

CASTLE MINERALS LIMITED
ABN 83 116 095 802

NON-RENOUNCEABLE ENTITLEMENT OFFER

For a non-renounceable pro rata offer to Eligible Shareholders of 237,231,273 New Shares at an issue price of \$0.006 per New Share on the basis of one (1) New Share for every one (1) Existing Share held to raise approximately \$1.423 million before issue costs

LEAD MANAGER

Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) (AFSL 234666)

Important Notice

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. This Offer Document is not a prospectus and it does not contain all of the information that an investor may require in order to make an informed decision regarding the New Shares offered under this document. This Offer Document should be read in its entirety before deciding whether to apply for the New Shares. If after reading this Offer Document you have any questions about the New Shares being offered under this Offer Document, then you should consult your professional adviser.

The New Shares offered by this Offer Document should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notes

This Offer Document is dated 26 February 2020. The information contained in this Offer Document is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser. In particular, it is important that you consider the risk factors (see section 4 of this Offer Document) that could affect the performance of the Company before making an investment decision.

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. In broad terms, section 708AA of the Corporations Act provides that rights issues by certain entities do not require disclosure to investors under a prospectus or other disclosure document. Accordingly, this Offer Document does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required under Australian law or any other law to be disclosed in a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding whether to accept the Entitlement Offer. Announcements made by the Company to ASX are available from the website of the ASX. The information in this Offer Document does not constitute a securities recommendation or financial product advice.

Before applying for New Shares you should consider whether such an investment, and the information contained in this Offer Document, is appropriate to your particular needs, and considering your individual risk profile for speculative investments, investment objectives and individual financial circumstances. You should consult your professional adviser without delay.

By returning an Application Form or lodging an Application Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY® in accordance with the instructions on the Application Form, you acknowledge that you have received and read this Offer Document, you have acted in accordance with the terms of the Entitlement Offer detailed in this Offer Document and you agree to all of the terms and conditions as detailed in this Offer Document. Cooling-off rights do not apply to an application for New Shares and you cannot withdraw your application once it has been accepted.

Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Offer Document.

The Offer is not being extended, and New Shares will not be issued, to Shareholders with a registered address which is outside Australia, New Zealand, Singapore, Isle of Man and the United Kingdom. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia, New Zealand, Singapore, Isle of Man and the United Kingdom. This Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to Shareholders with a registered address in New Zealand, Singapore, Isle of Man and the United Kingdom, to the extent permitted below.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to Offer and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, *Part XIII of the Securities and Futures Act, Chapter 289 of Singapore* (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Isle of Man

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC (Prospectus Directive), as amended and implemented in member states of the European Economic Area (Member States), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the relevant Member State:

- (a) to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- (b) to any legal entity that satisfies two of the following three criteria:
 - (i) balance sheet total of at least €20,000,000;
 - (ii) annual net turnover of at least €40,000,000; and
 - (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- (c) to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, MiFID);
- (d) to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;
- (e) to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company; or
- (f) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

United Kingdom

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Control Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the Retail Offer or the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO)*, (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Future performance and forward-looking statements

Neither the Company nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. Investors should note that past share price performance of the Company provides no guidance to its future share price performance.

Any forward-looking statements in this Offer Document are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Document. Investors should specifically refer to the "Key Risks" in section 4 of this Offer Document. That section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward-looking statement in this Offer Document.

Disclaimer

This Offer Document has been prepared by the Company. No party other than the Company has authorised or caused the issue of this Offer Document or takes responsibility for, or makes any statements, representations or undertakings in, this Offer Document. Neither the ASX nor ASIC takes any responsibility for the contents of this Offer Document.

No person is authorised to give information or to make any representation in connection with this Offer Document which is not contained in the Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Offer Document.

Neither the Lead Manager, nor any of their respective affiliates, related bodies corporate, nor their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (collectively the **Lead Manager Parties**), have permitted or caused the issue, submission or operation of this Offer Document or authorised, approved or verified any forward-looking statements or any other statements. To the maximum extent permitted by law, the Lead Manager and each of the Lead Manager Parties expressly disclaim all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss or damage whatsoever arising from, make no representations regarding, and take no responsibility for, any part of this Offer Document and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Offer Document.

The Lead Manager Parties make no recommendation (either collectively or individually) as to whether you or your related parties should participate in the Offer (including participation in the Shortfall Offer) nor do they make any representations or warranties, express or implied, to you concerning the Offer or any such information, and by returning an Application Form or otherwise paying for your New Shares through BPAY in accordance with the instructions on the Application Form, you represent, warrant and agree that you have not relied on any statement made by the Lead Manager Parties in relation to the New Shares or the Offer generally.

The Offer is being undertaken by the Company and the Lead Manager has no role, involvement or responsibility for the Offer.

Currency

All financial amounts contained in this Offer Document are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Offer Document are due to rounding.

Time

All references to time in this Offer Document are references to Perth, Australia time, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Offer Document are detailed in the glossary of terms in section 6 of this Offer Document.

Offer Document intended to be read in conjunction with publicly available information

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.castleminerals.com or the ASX website www.asx.com.au.

Privacy

The Company and the Share Registry have already collected certain personal information from you as a Shareholder. If you complete an Application Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Enquiries

If, after reading this document, you have any questions about the Entitlement Offer, please consult your legal, financial, taxation or other professional adviser. Shareholders may also contact Jade Styants, Company Secretary at styants@castleminerals.com.

Any queries regarding the Application Form should be directed to the Share Registry between 8.30am and 7.30pm (AEST) on Business Days by calling 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia).

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MANAGING DIRECTOR'S LETTER

Dear Shareholder,

On behalf of the Board of Castle Minerals Limited (ACN 116 095 802) (**Castle Minerals or Company**), I am pleased to invite you to participate in the Company's one (1) for one (1) non-renounceable entitlement offer at an offer price of \$0.006 per New Share (**Entitlement Offer**). The Entitlement Offer will allow you to have the opportunity to purchase one New Share at the Offer Price of \$0.006 cents per New Share for every one existing Castle Minerals ordinary shares (**Existing Shares**) you owned at 5.00pm (WST) on Tuesday, 3 March 2020 (**Record Date**).

New Shares issued under the Entitlement Offer will rank equally with all fully paid ordinary shares of the Company already on issue.

Eligible Shareholders who wish to take up their entitlement under the Entitlement Offer in full may also apply for additional New Shares in excess of their pro-rata entitlement via a Shortfall Offer¹. Please refer to section 3.3 of this Offer Document for further details. The Board reserves the right to allocate New Shares to Eligible Shareholders and to new investors under the Shortfall Offer in their absolute discretion.

The proceeds of the Entitlement Offer will be used to advance exploration at the Company's Beasley Creek Project and its Ghanaian Wa Project, to continue to actively generate and review new projects for acquisition, as well as for general working capital purposes.

Castle's directors have each indicated their intention to take up their full entitlements under the Entitlement Offer.

Your Entitlement under the Entitlement Offer is set out in the accompanying Application Form. The Closing Date for acceptances and payment is 5pm (WST) on Wednesday 25 March 2020 (Closing Date), unless extended.

To participate, you need to ensure that your completed Application Form, together with application monies (**Application Monies**), is received by no later than the 5pm (WST) on the Closing Date OR that you have paid your Application Monies via BPAY® pursuant to the instructions that are set out on the Application Form by no later than 5pm (WST) on the Closing Date.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer. You should also refer to the "Key Risk Factors" included in section 4.

If you have any queries regarding the Entitlement Offer, please email Jade Styants, Company Secretary, at styants@castleminerals.com or alternatively contact the Company's Share Registry by calling 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia) at any time between 8.30am and 7.30pm (AEST) Monday to Friday during the Entitlement Offer Period.

On behalf of the Board I am pleased to recommend the Entitlement Offer to you and thank you for your continued support for Castle Minerals.

Stephen Stone
Managing Director
Castle Minerals Limited

¹ Provided that the issue of those New Shares will not result in a breach of the Corporations Act, ASX Listing Rules or other applicable law.

SUMMARY OF CAPITAL RAISING

Offer Ratio	One (1) New Share for every one (1) Existing Share held on the Record Date
Offer Price	\$0.006 per New Share
Size	237,231,273 New Shares
Gross proceeds	Approximately \$1.423 million (before costs)

KEY DATES

Event	Date
Lodgement of this Offer Document and s708AA Cleansing Notice with ASX (prior to the commencement of trading).	Wednesday, 26 February 2020
Ex-Date for Entitlement Offer	Monday, 2 March 2020
Record Date to determine Entitlement to New Shares	Tuesday, 3 March 2020 (5pm WST)
Dispatch of Offer Document and Application Form and announcement that dispatch completed.	Friday, 6 March 2020
Entitlement Offer opens	Friday, 6 March 2020
Entitlement Offer closes	Wednesday, 25 March 2020 (5pm WST)
New Shares under Entitlement Offer quoted on a deferred settlement basis	Thursday, 26 March 2020
Announcement of Entitlement Offer shortfall	Monday, 30 March 2020
Issue of New Shares under Entitlement Offer and lodging an Appendix 2A with ASX	Wednesday, 1 April 2020
Despatch date of holding statements	Thursday, 2 April 2020
Trading of New Shares issued under the Entitlement Offer on a normal basis	Thursday, 2 April 2020

These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to vary the above dates. In particular, Castle Minerals reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

1 DETAILS OF THE OFFER

1.1 Entitlement Offer

The Entitlement Offer is an offer of 237,231,273 New Shares at the Offer Price of \$0.006 per New Share to raise up to approximately \$1.423 million before issue costs.

All Eligible Shareholders are entitled to subscribe for one (1) New Share for every one (1) Existing Share held at 5pm (WST) on Tuesday 3 March 2020 (**Record Date**). New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue.

The number of New Shares to which you are entitled (your **Entitlement**) is shown on the accompanying Application Form.

Eligible Shareholders who wish to take up their Entitlement in full may also apply for additional New Shares in excess of their pro-rata entitlement via a Shortfall Offer². To participate in the Shortfall Offer shareholders must apply at the same time as they apply for their Entitlements. Applications under the Shortfall Offer will only be satisfied to the extent there is a shortfall under the Entitlement Offer and will be subject to the terms and conditions that are outlined in section 1.6. The Board reserves the right to allocate New Shares under the Shortfall Offer in their absolute discretion.

Certain terms and abbreviations in this Offer Document are defined in the glossary of terms in section 6.

1.2 No Minimum Subscription

There is no minimum subscription for the Entitlement Offer.

1.3 Entitlement to participate in the Entitlement Offer

Eligible Shareholders who are on the Company's Share Register at 5pm (WST) on the Record Date are eligible to participate in the Entitlement Offer.

An Application Form setting out your Entitlement to New Shares accompanies this Offer Document.

1.4 Acceptances

This Offer may be accepted in whole or in part prior to 5pm (WST) on Wednesday, 25 March 2020 subject to the rights of the Company to extend the Entitlement Offer Period.

Instructions for accepting your Entitlement are set out in section 3 and on the Application Form which accompanies this Offer Document.

1.5 No Trading of Entitlements

The Entitlement Offer is non-renounceable. This means that the Entitlements of Eligible Shareholders to subscribe for New Shares are not transferable and there will be no trading of Entitlements on ASX. Eligible Shareholders who choose not to take up their Entitlements will receive no benefit and their shareholding in the Company will be diluted as a result.

1.6 Shortfall Offer

ASX Listing Rule 7.11.4 and section 708AA(13)(a) of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) permit the Company to make an additional offer of the New Shares that may be comprised in any Shortfall.

Accordingly, Eligible Shareholders are also able to participate in a further discretionary offer of New Shares, being the New Shares that have been initially offered to Eligible Shareholders under the Entitlement Offer (**Shortfall Offer**). It is a condition of participating in the Shortfall Offer that the New Shares being offered may only be issued to a successful applicant where an offer of the New Shares has first been made to, but not accepted by, another Eligible Shareholder under the Entitlement Offer.

In addition:

- (a) the Shortfall Offer is only made available to persons to whom offers were made under the Entitlement Offer (i.e. to Eligible Shareholders);

² Provided that the issue of those New Shares will not result in a breach of the Corporations Act, ASX Listing Rules or other applicable law.

- (b) there is no guarantee that any Application in the Shortfall Offer will be successful and the Directors reserve the right to allocate and satisfy Applications received under the Shortfall Offer at their sole discretion;
- (c) the Shortfall Offer has the same Closing Date as the Entitlement Offer; and
- (d) the issue price of New Shares under the Shortfall Offer is the same price as the New Shares offered under the Entitlement Offer.

If you wish to subscribe for New Shares in addition to your Entitlement then you should nominate the maximum number of New Shares you wish to subscribe for on the Application Form and make corresponding payment for your full Entitlement plus the additional New Shares.

The Company is not reliant on the offer of shares being fully subscribed, and will retain absolute discretion on the placement, whether in whole or part, of the Shortfall Offer.

The Directors reserve their right to allot and issue New Shares under the Shortfall Offer at their absolute discretion within three months of the Closing Date to both Eligible Shareholder who have applied for shares under the Shortfall Offer and to investors who are not Eligible Shareholders who apply for New Shares under the Shortfall Offer by completing the relevant Application Form. The Directors intend to work with the Lead Manager to place the balance of any remaining shortfall.

Any scale back of applications for New Shares under the Shortfall Offer will be at Castle Mineral's discretion and their decision on the number of New Shares to be allocated to Eligible Shareholders will be final. No New Shares will be issued under the Shortfall Offer to a Shareholder which will result in them increasing their voting power in Castle Minerals above 20%. The Company, the Lead Manager Parties and their respective advisers disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion to the maximum extent permitted by law.

The practical effect of Shortfall Offer is that an Eligible Shareholder can potentially increase its relevant interest in Castle Minerals, but no Eligible Shareholder can increase its relevant interest to more than 20% by way of application for additional New Shares under the Shortfall Offer.

It is an express term of the Entitlement Offer that applicants for additional New Shares under the Shortfall Offer will be bound to accept a lesser number of additional New Shares allocated to them than applied for, if so allocated.

Persons who are unsuccessful in their Application under the Shortfall Offer or whose Application is only part accepted will have their excess Application Monies (without interest) returned by cheque within five days of the Closing Date, without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by Castle Minerals.

1.7 Directors' interests

Each Director's interest in the securities of the Company as at the date of this Offer Document and their Entitlement is detailed in the table below.

Director	Shares	Entitlement
Michael Atkins	12,841,189	12,841,189
Stephen Stone	31,461,627	31,461,627
James Guy	2,068,990	2,068,990

1.8 Details of substantial holders

Based on publicly available information as at the date of this Offer Document, the persons who (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial holder	Holder's votes	Voting power (percent)
Azumah Resources Limited	27,725,024	11.69
Stepstone Pty Ltd	31,461,627	13.26
Michael Atkins	12,841,189	5.41

1.9 Allotment and Application Money

Application Money will be held in a subscription account on trust until allotment of the New Shares. If the Application Money is refundable, it will be refunded as soon as reasonably practicable. Interest earned on the Application Money will be for the benefit of the Company and will be retained by the Company irrespective of whether New Shares are issued.

No allotment of the New Shares will occur until ASX grants permission to quote the New Shares.

The New Shares are expected to be allotted by no later than 5pm (WST) on Wednesday, 1 April 2020. Statements of holding of New Shares will be mailed after allotment occurs.

1.10 Rights and Liabilities attaching to the New Shares

The New Shares will, once issued, rank equally with Existing Shares. The rights and liabilities attaching to New Shares are set out in Castle Mineral's constitution.

1.11 ASX Quotation

Application for admission of the New Shares to official quotation on ASX has been made.

Subject to approval being granted by ASX, it is expected that quotation and trading of New Shares will commence on a deferred settlement basis on Thursday, 26 March 2020.

The fact that ASX may agree to grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

1.12 Issue Outside Eligible Jurisdictions

This Offer Document and accompanying Application Form does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to make the Entitlement Offer. No action has been taken to register or qualify the Shares or the Entitlement Offer or otherwise to permit an offering of the Shares in any jurisdiction outside Australia, New Zealand, Singapore, Isle of Man and the United Kingdom.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

1.13 Ineligible Shareholders

The Offer is only being extended to Eligible Shareholders in Australia, New Zealand, Singapore, Isle of Man and the United Kingdom because of the small number of and cost of extending the Offer to Shareholders other than Eligible Shareholders. The Offer Document is sent to those Shareholders for information only.

Recipients may not send or otherwise distribute this Offer Document or the Application Form to any person outside Australia, New Zealand, Singapore, Isle of Man and the United Kingdom (other than to Eligible Shareholders).

It is the responsibility of any Shareholder who submits an Application Form to obtain all necessary approvals for the allotment and issue of the New Shares under this Offer. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant to the Company that there has been no breach of such laws and that all relevant approvals have been obtained.

1.14 Rights issue exception is not available

No nominee has been appointed for excluded foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder subscribes for New Shares under the Entitlement Offer, it must have regard to section 606 of the Corporations Act.

Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 of the Corporations Act as a result of application for New Shares under the Entitlement Offer should seek professional advice before completing and returning the Application Form.

Details of the effect of the Entitlement Offer on the control of the Company are set out in section 2.3.

1.15 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under the Entitlement Offer, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under the Entitlement Offer and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.16 Notice to nominees and custodians

Nominees and custodians that hold Existing Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

1.17 Withdrawal

The Directors may at any time decide to withdraw this Offer Document and the Offers, in which case, all Application Monies will be returned without interest in accordance with the Corporations Act.

1.18 Cleansing Statement

The Company lodged a Cleansing Statement with ASX on Wednesday, 26 February 2020. The Cleansing Statement may be reviewed on the websites of the Company and ASX.

1.19 Enquiries

Any queries regarding the Entitlement Offer should be directed to Jade Styants, Company Secretary, at styants@castleminerals.com.

Any queries regarding the Application Form should be directed to the Share Registry between 8.30am and 7.30pm (AEST) on Business Days by calling 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia).

You can also contact your stockbroker or professional adviser with any queries in relation to the Entitlement Offer.

This Offer Document is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any queries as to whether participation in the Entitlement Offer is appropriate having regard to your particular circumstances or any queries on the specific consequences for you of any such participation, you should contact your stockbroker, accountant or other professional adviser.

2. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

2.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to approximately \$1.423 million (before costs).

The Directors intend to apply the proceeds from the Entitlement Offer for the following purposes in accordance with the table set out below:

	Estimated Amount (\$m)
Beasley Creek (Pilbara Project) – advancing gold exploration.	0.100
Ghanaian Wa Project – advancing gold exploration and graphite project.	0.200
New project generation, acquisition and general working capital purposes	1.013
Expenses of the entitlement Issue	0.110
ESTIMATED TOTAL	1.423

If the Entitlement Offer is not fully subscribed, and the Shortfall shares are not subsequently placed (in whole or in part), the Company intends to adjust the new project generation, acquisition and general working capital purposes. In the event that circumstances change or other opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders.

2.2 Effect of the Entitlement Offer on the Company's Financial Position

The effect of the Entitlement Offer will be that:

- (a) cash reserves will initially increase by approximately \$1.313 million (after payment of costs of the Entitlement Offer); and
- (b) the number of Shares on issue will increase from 237,231,273 to 474,462,546.

2.3 Effect of the Entitlement Offer on Control

The Entitlement Offer is structured as a pro rata issue and if all Eligible Shareholders take up their Entitlements, the Entitlement Offer will have no effect on the control of the Company.

If Shareholders do not take up their entitlements (whether because they are Ineligible Shareholders or otherwise), their interest in the Company will be diluted. The interests of Shareholders that only take up part of their Entitlement will also be diluted but to a lesser extent. The proportional interests of Ineligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.

Based on the information in Section 1.6, no person would increase their voting power above 20% as a result of acceptant of an Entitlement and in respect of the Shortfall Offer, the Company will only issue Shares to an applicant where the Directors are satisfied, in their discretion, that the issue of the Shares will not result in a person's voting power increasing above 20%.

2.4 Effect on Capital Structure

A table of changes in the capital structure of the Company as a consequence of the Entitlement Offer is set out below:

Shares	Number
Existing Shares as at the date of this Offer Document	237,231,273
New Shares issued pursuant to the Entitlement Offer	237,231,273
Total issued Shares	474,462,546

3. HOW TO APPLY

3.1 What you may do

The number of New Shares to which you are entitled to subscribe for is shown on the accompanying Application Form.

As an Eligible Shareholder, you may:

- subscribe for all of your Entitlement (refer section 3.2);
- apply for additional New Shares in the Shortfall Offer (refer section 3.3);
- subscribe for part of your Entitlement (refer section 3.4); or
- allow all of your Entitlement to lapse (refer section 3.5).

3.2 To subscribe for all of your Entitlement

If you wish to subscribe for **all** of your Entitlement and wish to pay by cheque or bank draft, you should:

- (a) complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of New Shares you are entitled to subscribe for;
- (b) attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement) to that form; and
- (c) return the Application Form together with payment to the Share Registry so that it is received by no later than 5pm (WST) on Wednesday, 25 March 2020.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

Alternatively, if you wish to take up **all** of your Entitlement and wish to pay by BPAY®, you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement).

If you choose to pay by BPAY® you are not required to submit the Application Form but are taken to make the statements on that form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than 5pm (WST) on Wednesday, 25 March 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Cash will not be accepted and no receipts will be issued.

3.3 To apply for additional New Shares in the Shortfall Offer

Eligible Shareholders may, in addition to their Entitlement, apply for additional New Shares regardless of the size of their present holding, under the Shortfall Offer by completing the relevant section on the Application Form. You may only apply for additional New Shares under the Shortfall Offer if you decide to take up all of your Entitlements under the Entitlement Offer.

A single cheque or bank draft should be used for the Application Money for your Entitlement and the number of additional New Shares you wish to apply for as stated on the Application Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Application Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than 5pm (WST) on Wednesday, 25 March 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Refer to section 1.6 for further information in respect of the Shortfall Offer.

3.4 To subscribe for part of your Entitlement

If you wish to subscribe for **part** of your Entitlement and reject the balance and wish to pay by cheque or bank draft, you should:

- (a) complete the accompanying Application Form in accordance with the instructions set out in that form indicating the number of New Shares you wish to take up. This will be less than your Entitlement as specified in the Application Form;
- (b) attach payment for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself) to that form; and
- (c) return the Application Form together with payment to the Share Registry so that it is received by 5pm (WST) on Wednesday, 25 March 2020.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

Alternatively, if you wish to take up **part** of your Entitlement and wish to pay by BPAY®, you should make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself).

If you choose to pay by BPAY® you are not required to submit the Application Form but are taken to make the statements on that form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than 5pm WST on Wednesday, 25 March 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

3.5 To allow your Entitlement to lapse

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement may be dealt with in accordance with section 1.6.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

3.6 Payment

If you wish to participate in the Entitlement Offer, you need to do one of the following:

Option 1: Pay by Cheque

Please complete the enclosed Application Form and return it with your cheque made payable to "Castle Minerals Limited", drawn on an Australian financial institution and crossed "Not Negotiable" in an envelope to:

Castle Minerals Limited
C/- Automic Group Pty Ltd
GPO Box 5193
Sydney NSW 2001

Your completed Application Form and cheque must be received by the Share Registry prior to the close of the Entitlement Offer at 5pm (WST) on Wednesday, 25 March 2020. Shareholders will need to apply in Australian dollars and affix the appropriate postage to the reply paid envelope.

Option 2: Pay via BPAY®

To pay via BPAY® you will need to:

- (a) be an account holder with an Australian financial institution;
- (b) use the personalised reference number shown on your Application Form which is required to identify your shareholding; and

- (c) ensure that your payment is received by the Share Registry before 5pm (WST) on Wednesday 25 March 2020.

You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying via BPAY® there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.

When making payment via BPAY®, please ensure that you enter the correct Biller Code and Reference Number information that is shown on your personalised Application Form. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. If you enter your BPAY® details incorrectly, Castle Minerals will not be able to issue you your New Shares under the Entitlement Offer.

Amounts received by Castle Minerals in excess of the Offer Price multiplied by your Entitlements (**Excess Amount**) may be treated as an Application to apply for as many additional New Shares as your Excess Amount will pay for in full under the Shortfall Offer.

3.7

Application Form is binding

A completed and lodged Application Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Offer Document and Application Form, does not prohibit you from being given the Offer Document and Application Form and that you:

- (a) agree to be bound by the terms of the Entitlement Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry using the contact details set out in the Application Form;
- (e) declare that you are an Eligible Shareholder resident in Australia, New Zealand, Singapore, Isle of Man and the United Kingdom and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Offer Document and Application Form, is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, New Zealand, Singapore, Isle of Man and the United Kingdom and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If you have any queries concerning your entitlement or allocation, please contact:

Jade Styants, Company Secretary

Email: styants@castleminerals.com

or contact your stockbroker or professional adviser

4. RISK FACTORS

4.1 Overview

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

The Company's principal activity is gold exploration and development and companies in this industry are subject to many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors which the Company believes are most important in the context of the Company's business.

The following list is not intended to be an exhaustive list of the risk factors relating to an investment in the Company and other risk factors may apply.

4.2 Company risks

(a) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors, including the scale and type of its exploration activities.

The Company believes its available cash and the net proceeds of the Entitlement Offer should be adequate to fund its exploration and corporate activities and other Company objectives in the short to medium term.

However, in order to successfully develop its projects and for production to commence, the Company will require additional financing in the future, in addition to amounts raised pursuant to the Entitlement Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained as and when required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities, including resulting in its interest in the Ghanaian Project and/or the Pilbara Project being subject to dilution or forfeiture and could affect the Company's ability to continue as a going concern.

(b) Future issuances of Shares

The Company may also issue additional securities to finance future activities. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances of securities may have on the market price of the Shares. Issuances of substantial numbers of Shares, or the perception that such issues could occur, may adversely affect prevailing market prices of the Shares. With any additional issuance of Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

(c) Unforeseen expenses

The Company is not aware of any expenses that may need to be incurred that have not been taken into account. However, if such unforeseen expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(d) Reliance on key management

The Company is reliant on a number of key personnel employed or engaged by the Company. Loss of such personnel may have a materially adverse impact on the performance of the Company.

The Board is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the Company's projects.

(e) **Title risks**

Australia

Interests in tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. The Company could lose its title to or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

The Company's tenements, and other tenements in which the Company may acquire an interest in the future, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement.

Ghana

The licences which the Company, through its wholly owned foreign subsidiary, have acquired in Ghana, are subject to various local laws and regulations.

Failure to comply with these conditions may render the licences liable to forfeiture. There is no guarantee that the licence conditions, obligations and terms can be economically complied with. All of the licences will be subject to application or renewal from time to time. Renewal of the terms of each tenement is subject to applicable legislation.

Castle Minerals currently has lodged a number of applications for extension/renewal on their licences in Ghana, which are currently awaiting approval from the Ghanaian Minister of Lands and Natural Resources.

The Company's exploration activities are dependent on the grant, or as the case may be, the maintenance, extension or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, extension, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied, or that licences, concessions, permits or consents will be extended or renewed as and when required or that new conditions will be imposed in connection therewith. To the extent such approvals, consents, extension or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration and development activities or proceeding with any future exploration or development.

(f) **Access to land**

The Company's exploration activities are dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration and development activities or proceeding with any future exploration or development.

(g) **Mandatory relinquishment of tenement area**

The mining laws of Ghana require that upon each renewal of a prospecting licence, the holder thereof must surrender at least 50% of the area covered thereby (subject to a minimum balance of 125 blocks).

Although management of the Company will use its best efforts to ensure that, in each case, the area retained has greater exploration, development and production potential than the area relinquished, there can be no assurance that the area relinquished will not ultimately have greater Mineral Resources and Mineral Reserves and a more positive outlook than the area retained upon renewal.

- (h) **Iguana Farm-Out Agreement**
- Farm-out agreement**
- Castle Minerals has entered into a farm-out agreement with Iguana, pursuant to which Iguana may, subject to the Ghanaian Government's approval as detailed above, earn in over three stages up to an 80% interest in the Company's Degbiwu and Gbiniyiri licences located in Ghana's Upper West region. The Company is thereby reliant on Iguana complying with their obligations under that farm-out agreement.
- With respect to the farm-out agreement, the Directors are unable to predict the risk of:
- a) financial failure or default by Iguana; or
 - b) insolvency or other managerial failure by any of the operators, contractors or other service providers used by the Company in its activities (exploration or otherwise).
- Approval risk**
- Approval by the Ghanaian Government is still awaited for the farm-out arrangement between Castle Mineral's Ghanaian-based subsidiary and Iguana Resources Limited (**Iguana**), where Iguana may earn up to an 80% interest on Degbiwu and Gbiniyiri licences located in Ghana's Upper West region. If approval or renewal is delayed or denied for any reason, the Company may suffer damage through loss of the opportunity to develop and discover any mineral resources on those licences.
- (i) **New projects, potential acquisitions and joint ventures**
- The Company has pursued and assessed to date, and will continue to actively pursue and assess, other new business opportunities, particularly those in the resource sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisitions of tenements/permits or direct equity participation.
- If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available).
- Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes the Company's capital and/or funding requirements.
- Should the Company propose or complete the acquisition of a new project and/or business activity, investors should re-assess their investment in the Company in light of the new project and/or business activity.
- (j) **Foreign currency and exchange rate fluctuations**
- Some expenditure items of the Company are domiciled in currencies other than Australian dollars (such as the expenditure requirements on the Company's Ghanaian Projects) and as such expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.
- The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist in managing these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.
- (k) **Approval risks**
- The Company will be reliant on heritage, environmental and other approvals required in Australia or Ghana to enable it to proceed with the exploration and development of any of its tenements/licences or the granting of any tenement/licence applications. There is no guarantee that the required approvals will be granted, and failure by the Company to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the Company's ability to proceed with its proposed exploration and development programs.
- (l) **Operations**
- The exploration programs of the Company and project development and mining operations may be affected by numerous factors beyond the control of the Company. These may include adverse weather conditions, industrial and environmental accidents, industrial

disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, and events involving fire or explosions and the occurrence of other incidents beyond the control of the Company.

(m)

Potential significant changes in law and government regulation

The Company's mineral exploration and other activities are subject to various laws governing title, tenement interests, prospecting, mining rights, land ownership, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. Although the Company's exploration and planned development activities are currently believed by the Company to be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration activities or development.

Many of the mineral rights and interests of the Company are subject to governmental approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations, title matters, land ownership, tenement interests or mining rights or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

(n)

Political instability in West Africa

The Company conducts exploration and development activities in West Africa.

The Company's properties in Ghana may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement and labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact the profitability and viability of its properties. The effect of unrest and instability on political, social or economic conditions in Ghana could result in the impairment of exploration, development and mining operations. Any such changes are beyond the control of the Company and may adversely affect its business.

In addition, local tribal authorities in West Africa exercise significant influence with respect to local land use, land labour and local security. From time to time, government has intervened in the export of mineral concentrates in response to concerns about the validity of export rights and payment of duties. No assurances can be given that the co-operation of such authorities, if sought by the Company, will be obtained, and if obtained, maintained.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of Australian courts. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for Castle Minerals to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.

4.3 Mining Industry risks

(a) Exploration and evaluation risks

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting conditions, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Payment obligations

Pursuant to the tenements/licences comprising the Company's projects, the Company will become subject to payment and other obligations. In particular, tenement/licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the tenement liable to be cancelled or its size reduced. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

(c) Resource estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(d) Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as the Company's.

(e) Development risks and costs

Possible future development of mining operations at any of the Company's projects is dependent on a number of factors and avoiding various risks including, but not limited to, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, excessive seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and

production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

(f) Operating risks

The Company may be subject to the risks involved in the establishment of a new mining operation if the Company decides to develop its mineral assets. There is no assurance that can be given to the level of viability that the Company's operations may achieve. Lower than expected productivity and technical difficulties and late delivery of materials and equipment could have an adverse impact on any future construction and commissioning schedules. No assurance can be given that the intended production schedules will be met or that the estimated operating cash costs and development costs will be accurate.

Further, the operations of the Company, if production commences, may have to be shut down or may otherwise be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fire, explosions and other accidents at the mine, processing plant or related facilities beyond the control of the Company. The occurrence of any of the risks and hazards could also result in damage to, or destruction of, amongst other things, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently maintains insurance within ranges of coverage consistent with industry practice and appropriate for its current activities, no assurance can be given that the Company will be able to obtain its future insurance coverage at reasonable rates (or at all, or that any coverage it obtains will be adequate and available to cover any such claims).

(g) Government regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

(h) Inherent mining risks

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.

(i) Fluctuations in base and precious metal prices

The price of base and precious metals and other minerals fluctuates widely and is affected by numerous factors beyond the control of the Company such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in

the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market value of base and precious metals could cause the continued development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the price of base and precious metals the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of base and precious metals is produced, a profitable market will exist for it.

In addition to adversely affecting the reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(j)

Environmental risk

Mineral extraction and processing is an industry that has become subject to increasing environmental responsibility and liability. Future legislation and regulations governing mineral production or environmental regulations applying to mining operations more generally may impose significant environmental obligations on the Company. The Company intends to conduct its activities in a responsible manner which minimises its impact on the environment, and in accordance with applicable laws.

4.4 General investment risks

(b)

Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest rates, inflation and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(c)

Management of risk

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Offer. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(d)

Competition risk

The industry in which the Company will be involved is subject to global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(e)

Market risk

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism and other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(f) **Insurance and uninsured risks**

The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.

(g) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document.

Therefore, the New Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Document.

4.5 Other risks

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel and other matters that may interfere with the Company's business or trade.

5. ADDITIONAL INFORMATION

5.1 Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to ASX which a reasonable person would expect to have a material effect on the price or the value of the Company's Shares.

This document contains a summary of information only which the Company does not purport to be complete. The Offer Document is intended to be read in conjunction with the Company's periodic and continuous disclosure announcements lodged with the ASX.

There may be additional announcements made by Castle Minerals after the date of this Offer Document and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check the Company's website: www.castleminerals.com or the ASX website: www.asx.com.au to see whether any further announcements have been made by Castle Minerals before submitting your application to take up your Entitlement.

5.2 Entitlement Offer Document

This Entitlement Offer is being made pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act. Accordingly, this document contains a summary of information only which the Company does not purport to be complete.

Neither this Offer Document nor the Application Form are required to be lodged or registered with ASIC. This Offer Document is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Castle Minerals. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Shareholders to carefully read and understand the information on Castle Minerals and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Offer Document and other announcements made available at www.asx.com.au or on Castle Mineral's website: www.castleminerals.com.

Pursuant to the conditions imposed on the Company by section 708AA of the Corporations Act, the Company provided ASX with a notice that complied with the requirements of section 708AA(7) on Wednesday, 26 February 2020. In addition to certain minor and technical matters that notice was required to:

- (a) set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

5.3 Information availability

Eligible Shareholders in Australia, New Zealand, Singapore, Isle of Man and the United Kingdom can obtain a copy of this Offer Document during the Entitlement Offer Period on the Company's website at www.castleminerals.com or by emailing Mrs Jade Styants, Company Secretary, at styants@castleminerals.com. Persons who access the electronic version of this Offer Document should ensure that they download and read the entire Offer Document and the other relevant information to which it refers.

The electronic version of this Offer Document will not include an Application Form. A replacement Application Form can be requested by calling the Share Registry between 8.30am and 7.30pm

(AEST) on Business Days by calling 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia).

5.4 Taxation

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Entitlement Offer or Shareholders applying for New Shares, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of accepting the Entitlement Offer.

5.5 Lead Manager Agreement

Pursuant to the Mandate To Act As Lead Manager To Rights Issue dated on or about 21 February 2020 Canaccord Genuity (Australia) Limited (**Lead Manager**) has agreed to act as lead manager and bookrunner to the Entitlement Offer (**Lead Manager Agreement**).

Pursuant to the Lead Manager Agreement, the Company will pay the Lead Manager a fee of \$25,000 (plus GST) plus a selling fee equivalent to 6% of the proceeds placed by the Lead Manager under the Shortfall Offer (**Selling Fee**). For clarity, the Selling Fee will not apply to any proceeds placed to Eligible Shareholder who subscribe for additional securities under the Shortfall Offer or to new investors placed by the Directors.

The Lead Manager Agreement also contains a number of representations and warranties from the Company and the Lead Manager that are considered standard for an agreement of this nature.

6. GLOSSARY

A\$, \$ and dollars means Australian dollars, unless otherwise stated.

Application means an application for New Shares pursuant to the Application Form.

Application Form means the Application Form attached to or accompanying this Offer Document.

Application Money means money received from an Eligible Shareholder in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market operated by that entity, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the settlement rules of ASX Settlement.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, excluding public holidays in Western Australia and any other day that ASX declares is not a trading day.

CHESS means ASX Clearing House Electronic Sub-register System.

Cleansing Statement means the notice lodged by the Company with ASX in accordance with section 708AA(2)(f) of the Corporations Act in respect of the Entitlement Offer.

Closing Date means Wednesday, 25 March 2020, subject to the Company extending the date.

Company or Castle Minerals means Castle Minerals Limited ABN 83 116 095 802.

Corporations Act means the *Corporations Act 2001* (Cth), including as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* in relation to the Entitlement Offer.

Director means a director of the Company.

Eligible Shareholder means a Shareholder as at 5.00pm (WST) on the Record Date with a registered address in Australia, New Zealand, Singapore, Isle of Man and the United Kingdom.

Entitlement or Right means a Shareholder's entitlement to subscribe for New Shares offered under the Entitlement Offer.

Entitlement Offer or Offer means the offer to Eligible Shareholders of up to 237,231,273 New Shares at an issue price of \$0.006 per New Share on the basis of one (1) New Share for every one (1) Existing Share held at the Record Date.

Entitlement Offer Period means the period commencing on Friday, 6 March 2020 and ending on Wednesday, 25 March 2020 at 5pm (WST) (subject to the Company varying these dates).

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement with creditors;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any insolvency provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable legislation to be, insolvent or unable to pay its debts; or

- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Existing Share means a fully paid ordinary share in the capital of the Company on issue as at the Record Date.

Full Subscription means the amount of \$,1,423,387.64 (less issue costs) to be raised under the Entitlement Offer (comprised of 237,231,273 New Shares).

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

Issue means the issue of New Shares under the Entitlement Offer.

Lead Manager or Canaccord means Canaccord Genuity (Australia) Limited (ABN 19 075 071 466).

Listing Rules or ASX Listing Rules means the official listing rules of the ASX.

Material Adverse Effect means a material adverse effect on:

- (a) the outcome of the Entitlement Offer or on the subsequent market for the New Shares (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in New Shares); or
- (b) the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Relevant Companies either individually or taken as a whole; or
- (c) the tax position of the Relevant Companies either individually or taken as a whole.

New Share means a fully paid ordinary share in the capital of the Company to be issued under the Entitlement Offer.

Offer Document means this document, including any supplements or replacements to this document.

Offer Price means \$0.006 per New Share.

Official Quotation means official quotation on ASX.

Record Date means 5pm (WST) on Tuesday, 3 March 2020.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Automic Group Pty Ltd ABN 27 152 260 814.

Shortfall will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under the Entitlement Offer by the Closing Date.

Shortfall Offer means the facility described in section 1.6 under which Eligible Shareholders may apply for additional New Shares in excess of their Entitlements.

Shortfall Shares means New Shares for which successful valid Applications have not been received by the Closing Date.

US Person has the meaning given to that term in Regulation S under the US Securities Act.

US Securities Act means the United States Securities Act of 1933, as amended.

7. CORPORATE DIRECTORY

Directors

Michael Atkins
Non-Executive Chairman

Stephen Stone
Managing Director

James Guy
Non-Executive Director

Senior Management

Jade Styants
Company Secretary

Auditors

BDO (Audit) Pty Ltd*
38 Station Street
Subiaco WA 6008

ASX Code: CDT

ABN: 83 116 095 802

Website: www.castleminerals.com

Registered Office

Suite 2, 11 Ventnor Avenue
West Perth WA 6005

Telephone: +61 8 9322 7018

Lead Manager

Canaccord Genuity (Australia) Limited *
Level 4, 60 Collins Street
Melbourne VIC 3000

Share Registry

Automic Group Pty Ltd *
GPO Box 5193
Sydney NSW 2001

Telephone:
(within Australia): 1300 288 664
(outside Australia): + 61 2 9698 5414

Solicitors

Allion Partners Pty Ltd
Level 9, 863 Hay Street
Perth WA 6000

*This entity has not been involved in the preparation of this Offer Document. Its name is included for information purposes only.