



ABN 83 116 095 802

2018 ANNUAL REPORT

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CORPORATE DIRECTORY

DIRECTORS

Michael Atkins -Non-Executive Chairman

Stephen Stone - Managing Director

Ian Hobson - Non-Executive Director

SECRETARY

Ian Hobson

STOCK EXCHANGE

Castle Minerals Limited is listed on the Australian Securities Exchange. **ASX Code: CDT**

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AUSTRALIA

BANKERS

National Australia Bank

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LETTER TO SHAREHOLDERS

Dear Fellow Shareholders,

The past year has been a very interesting one for your Company following the opportunistic acquisition of two projects in the Pilbara region of Western Australia that are considered prospective for conglomerate-hosted gold mineralisation.

This very low-cost addition to Castle's operations saw a rapid increase in its share price which enabled the Company to replenish working capital. The acquired projects, Coolyia Creek and Beasley Creek, have after several field campaigns been shown to tick many of the correct geological boxes for this style of mineralisation. However, the frothy market sentiment that drove the excitement in this sector has since waned and, with it, Castle's share price. Management is still keen on these projects and is investigating a number of options to either add-value to or monetise them.

Your Board and management have continued to generate numerous new opportunities spanning a range of mineral commodities in many jurisdictions. Detailed assessment of several of these has been undertaken and, whilst at times coming close to finalising a transaction, a rigorous due diligence process or an inability to secure them on acceptable commercial terms has not favoured proceeding with any as yet.

Castle is still looking forward to the receipt of A\$250,000 upon completion of the sale of its Julie West project to Azumah Resources Limited. The licence transfer process has progressed, albeit it very slowly, and the parties are now waiting final sign-off by the responsible Ghana Minister.

On 22 June 2018 the Company announced that it would investigate the sale of its Ghana licences through the sale of its wholly owned Ghana subsidiary, Carlie Mining Limited. This process remains in train but there is no certainty a sale will be concluded.

Finally, I wish to assure you that your Board and management is working hard to reposition Castle for the next stage in its growth aided by its tight capital structure and sound financial status.

Your continuing support and patience is therefore greatly appreciated and I hope that it won't be too long before we are able to report on a new project for your Company.

Sincerely



Michael Atkins

Chairman

5 Oct 2018

RESOURCES

ANNUAL REVIEW

Gold Mineral Resources

The total estimated gold Mineral Resources for Castle's Ghana projects is 199,800oz inclusive of the sale of the Carlie Mining Limited Julie West licence (69,000oz) when completed.

Table 1 summarises the current gold Mineral Resource estimates (some totals may not add exactly due to rounding). Full Mineral Resource parameters can be found in the ASX releases listed below.

Table 1: Gold Mineral Resource Estimates

Project	Indicated			Inferred			Total			Lower Cutoff Au g/t
	Tonnes t	Au g/t	Au oz	Tonnes t	Au g/t	Au Oz	Tonnes t	Au g/t	Au oz	
Kandia 8000 Zone				229,000	1.8	13,000	229,000	1.8	13,400	1.0
Kandia 4000 Zone	1,772,000	1.0	57,700	777,000	0.9	21,500	2,549,000	1.0	79,200	0.5
Kpali				2,914,000	1.1	107,200	2,914,000	1.1	107,200	0.5
Total	1,772,000	1.0	57,700	3,920,000	1.1	141,700	5,692,000	1.1	199,800	

Refer ASX release dated 2nd July 2014 regarding reporting of Kandia 8000 Zone Mineral Resource and appended JORC Code, 2012 Edition – Section 3

Refer ASX release dated 2nd July 2014 regarding reporting of Kpali Mineral Resource and appended JORC Code, 2012 Edition – Section 3

Refer ASX release dated 18th January 2014 re “Kpali Drilling Results” incl. of JORC Code, 2012 Edition - Table 1

Graphite Mineral Resource

In 2012 Castle announced a maiden resource estimate for its Kambale Graphite Project of 14.4 million tonnes graphite grading 7.2%C (graphitic carbon) for 1.03 million tonnes contained graphite (Inferred Mineral Resource)(Table 2).

Table 2: Kambale Deposit July 2012 Inferred Mineral Resource Estimate (5%C cut-off grade)

Type	Tonnes Mt	Carbon (C) %	Contained C t
Oxide	3.4	7.1	243,000
Fresh	11.0	7.2	793,000
Total	14.4	7.2	1,030,000

GOVERNANCE AND INTERNAL CONTROLS

Castle Minerals Limited has a firm policy to only utilise the services of external independent consultants to estimate Minerals Resources. The Company also has established practices and procedures to monitor the quality of data applied in Mineral Resource estimation, and to commission and oversee the work undertaken by external independent consultants.

In all cases Mineral Resources are estimated and reported in accordance with the ‘Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code). Mineral Resources reported in accordance with the 2004 Edition of the JORC Code (Kambale graphite project) were prepared by Runge Limited. Mineral Resources reported in accordance with the 2012 Edition (Kandia 8000 Zone and Kpali) were prepared by Castle Minerals Limited and reviewed by Runge Limited.

The Company confirms that all material assumptions underpinning the Mineral Resources and any forecast information continue to apply and have not materially changed.

Further information on Castle Minerals Limited and its Ghana projects and Minerals Resources can be found on its website at www.castleminerals.com which contains copies of all continuous disclosure documents to ASX, Competent Persons’ Statements and Corporate Governance Statement and Policies.

LICENCING

Licence	Name	Interest (30 June 2017)
RLA	Chache	Application
RLA	Jewoyeli	Application
RLA	Takariyili	Application
RLA	Tuole	Application
RL. 10/23	Jang	100%
RL. 10/13	Wa	100%
PL. 10/13	Julie West	0%^
ML. 10/13	Julie West	Relinquished
PL. 10/26	Degbiwu	100%
PL. 10/23	Bulenga	100%
PL. 10/25	Charingu	100%
PLA	Kandia	Application
PL. 10/24	Baayiri	100%
RL. 8/27	Gbinyiri	100%
RL. 8/28	Gurungu	100%
RL. 8/31	Jumo	100%
RL. 8/30	Chasia	100%
RL. 8/29	Perisi	100%
RLA	Funsi	Application
PL. 10/47	Kambale	100%

Government of Ghana has the right to acquire a 10% free carried interest in all licences and is entitled to a 5% Gross Royalty on production. All licences are held in a 100% owned Ghana based subsidiary, Carlie Mining Limited. Where required, Castle has lodged applications for extension of the licences and in those cases may be awaiting renewal or extension of the licences.

^ Put Option to sell the Julie West PL to Bunda Resources Limited was exercised in October 2015.

Bunda's rights were assigned to Phoenix Resources Limited (100% owned by Azumah Resources Limited) in April 2016. Transfer by the Ghana Government of the licence to Phoenix has not yet completed. Accordingly, the Put Option has been extended to September 2019.

COMPETENT PERSONS STATEMENT

The scientific and technical information in this Report that relates to the geology of the deposits and exploration results is based on information compiled by Mr Stephen Stone, who is an Executive Director of Castle Minerals Limited. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone is the Qualified Person overseeing Castle's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration results.

CAUTIONARY STATEMENT

The Coolyia Creek and Beasley Creek Projects are considered to be of early stage, grass roots exploration status. No Competent Person has done sufficient work in accordance with JORC Code 2012 to conclusively determine if gold is actually consistently present in conglomerates on the licences or to estimate in what quantities it occurs. In each case the general integrity of mapping by the GSWA has been confirmed and has then been refined by mapping by Castle's geologists. It is possible that following further evaluation and/or exploration work that the confidence in the information used to identify and acquire interests in the areas of interest in the Pilbara may be reduced when reported under JORC Code 2012.

FORWARD LOOKING STATEMENT

Statements regarding Castle's plans, forecasts and projections with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that Castle's plans for development of its mineral properties will proceed as currently expected. There can be no assurance that Castle will be able to confirm the presence of Mineral Resources or Ore Reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Castle's mineral properties. The performance of Castle may be influenced by a number of factors which are outside the control of the Company, its Directors, staff or contractors.