Woodcutters	100%		100%
EL 15/1847	Tramways	100%		100%
GHANA⁽¹⁾				
Kambale Graphite Limited (Graphite)(100% owned)				
PL 10/47	Kambale	100%		100%
Carlie Mining Limited (Gold)(100% owned)²				
RL 10/52	Jewoyeli	Conversion Application		Conversion Application
RL 10/13	Wa	100%	Reduced	100%
PL 10/26	Degbiwu	100%		100%
PL 10/23	Bulenga	100%		100%
PL 10/25	Charingu	Conversion Application		Conversion Application
PLA 10/13	Kandia	Conversion Application		Conversion Application
PL 10/24	Baayiri	Conversion Application		Conversion Application
RL 8/27	Gbinyiri	Conversion Application		Conversion Application
RL 8/31	Jumo	Conversion Application		Conversion Application

¹ The Government of Ghana has the right to a 10% free carried interest in all licences and is entitled to a 5% Gross Royalty on production.

² Carlie Mining Limited has lodged applications to divide certain retention licences into smaller Prospecting Licences, for extensions to licence terms and/or renewals under the Ghana Mining Act. Having paid and been receipted all amounts invoiced by Ghana MINCOM to effect these, the Company is in many cases awaiting confirmation of these in the form of contracts duly executed by the responsible Minister.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Castle Minerals Limited

ABN

83 116 095 802

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(406)	(1,922)
(b) development	-	-
(c) production	-	-
(d) staff costs	(33)	(89)
(e) administration and corporate costs	(169)	(359)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(605)	(2,329)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(2)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	(20)	(20)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) Proceeds from Term Deposits	-	-
2.6	Net cash from / (used in) investing activities	(22)	(22)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,000	1,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(208)	(208)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principal elements of lease payments)	-	-
3.10	Net cash from / (used in) financing activities	792	792
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	979	2,700
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(605)	(2,329)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(22)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	792	792
4.5	Effect of movement in exchange rates on cash held	(8)	(5)
4.6	Cash and cash equivalents at end of period	1,136	1,136

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,136	979
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,136	979

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	78
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(605)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(605)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,136
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,136
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.88
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No.	
A) Operations at the Kambale Graphite Project transitioned from the more intensely costly drilling and resource definition phase to a lower cost scoping study phase during the quarter ended the 31 December 2023. This saw expenditures exceed normal operational levels. The drilling delivered a material increase in the JORC Minerals Resource estimate. Project and other expenditures during the next two quarters are budgeted to be considerably lower in cost and cash consumption.	
B) As announced on 30 November 2023, Castle entered into an agreement with Great Boulder Resource Limited (ASX: GBR) whereby GBR secured an option to acquire a 75% interest in the Castle's Polelle & Wanganui Projects. As part of this arrangement GBR will be required to keep these tenements in good standing. Castle is also aiming to reduce expenditures associated with its other projects via farm-outs or progressive licence relinquishments part of its normal course of business.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company is considering several options to increase its cash position and believes that one or more of these will be successful.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, based on answers 8.8.1 and 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: Jade Styants, Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.