

Castle builds towards scoping study

Despite its remote location in upper west Ghana, Castle Minerals Ltd's Kambale graphite project has nearby infrastructure to support its path to production.

According to Castle managing director Steve Stone, there is an "excellent" network of sealed and unsealed roads close to Kambale. Additionally, he told **Paydirt**, there is a commercial airstrip 4km from the deposit, a major town nearby and grid power almost to site.

"Interestingly, a lot of that power in the grid is coming from a hydro dam to the south, so a high proportion of the power is already green, we don't need to look at putting in renewable energy projects and we won't be involved in any of the capital costs associated with that," he said.

"There's also a really good resource of people with a lot of background in mining because Ghana has had a 100-year mining industry and it's got some of the largest gold mines in the world."

With Ghana's long mining history, Stone does not find it challenging to educate in-



Castle is gearing up to launch a scoping study with metallurgical testwork and a resource upgrade in the works



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vestors on the benefits of the region. He believes Ghana's mining reputation is well-established to which traditional corporate lenders have been happy to lend.

In addition, Stones' own experience in the West African nation means he has strong connections on the ground.

"I've worked in that region for 14 years and so I've become very familiar with a lot of the local communities and leaders of those communities, obviously the political appointees will change quite regularly with the Government, but there's actually quite a lot of stability in the communities," he said.

"I've built up good relationships with the leaders of those communities. I've just been over there and met with a number of the communities in which our project is set, and I've always found them very accommodating and very happy to see us establishing some sort of economic development on their lands."

Castle recently wrapped its third drill programme at Kambale and is hoping to upgrade the resource in the coming months.

Last April, the company released a

maiden inferred and indicated resource at the project, which currently sits at 15.6 mt @ 9% TGC with 1.4mt graphite contained.

Castle has also been looking for further graphite occurrences on its 149sq km licence, having launched a geophysical survey last May. The company said any strong EM conductors identified in the survey would be considered for immediate RC drill testing.

Stone is hoping Castle can strike the perfect timing to develop the project to fulfil the growing demand for graphite in EVs.

"The project was looked at in 2012 when there was a bit of a spike in graphite prices and a little bit of work was done before it was put back in the draw, and then we dusted it off 18 months ago," he said.

"We could see where the market was going to go for graphite, particularly fine flake graphite to be used in batteries."

Metallurgical test work is currently under way to investigate the potential for a commercial-grade concentrate. Castle will then look to take it to a higher-grade refined material, which can be used in making anodes and batteries.

The current phase of test work is being

completed in Perth before more specialised test work is launched in Germany.

"We're pretty confident that the metallurgy will get there but we just need some numbers and then we can start looking at flow sheets and capital costs, and then also do some preliminary designs and mining plans and capital and operating costs," Stone said.

"By the end of the year, we should have a pretty good idea as to how the project will stand up."

Following the completion of a resource upgrade and metallurgical test work, Castle will kick off a scoping study.

Stone believes Kambale is well placed in Ghana to service the future graphite demands coming from North America and Europe.

"One of the things we will be doing is looking at how we can best engage in those markets, and inevitably we will need to partner with somebody, either an offtake group who is a battery anode manufacturer or a car manufacturer, so that's where we see things happening in the medium term."

– Yvette Ogilvie

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