



**Annual Report**  
**for the year ended 30 June 2019**

## Corporate Directory

**ABN 83 116 095 802**

### **Directors**

Michael Atkins (Non-Executive Chairman)

Stephen Stone (Managing Director)

James Guy (Non-Executive Director)

### **Company Secretary**

Jade Styants

### **Principal Place of Business and Registered Office**

Suite 2, 11 Ventnor Avenue

WEST PERTH WA 6005

Phone: (08) 9322 7018

### **Postal Address**

PO Box 437

WEST PERTH WA 6872

### **Bankers**

National Australia Bank Limited

1232 Hay Street

WEST PERTH WA 6005

### **Share Register**

Security Transfer Australia Pty Ltd

PO Box 52

Collins Street West Vic 8007

Phone (within Australia): 1300 993 916

Phone (outside Australia): +61 3 9628 2200

### **Auditors**

BDO Audit (WA) Pty Ltd

38 Station Street

SUBIACO WA 6008

### **Internet Address**

[www.castleminerals.com](http://www.castleminerals.com)

### **Email Address**

[info@castleminerals.com](mailto:info@castleminerals.com)

### **Stock Exchange Listing**

Castle Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: CDT).

### **Corporate Governance Statement**

<http://www.castleminerals.com/policies.php>

## Contents

Chairman's Letter	3
Annual Review – Mineral Resources	4
Directors' Report	7
Auditor's Independence Declaration	18
Consolidated Statement of Profit or Loss and Other Comprehensive Income	19
Consolidated Statement of Financial Position	20
Consolidated Statement of Changes in Equity	21
Consolidated Statement of Cash Flows	22
Notes to the Consolidated Financial Statements	23
Directors' Declaration	41
Independent Audit Report	42
ASX Additional Information	45

## Chairman's Letter

Dear Fellow Shareholders,

The past year has been a challenging but fruitful one for your Company culminating in the recent farm-out of the Degbiwu and Gbiniyiri licences to Ghana-based Iguana Resources Limited (Iguana). Under the binding Terms Sheet executed on 14 August 2019, Iguana earn may up to an 80% interest in these licences by spending a total of US\$11.7 million in three stages over five years. The farm-out arrangement, which is contingent on the approval of the Ghana Government, will see a material increase in exploration on these prospective licences which contain the 107,200oz gold Kpali Mineral Resource and the intriguing Bundi gold-zinc prospect.

The team behind Iguana comprises a highly respected and experienced group of Ghanaian geologists and mining executives who are very keen to commence exploration which they have advised will comprise an RC drilling programme before end-2019.

Continuing in Ghana, we are very hopeful that the Government process to transfer the Julie West licence to purchaser, Azumah Resources Limited, will be completed soon whereupon Castle will receive a final A\$250,000 cash payment.

Castle's technical team has also been reviewing the remainder of its Ghana licences. The increasing perception of Northern Ghana's prospectivity to host major gold deposits, and of course the improved gold price, has seen Castle receive an increase in the number of farm-in or buyout enquiries. The Company is hopeful of consummating more licence based transactions.

Exploration continued during the year at the Beasley Creek and Coolyia Creek projects in the hunt for conglomerate-hosted, paleoplacer-style gold deposits. Encouraging results were obtained from bulk-sampling of stream sediments draining the prospective Hardey and Mt Roe conglomerates at Beasley Creek on the northern side of the Pilbara's Rocklea Dome. The prospective unconformity has now been mapped over 16km with intermittent anomalous gold confirmed along much of its strike. Preliminary work for gold on older, underlying Archean rocks has also been encouraging.

The majority of management's efforts have been directed towards identifying a new project for Castle. It has generated and reviewed many opportunities across a range of commodities and jurisdictions against its rigorous acquisition criteria and, whilst having come close a couple of times, has not yet been able to secure on reasonable terms a project that it believes will provide shareholders with the multiple returns on investment that they seek.

Your Board acknowledges the support, trust and patience of shareholders as it works to deliver on unlocking the value of existing projects and securing a new opportunity.

Sincerely



Michael Atkins  
Chairman  
26 September 2019

## Annual Review – Mineral Resources

### Gold Mineral Resource

Table 1 summarises the current gold Mineral Resource estimates (some totals may not add exactly due to rounding).

**Table 1: Gold Mineral Resource Estimates**

Project	Indicated			Inferred			Total			Lower Cut-off 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	<b>229,000</b>	<b>1.8</b>	<b>13,400</b>	<b>1.0</b>
Kandia 4000 Zone	1,772,000	1.0	57,700	777,000	0.9	21,500	<b>2,549,000</b>	<b>1.0</b>	<b>79,200</b>	<b>0.5</b>
Kpali				2,914,000	1.1	107,200	<b>2,914,000</b>	<b>1.1</b>	<b>107,200</b>	<b>0.5</b>
Total	<b>1,772,000</b>	<b>1.0</b>	<b>57,700</b>	<b>3,920,000</b>	<b>1.1</b>	<b>141,700</b>	<b>5,692,000</b>	<b>1.1</b>	<b>199,800</b>	

Full Mineral Resource parameters can be found in the below listed ASX releases dated:

- (i) 2 July 2014 - reporting of Kandia 8000 Zone Mineral Resource and appended JORC Code, 2012 Edition – Section 3
- (ii) 2 July 2014 - reporting of Kpali Mineral Resource and appended JORC Code, 2012 Edition – Section 3
- (iii) 18 January 2014 – reporting Kpali Drilling Results inclusive 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
<b>Total</b>	<b>14.4</b>	<b>7.2</b>	<b>1,030,000</b>

### 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](http://www.castleminerals.com) which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

## Annual Review – Mineral Resources Continued

### Schedule of Tenements

Tenement and Name		Interest at 30 June 2019
<b>WESTERN AUSTRALIA</b>		
EL45/4965	Coolyia Creek	80%
EL45/4975	Coolyia Creek	80%
EL47/3490	Beasley Creek	80%
<b>GHANA (1)</b>		
RLA	Cache	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 (2)	0%
PL 10/26	Degbiwu (3)	100%
PL 10/23	Bulenga	100%
PL 10/25	Charingu	100%
PLA	Kandia	Application
PL 10/24	Baayiri	100%
RL 8/27	Gbinyiri (3)	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%

- (1) 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 100% owned Ghana based subsidiaries, 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.
- (2) 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, a subsidiary of Azumah Resources Limited in April 2016. Transfer by Ghana Government of the licence to Phoenix Resources Limited has not yet completed.
- (3) On 14 August 2019 Carlie Mining Limited executed a binding term sheet with private Ghanaian company Iguana Resources Limited, whereby Iguana may earn up to an 80% interest in Carlie's Degbiwu and Gbinyiri prospecting licences located in Ghana's Upper West region by spending a total of US\$11.7 million in three stages over five years.

### 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 present in conglomerates on the licences or to estimate in what quantities but in each case the general integrity of mapping by the GSWA has been confirmed by geologists engaged by the Company. 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.

## Annual Review – Mineral Resources Continued

### **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.

### **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.

## Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Castle Minerals Limited ("Company") and the entities it controlled at the end of, or during, the year ended 30 June 2019.

### DIRECTORS

The names and details of the Group's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

#### Names, qualifications, experience and special responsibilities

**Michael Atkins**, B.Comm, (Non-Executive Chairman, member of Remuneration Committee).

Mr Atkins is a Fellow of the Australian Institute of Company Directors.

He was a founding partner of a national Chartered Accounting practice from 1979 to 1987 and was a Fellow of the Institute of Chartered Accountants in Australia until resigning in June 2011.

Between 1987 and 1998 he was a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, USA, South East Asia and Africa. From 1990 to 1995 he was Managing Director and later a non-executive director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction, and then remained as a Non-Executive Director until 1995. He was also founding Executive Chairman of Gallery Gold Ltd until 1998 and remained a Non-Executive Director until 2000.

Since February 2009 Mr Atkins has been a Director - Corporate Finance at Patersons Securities Limited where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

He is currently non-executive Chairman of ASX listed public companies Azumah Resources Limited and Legend Mining Limited, and a non-executive director of SRG Global Limited (formerly called Global Construction Services Limited). Within the last three years Mr Atkins was a director of former listed public company SRG Limited which is no longer listed on ASX following its merger with Global Construction Services Limited in September 2018.

**Stephen Stone**, BSc (Hons) Mining Geology, MAusIMM, FAICD, (Managing Director).

Mr Stone graduated with honours in Mining Geology from University of Wales, Cardiff and has since gained more than 40 years' operating, project evaluation, executive management and corporate development experience in the international mining and exploration industry.

Mr Stone worked for several years at the large open pit and underground copper mines of the Zambian Copperbelt. He came to Australia in 1986 and since then has been involved in the formation and management of several junior ASX listed exploration companies.

Mr Stone is a Member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Australian Institute of Company Directors and a member of the Editorial Board of International Mining Magazine. He is currently also Managing Director of ASX listed public company Azumah Resources Limited. Within the last three years Mr Stone was also a non-executive director of ASX listed public company Alto Metals Limited.

**James Guy**, BAppSc, GradDipApplFin, (Non-Executive Director, appointed 28 March 2019).

Mr Guy is a geologist who brings with him more than 30 years of technical experience in the mining industry, both locally and internationally, with extensive experience in exploration, project feasibility and mining operations. Mr Guy has previously held senior executive positions with several ASX listed junior resource companies and with banking group, NR Rothschild & Sons. He is currently principal of James Guy & Associates Pty Ltd.

Mr Guy has not held any former public company directorships in the last three years.

**Ian Hobson** was a non-executive director from the beginning of the financial year until his resignation on 28 March 2019.

### COMPANY SECRETARY

**Jade Styants**, BCom, CA, FCIA, FCIS (appointed 28 March 2019).

Mrs Styants is a Fellow Chartered Secretary, Chartered Accountant and corporate finance professional with over 20 years' experience assisting a range of Australian and international listed and unlisted companies across a range of industry sectors.

**Ian Hobson** was company secretary from the beginning of the financial year until his resignation on 28 March 2019.

## Directors' Report continued

### Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Castle Minerals Limited were:

	Ordinary Shares	Options over Ordinary Shares
Michael Atkins	9,356,665	2,000,000
Stephen Stone	23,202,193	2,000,000
James Guy	300,000	-

### PRINCIPAL ACTIVITIES

During the year the Group carried out exploration on its tenements and acquired additional tenements with the objective of identifying gold and other economic mineral deposits.

There was no significant change in the nature of the Group's activities during the year.

### DIVIDENDS

No dividends were paid, declared or recommended during the financial year.

### REVIEW OF OPERATIONS

#### Western Australia - Beasley Creek & Coolyia Creek

Exploration work undertaken during the year at Beasley Creek, located in the southern part of the Fortescue Basin on the northern end of the Rocklea Dome, has indicated that the majority of the 16km Beasley unconformity is anomalous in free gold. Exploration work carried out included a stream sediment sampling programme which returned gold in planned concentrates from 21 of the 39 samples taken, ranging from small flecks to fine particles of gold. Assays from the bulk samples returned multiple results along the conglomerate horizon, peaking at 52.2ppb Au. These conglomerate horizons are considered to be the most likely hosts for the widely sought-after paleo-placer gold materialised in the Pilbara region.

The Beasley West "scrape" area prospect and the Beasley Central prospects remain primary targets.

The next stage of exploration at Beasley Creek will be a systematic sampling programme along the unconformity surface and also along the granite greenstone contact to the south where there is historical evidence of prospector activity.

During the year the Company undertook a reconnaissance level evaluation, metal detecting and prospect definition along the prospective Mt Roe and Hardey Formation basal conglomerates at the Coolyia Creek project.

The next stage of exploration at Coolyia Creek will include additional sampling along the unconformity surfaces as well as for lode style quartz reef associated gold within the older basalts.

#### Ghana

On 14 August 2019 the Company announced that it had, through its wholly owned Ghanaian subsidiary Carlie Mining Limited ("Carlie") executed a Binding Term Sheet with private Ghanaian company Iguana Resources Limited ("Iguana"), whereby Iguana may earn up to an 80% interest in Carlie's Degbiwu and Gbiniyiri prospecting licences ("Licences") which are located in Ghana's Upper West region by spending a total of US\$11.7 million in three stages over five years. The key terms of the Binding Term Sheet between Carlie and Iguana are as follows:

**Execution Payments:** A non-refundable execution payment of US\$15,000 (since received). A further non-refundable satisfaction payment of US\$15,000 is payable upon, amongst other things, approval of the transaction by the Ghana Minister of Lands and Natural Resources.

**Phase 1:** Iguana may earn an initial 51% in the Licences by sole funding a minimum US\$4.72 million on exploration over a three-year period with a minimum spend in the first year of US\$1.22 million on the Degbiwu licence and US\$0.5 million on the Gbiniyiri licence. Iguana must also spend a minimum of US\$250,000 before it can withdraw from the Binding Term Sheet.

**Phase 2:** Iguana may earn an additional 14% (total 65%) by sole funding a further US\$1.5 million on exploration over the next 12 months.

**Phase 3:** Iguana may earn an additional 15% (total 80%) by sole funding a further US\$5.5 million on exploration over the next 12 months.

**Joint Venture:** If at the end of any phase Iguana decides not to sole fund the next phase of exploration, the parties

## Directors' Report continued

will enter into a Joint Venture Agreement ("JVA") to co-fund exploration. The JVA will contain standard industry terms typical of such an arrangement including a dilution formula, should any party not wish to contribute, whereby the non-contributing party's interest will dilute based on the accumulated and deemed expenditures of the Parties.

Operator: Iguana will be the operator of the project whilst it is sole funding and the majority interest holder.

Castle understands that the transfer by the Ghanaian government of the Julie West licence to its purchaser, Azumah Resources Limited, is well advanced. Upon receiving the government's approval for the transfer, the Group will receive a final cash consideration of \$250,000.

### New Opportunities

The Group continues to generate and review a number of new project opportunities for acquisition. The opportunities are located both within Australia and overseas, spanning a range of commodities.

### Finance Review

The Group began the financial year with a cash reserve of \$685,260. Funds were used primarily to explore the Group's conglomerate gold projects located in the Kimberley region.

During the year total exploration expenditure incurred by the Group amounted to \$175,058 (2018: \$521,664). In line with the Company's accounting policies, all exploration expenditure is expensed as incurred. Net administration expenditure incurred amounted to \$319,680 (2018: \$1,093,829). The Directors remain committed to preserving cash across the Group. During the year Directors resolved to issue shares in lieu of directors' fees resulting in cash savings of \$61,003 (2018: \$109,300).

The Group incurred an operating loss after income tax for the year ended 30 June 2019 of \$494,738 (2018: \$1,615,493).

#### *Going concern*

For the year ended 30 June 2019 the entity recorded a loss of \$494,738 (2018: \$1,615,493) and had net cash outflows from operating activities of \$444,303 (2018: \$785,595) and had working capital of \$110,710 (2018: \$572,264).

The Group currently has no cash generating assets in operation and \$242,288 of available funds at 30 June 2019.

The ability of the entity to continue as a going concern is dependent on securing additional funding through capital raisings and/or sale of interests in projects to continue to fund its operational and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to year end the entity expects to receive additional funds via further capital raisings and proceeds to be received as set out in the Review of Operations.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- the Directors note that \$250,000 is due from the second instalment from sale of the Julia West Project, pending Ministerial consent in Ghana;
- the Directors note that \$89,857 of current liabilities relate to amounts owing to Azumah Resources Limited, who have agreed to defer payment until funds are available;
- the Group have entered into a joint venture arrangement with Iguana, whereby Iguana will sole fund exploration to earn an interest of up to 80% in the Licences spending a total of US\$11.7 million in three stages over five years. This will accelerate exploration on these licences, while allowing the Group to retain exposure to the Licences. Iguana is obliged to meet all statutory expenditure requirements for the Group;
- at 30 June 2019 the Group has \$112,804 in available-for-sale financial assets;
- the Directors have resolved to issue shares in lieu of directors' fees to preserve cash funds; and
- the Directors are confident that they will be able to raise additional equity as and when required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

## Directors' Report continued

### Operating Results for the Year

Summarised operating results are as follows:

	2019	
	Revenues	Results
	\$	\$
Consolidated entity revenues and loss before income tax expense	<b>82,791</b>	<b>(494,738)</b>

### Shareholder Returns

	2019	2018
Basic loss per share (cents)	<b>(0.2)</b>	(0.8)

### Risk Management

The board is responsible for ensuring that risks, and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has several mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

### CORPORATE GOVERNANCE

The board are committed to achieving and demonstrating the high standard of corporate governance. The Corporate Governance Statement for the Group was approved by the board on 30 June 2018 and can be view on the Company's website at [www.castleminerals.com.au](http://www.castleminerals.com.au).

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report no significant changes in the state of affairs of the Group occurred during the financial year.

### SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No matters or circumstances, besides those disclosed at note 17, have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

## Directors' Report continued

### REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

#### Principles used to determine the nature and amount of remuneration

##### **Remuneration policy**

The remuneration policy of Castle Minerals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. All short term incentives are decided at Board level.

The board of Castle Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements, from time to time.

The executive directors and executives who receive a salary from the Company also receive a superannuation guarantee contribution required by the government, which was 9.5% for the 2019 financial year, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using either the Black-Scholes or Binomial methodologies.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$200,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option issues.

##### **Performance based remuneration**

At this stage, the Group's remuneration of key management personnel does not include any performance conditions. The Board believes that at this stage of the Group's development, linking remuneration to financial performance indicators such as share price, revenue or profit for these personnel is inappropriate. This may change as the Group's operations develop.

In relation to directors, the Board believes that a portion of the remuneration package for the non-executive directors should be linked to some form of financial performance indicator, such as share price, from time to time, as determined by the Board. In this regard, options over unissued shares provide a performance linked incentive component in the remuneration package for directors to motivate and reward their performance. No options were granted during the 2019 financial year.

##### **Company performance, shareholder wealth and directors' and executives' remuneration**

No relationship exists between shareholder wealth, director and executive remuneration and Company performance due to the Group still being in the exploration phase.

## Directors' Report continued

The table below shows the gross revenue, losses and earnings per share for the last five years for the listed entity.

	2019	2018	2017	2016	2015
	\$	\$	\$	\$	\$
Revenue	82,791	21,138	563,827	282,339	115,444
Net (loss)/profit	(494,738)	(1,615,493)	8,911	(480,297)	(775,921)
(Loss)/earnings per share (cents)	(0.2)	(0.8)	0.0	(0.4)	(0.6)
Share price at year end (cents)	0.5	1.6	1.7	1.2	1.0
Total KMP compensation	204,060	219,017	238,570	210,015	369,957

No dividends have been paid.

### Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2019.

### Voting and comments made at the Company's 2018 Annual General Meeting

The Company received 100% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

### Service agreements

Each of the Directors has agreed to letters of appointment with standard terms commencing from their appointments until such time as the Director resigns or is not re-appointed by shareholders when required to stand for re-election, together with standard clauses for dismissal in the case of misconduct. There are no provisions for termination payments other than accrued fees.

Effective from 1 January 2019, or date of appointment as applicable, the remuneration for each of the Directors is as follows:

Director	Annual Salary/Fees		
	(\$)	Time Commitment	Fees for Additional Time
Michael Atkins	50,000	2 days per month	\$1,500 per day in excess of 2 days per month
Stephen Stone	130,000	7 days per month	\$1,500 per day in excess of 7 days per month
James Guy (appointed 28 March 2019)	35,000	1-2 days per month	N/A
Ian Hobson (resigned 28 March 2019)	30,000	2 days per month	\$1,500 per day in excess of 2 days per month

### Details of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

The key management personnel of the Group include only the directors as per page 7.

Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

## Directors' Report continued

### Key management personnel of the Group

	Short-Term		Post-Employment		Share-Based	Total	Percentage
	Salary & Fees (1)	Non-Cash benefits (3)	Superannuation	Retirement benefits	Payments Options		Performance Related
	\$	\$	\$	\$	\$	\$	%
<b>Directors</b>							
Michael Atkins							
2019	<b>45,659</b>	-	<b>4,338</b>	-	-	<b>49,997</b>	-
2018	43,981	-	3,513	-	-	47,494	-
Stephen Stone							
2019	<b>118,693</b>	-	<b>11,276</b>	-	-	<b>129,969</b>	-
2018	114,067	-	9,886	-	-	123,953	-
James Guy (appointed 28 March 2019) (2)							
2019	<b>8,335</b>	-	<b>759</b>	-	-	<b>9,094</b>	-
Ian Hobson (resigned 28 March 2019)							
2019	<b>13,699</b>	-	<b>1,301</b>	-	-	<b>15,000</b>	-
2018	44,137	-	3,433	-	-	47,570	-
<b>Total key management personnel compensation</b>							
2019	<b>186,386</b>	-	<b>17,674</b>	-	-	<b>204,060</b>	
2018	202,185	-	16,832	-	-	219,017	

(1) For the period 1 July 2016 to 30 September 2017 Michael Atkins, Stephen Stone and Ian Hobson agreed to receive their remuneration in shares in the Company and did not receive any cash payment. From 1 October 2017 to 31 December 2018 remuneration was paid in cash.

Resolutions were approved by shareholders at the Annual General Meeting of the Company held on 13 November 2017 to issue shares to Directors in lieu of directors' fees for the period 1 October 2016 to 30 September 2017. Fees totalling \$189,300, as invoiced by the Directors, were satisfied by the issue of 11,829,596 ordinary shares on 14 November 2017 utilising these approvals, calculated at the 15-day VWAP at the time the fees accrued, being \$0.0151. The closing price of \$0.071 on the date of the Annual General Meeting was the grant date fair value of the shares issued, resulting in a loss on settlement of \$650,601.

As a means of conserving cash, from 1 January to 30 June 2019 Michael Atkins, Stephen Stone and James Guy each agreed to waive their right to cash remuneration in respect of their director fees, in substitution for subscribing in advance for ordinary shares in the Company, until such as the board of the Company resolve to cease the arrangement. At the 30 June 2019 the directors had waived their rights to \$61,003 in cash consideration for directors' fees and had used these funds to subscribe for 9,087,062 ordinary shares in the Company, which remains subject to shareholder approval.

(2) In addition to Mr Guy's non-executive director fee, from the date of his appointment as a director, a total of \$14,231 was invoiced by James Guy & Associates Pty Ltd, a business of which Mr Guy is principal. James Guy & Associates Pty Ltd provided geological consulting services to the Group during the year. The amounts paid were at usual commercial rates with fees charged on an hourly basis and are included in the remuneration table above.

(3) The Company had in place Directors & Officers Liability Insurance during the entire year with the premium being \$12,737 (2018: \$11,124).

### Share-based compensation

#### Options

Options are issued to directors and executives as part of their remuneration from time to time. The options are not issued based on performance criteria but are issued to the majority of directors and executives of Castle Minerals Limited to increase

## Directors' Report continued

goal congruence between executives, directors and shareholders. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company. There were no options granted to or vesting with key management personnel during the year.

There were no ordinary shares issued upon exercise of remuneration options to directors or other key management personnel of Castle Minerals Limited during the year.

### Equity instruments held by key management personnel

#### Share holdings

The numbers of shares in the Company held during the financial year by each director of Castle Minerals Limited and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below. There were no shares granted during the reporting period as compensation.

2019

	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year (2)	Balance at end of the year (1)
<b>Directors of Castle Minerals Limited</b>				
<b>Ordinary shares</b>				
Michael Atkins	9,356,665	-	-	9,356,665
Stephen Stone	23,202,193	-	-	23,202,193
James Guy (appointed 28 March 2019)	-	-	300,000	300,000
Ian Hobson (resigned 28 March 2019)	6,421,368	-	(6,421,368)	-

(1) At year end there are no nominally held shares.

(2) Balance held at date of appointment / (resignation).

#### Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Castle Minerals Limited and other key management personnel of the Company, including their personally related parties, are set out below:

2019	Balance at start of the year	Granted as compensation	Exercised	Other changes (1)	Balance at end of the year	Vested and exercisable	Unvested
<b>Directors of Castle Minerals Limited</b>							
Michael Atkins	2,000,000	-	-	-	2,000,000	2,000,000	-
Stephen Stone	2,000,000	-	-	-	2,000,000	2,000,000	-
James Guy (appointed 28 March 2019)	-	-	-	-	-	-	-
Ian Hobson (resigned 28 March 2019)	2,000,000	-	-	(2,000,000)	-	-	-

All vested options are exercisable at the end of the year.

(1) Balance held at date of resignation

### Loans to key management personnel

There were no loans to key management personnel during the year.

## Directors' Report continued

### **Other transactions with key management personnel**

#### *Other services*

James Guy & Associates Pty Ltd, a business of which Mr Guy is principal, provided geological consulting services to the Castle Minerals Group during the year. The amounts paid were on arms' length commercial terms and are disclosed in the remuneration report in conjunction with Mr Guy's compensation for the period commencing from his appointment as a Director on 28 March 2019. At 30 June 2019 there was \$5,775 owing to James Guy & Associates Pty Ltd.

#### *Azumah expense payments*

During the year Azumah Resources Limited ("AZM"), who is a related party of the Group as two of Castle's directors, Messrs Atkins and Stone, are also directors of AZM, on-charged to the Group various administration expenses including office rent and overheads, bookkeeping and office administration staff. The total of expenses on-charged by AZM during the year was \$39,084 (2018: \$54,547). The amount owed to AZM at 30 June 2019 was \$89,857 (2018: \$87,026). In accordance with the Julie West Prospecting Licence sale, AZM also reimbursed the Group \$26,344 during the 2018 financial year for tenement expenditure incurred in keeping the tenement on good standing. Transactions are commercial and at arms' length terms.

### **End of audited Remuneration Report**

## Directors' Report continued

### DIRECTORS' MEETINGS

During the year the Company held four meetings of directors. The attendance of directors at meetings of the board were:

	Directors Meetings	
	A	B
Michael Atkins	4	4
Stephen Stone	4	4
James Guy (appointed 28 March 2019)	2	2
Ian Hobson (resigned 28 March 2019)	2	3

#### Notes

A - Number of meetings attended.

B - Number of meetings held during the time the director held office during the year.

### SHARES UNDER OPTION

Unissued ordinary shares of Castle Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price (cents)	Number of options
22 November 2016	30 November 2019	3.0	6,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

### INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Castle Minerals Limited paid a premium to insure the directors and secretary of the Company. The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy. The amount has been included in the compensation amounts disclosed for key management personnel elsewhere in this report and in the notes to the financial statements.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, BDO Audit (WA) Pty Ltd or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

BDO Audit (WA) Pty Ltd or associated entities received or are due to receive the following amounts for the provision of non-audit services:

	2019	2018
	\$	\$
Tax compliance and advisory services	8,160	6,380
<b>Total remuneration for non-audit services</b>	<b>8,160</b>	<b>6,380</b>

## Directors' Report continued

### **PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

Signed in accordance with a resolution of the directors.



Stephen Stone  
Managing Director  
Perth, 26 September 2019

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF CASTLE MINERALS LIMITED

As lead auditor of Castle Minerals Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Castle Minerals Limited and the entity it controlled during the period.



Phillip Murdoch  
Director

BDO Audit (WA) Pty Ltd  
Perth, 26 September 2019

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2019	Notes	2019 \$	2018 \$
<b>CONTINUING OPERATIONS</b>			
Revenue	4(a)	1,572	3,653
Other income	4(b)	81,219	17,485
Depreciation expense		(2,769)	(3,463)
Salaries and employee benefits expense		(204,058)	(211,018)
Tenement acquisition and exploration expenses		(175,058)	(521,664)
Corporate expenses		(38,711)	(56,251)
Administration expenses		(156,933)	(193,634)
Loss on settlement of liability	10(b)(2)	-	(650,601)
<b>LOSS BEFORE INCOME TAX</b>		<b>(494,738)</b>	(1,615,493)
<b>INCOME TAX EXPENSE</b>	6	-	-
<b>LOSS AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED</b>		<b>(494,738)</b>	(1,615,493)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		416	164
Other comprehensive income for the year, net of tax		416	164
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED</b>		<b>(494,322)</b>	(1,615,329)
Basic and diluted loss per share attributable to the members of Castle Minerals Limited (cents per share)	19	(0.2)	(0.8)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

## Consolidated Statement of Financial Position

AS AT 30 JUNE 2019	Notes	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	<b>242,288</b>	685,260
Financial assets at fair value through profit or loss	8	<b>112,804</b>	31,585
<b>TOTAL CURRENT ASSETS</b>		<b>355,092</b>	716,845
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		<b>11,061</b>	13,829
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,061</b>	13,829
<b>TOTAL ASSETS</b>		<b>366,153</b>	730,674
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	<b>244,382</b>	144,581
<b>TOTAL CURRENT LIABILITIES</b>		<b>244,382</b>	144,581
<b>TOTAL LIABILITIES</b>		<b>244,382</b>	144,581
<b>NET ASSETS</b>		<b>121,771</b>	586,093
<b>EQUITY</b>			
Contributed equity	10	<b>25,908,754</b>	25,878,754
Reserves	11	<b>924,618</b>	924,202
Accumulated losses		<b>(26,711,601)</b>	(26,216,863)
<b>TOTAL EQUITY</b>		<b>121,771</b>	586,093

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

## Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2019

	Notes	Contributed Equity \$	Share-based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<b>BALANCE AT 1 JULY 2017</b>		23,696,603	674,736	249,302	(24,601,370)	19,271
Profit for the year		-	-	-	(1,615,493)	(1,615,493)
<b>OTHER COMPREHENSIVE INCOME</b>						
Exchange differences on translation of foreign operations		-	-	164	-	164
<b>TOTAL COMPREHENSIVE LOSS</b>		-	-	164	(1,615,493)	(1,615,329)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>						
Shares issued during the year	10	2,225,901	-	-	-	2,225,901
Share issue transaction costs	10	(43,750)	-	-	-	(43,750)
<b>BALANCE AT 30 JUNE 2018</b>		25,878,754	674,736	249,466	(26,216,863)	586,093
Loss for the year		-	-	-	(494,738)	(494,738)
<b>OTHER COMPREHENSIVE INCOME</b>						
Exchange differences on translation of foreign operations		-	-	416	-	416
<b>TOTAL COMPREHENSIVE LOSS</b>		-	-	416	(494,738)	(494,322)
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>						
Shares issued during the year	10	30,000	-	-	-	30,000
<b>BALANCE AT 30 JUNE 2019</b>		<b>25,908,754</b>	<b>674,736</b>	<b>249,882</b>	<b>(26,711,601)</b>	<b>121,771</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

## Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2019	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(293,731)	(377,521)
Interest received		1,572	3,653
Expenditure on mining interests		(152,144)	(411,727)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	18(a)	<b>(444,303)</b>	(785,595)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issues of ordinary shares		-	1,225,000
Payment of share issue costs		-	(43,750)
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	1,181,250
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<b>(444,303)</b>	395,655
Cash and cash equivalents at the beginning of the financial year		<b>685,260</b>	288,516
Effects of exchange rate changes on cash and cash equivalents		<b>1,331</b>	1,089
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>7</b>	<b>242,288</b>	685,260

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

# Notes to the Consolidated Financial Statements

30 JUNE 2019

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Castle Minerals Limited and its subsidiaries. The financial statements are presented in the Australian currency. Castle Minerals Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 26 September 2019. The directors have the power to amend and reissue the financial statements.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Castle Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with IFRS

The consolidated financial statements of the Castle Minerals Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (ii) New and amended standards adopted by the Group

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 9 Financial Instruments and related amending Standards;
- AASB 15 Revenue from Contracts with Customers and related amending Standards; and
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions.

#### *AASB 9 Financial Instruments and related amending Standards*

In the current year, the Group has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

Additionally, the Group adopted consequential amendments to AASB 7 Financial Instruments: Disclosures.

In summary AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets; and
- General hedge accounting.

#### *AASB 15 Revenue from Contracts with Customers and related amending Standards*

In the current year, the Group has applied AASB 15 Revenue from Contracts with Customers (as amended) which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios.

There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

#### (iii) Early adoption of standards

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2019. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value.

#### (v) Going concern

For the year ended 30 June 2019 the entity recorded a loss of \$494,738 (2018: \$1,615,493) and had net cash outflows from operating activities of \$444,303 (2018: \$785,595) and had working capital of \$110,710 (2018: \$572,264).

The ability of the entity to continue as a going concern is dependent on securing additional funding through capital raisings and/or sale of interests in projects to continue to fund its operational and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to year end the entity expects to receive additional funds via further capital raisings and proceeds to be received as set out in the Review of Operations.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- the Directors note that \$250,000 is due from the second instalment from sale of the Julia West Project, pending Ministerial consent in Ghana;
- the Directors note that \$89,857 of current liabilities relate to amounts owing to Azumah Resources Limited, who have agreed to defer payment until funds are available;
- the Group have entered into a joint venture arrangement with Iguana, whereby Iguana will sole fund exploration to earn an interest of up to 80% in the Licences spending a total of US\$11.7 million in three stages over five years. This will accelerate exploration on these licences, while allowing the Group to retain exposure to the Licences. Iguana is obliged to meet all statutory expenditure requirements for the Group;
- at 30 June 2019 the Group has \$112,804 in available-for-sale financial assets;
- the Directors have resolved to issue shares in lieu of directors' fees to preserve cash funds; and
- the Directors are confident that they will be able to raise additional equity as and when required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

### (b) Principles of consolidation

#### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### *(ii) Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Castle Minerals Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **(c) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

#### **(d) Foreign currency translation**

##### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Castle Minerals Limited's functional and presentation currency.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

##### *(iii) Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

#### **(e) Revenue recognition**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

#### **(f) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (f) Income tax continued

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (g) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### (h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

#### (i) Financial assets

##### (i) Classification

From 1 July 2018 the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

##### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (i) Financial assets continued

##### (iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### *Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the statement of profit or loss.

**FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the statement of profit or loss.

**FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

##### *Equity instruments*

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

##### (iv) Impairment

From 1 July 2018 the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

##### (v) Accounting policies applied until 30 June 2018

The Company has applied AASB 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy.

#### **Classification**

The Group classifies its financial assets in the following categories: loans and receivables; and financial assets at fair value through profit or loss. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Collectability of loans and receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables or in an otherwise timely manner. The amount of the impairment allowance is the difference between the asset's carrying amount and the estimated future cash flows. None of the Group's loans and receivables has an applicable interest rate hence the cash flows are not discounted.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within impairment expenses. When a loan or receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

#### *Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

#### **Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### **Measurement**

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Details on how the fair value of financial investments is determined are disclosed in note 2.

#### **Impairment**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of profit or loss and other comprehensive income.

#### **(j) Exploration and evaluation costs**

Exploration and evaluation costs are expensed (and not capitalised) in the year they are incurred.

#### **(k) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are paid on normal commercial terms.

#### **(l) Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### **(m) Earnings per share**

##### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

##### *(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **(n) Goods and Services Tax (GST) and Value Added Tax (VAT)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

The Group's transactions in Ghana are subject to VAT administered by the Value Added Tax Service of the Republic of Ghana. VAT may only be recoverable once the Group's operations are producing revenue in Ghana. Hence, at the Group's current level of activity, being exploration, VAT is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the respective taxation authorities, are presented as operating cash flows.

#### **(o) Share-based payments**

The Group granted benefits to suppliers and consultants in the form of share-based payment transactions.

The share-based payments are measured at fair value equal to the value of goods and services received.

#### **(p) New accounting standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below. New standards and interpretations not mentioned are considered unlikely to impact on the financial reporting of the Group.

#### **AASB 16 Leases (applicable for annual reporting periods commencing on or after 1 January 2019).**

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The Group plans to adopt the new standard on the required effective date. The Group continues to assess the potential impact of AASB 16 on its consolidated financial statements.

None of the other amendments or Interpretations are expected to affect the accounting policies of the Group.

#### **(q) Critical accounting judgements, estimates and assumptions**

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

##### *Share based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or quoted active market price, using the assumptions detailed in note 20. If any of these assumptions, including the probability of achieving the performance hurdle were to change, there may be an impact on the amounts reported.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The executive chairman, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

##### (ii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position as at fair value through profit or loss. Given the current level of operations, the Group is not currently exposed to commodity price risk.

To minimise the risk, the Group's investments are of high quality and are publicly traded on the ASX. The investments are managed on a day to day basis so as to pick up any significant adjustments to market prices.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

##### (iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The risk is not material and sensitivity analysis does not result in a material effect on Group results or financial position.

#### (b) Credit risk

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

As the Group does not presently have any trade receivables, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

#### (c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

#### (d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The equity investments held by the Group are classified at fair value through profit or loss. The market value of all equity investments represents the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as level 1 financial instruments.

The carrying values of all financial assets and liabilities of the Group approximate their fair values due to their short-term nature.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

2019

2018

\$

\$

### 3. SEGMENT INFORMATION

For management purposes, the Group has identified two reportable segments being: exploration activities undertaken in Australia; and, exploration activities undertaken in Ghana, West Africa. These segments include activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the respective geographic location.

Segment performance is evaluated based on the operating profit or loss and cash flows and is measured in accordance with the Group's accounting policies.

#### Exploration segments

Segment revenue and other income – Australia	-	-
Segment revenue and other income – Ghana	-	-
Segment revenue and other income – Total	-	-
Reconciliation of segment revenue and other income to total revenue and other income before tax:		
Interest revenue	1,572	3,653
Other revenue and income	81,219	17,485
Total revenue and other income	82,791	21,138
Segment results – Australia	(164,446)	(461,058)
Segment results – Ghana	(10,612)	(60,606)
Segment results – Total	(175,058)	(521,664)
Reconciliation of segment result to loss before tax:		
Corporate depreciation	(2,769)	(3,463)
Loss on settlement of liability (note 10(b))	-	(650,601)
Other corporate and administration	(316,911)	(439,765)
Loss before tax	(494,738)	(1,615,493)
Segment operating assets - Australia	-	-
Segment operating assets – Ghana	-	-
Segment operating assets – Total	-	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	366,153	730,674
Total assets	366,153	730,674
Segment operating liabilities - Australia	4,308	11,296
Segment operating liabilities – Ghana	10,056	9,238
Segment operating liabilities – Total	14,364	20,534
Reconciliation of segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	230,018	124,047
Total liabilities	244,382	144,581

### 4. REVENUE AND OTHER INCOME

#### (a) Revenue from continuing operations

Interest	1,572	3,653
(b) Other income		
Fair value gains on financial assets at fair value through profit or loss	81,219	17,485

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

2019

2018

\$

\$

### 5. EXPENSES

#### Loss before income tax includes the following specific expenses:

Defined contribution superannuation expense	17,674	16,832
Depreciation	2,769	3,463
Net loss on disposal of plant and equipment	-	17,629

### 6. INCOME TAX

#### (a) Income tax benefit

Current tax	-	-
Deferred tax	-	-

#### (b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense	(494,738)	(1,615,493)
Prima facie tax (benefit)/expense at the Australian tax rate of 30% (2018: 30%)	(148,421)	(484,648)
Tax effect of amounts which are not deductible in calculating taxable income:		
Other	993	196,257
	(147,429)	(288,391)
Movements in unrecognised temporary differences	(5,804)	(8,267)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	153,763	299,688
Foreign tax rate differential	(530)	(3,030)
Income tax expense	-	-

#### (c) Unrecognised temporary differences

##### Deferred Tax Assets (at 30%)

###### On Income Tax Account

Capital raising costs	10,868	10,597
Foreign exploration tax losses	4,913,964	6,214,740
Accruals and other provisions	6,450	8,100
Financial assets at fair value	3,469	27,834
Tenement acquisition costs	87,060	-
Australian carry forward capital losses	1,360,322	-
Australian carry forward tax losses	1,129,678	1,120,849

##### Deferred Tax Liabilities (at 30%)

##### Net deferred tax assets

	-	-
	7,511,811	7,382,120

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group's ability to use losses in the future is subject to the companies in the Group satisfying the relevant tax authority's criteria for using these losses.

Foreign exploration tax losses are incurred in Ghana and are arrived at after adjusting losses reported in financial statements in line with tax principles. Mining concerns are allowed to deduct the losses over a five-year period subsequent to the year in which the loss was incurred.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

2019  
\$

2018  
\$

### 7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and in hand	242,288	685,260
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	<u>242,288</u>	<u>685,260</u>

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

### 8. CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Australian listed equity securities	112,804	<u>31,585</u>
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Changes in fair values of financial assets at fair value through profit or loss are recorded in other income for gains (note 4(b)) or directly on the face of the statement of comprehensive income for losses.

### 9. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	123,535	99,374
Director's fees accruals	61,003	-
Other payables and accruals	59,844	45,207
	<u>244,382</u>	<u>144,581</u>

Information about the Group's exposure to foreign exchange and liquidity risk is provided in note 2.

### 10. CONTRIBUTED EQUITY

	Notes	2019		2018	
		Number of shares	\$	Number of shares	\$
<b>(a) Share capital</b>					
Ordinary shares fully paid	10(b) 10(d)	<u>223,795,976</u>	<u>25,908,754</u>	221,795,976	25,878,754
Total contributed equity		<u>223,795,976</u>	<u>25,908,754</u>	221,795,976	25,878,754
<b>(b) Movements in ordinary share capital</b>					
Beginning of the financial year		221,795,976	25,878,754	170,366,380	23,696,603
Issued during the year:					
– Issued for cash at 3.5 cent per share		-	-	35,000,000	1,225,000
– Issued as part consideration for tenement acquisition <sup>(1)</sup>		2,000,000	30,000	4,000,000	140,000
– Issued as consideration for consulting services		-	-	600,000	21,000
– Issued in lieu of director fees at 7.1 cents per share <sup>(2)</sup>		-	-	11,829,596	839,901
Transaction costs		-	-	-	(43,750)
End of the financial year		<u>223,795,976</u>	<u>25,908,754</u>	221,795,976	25,878,754

(1) Due to the nature of the asset acquired, the fair value of the transaction has been determined by reference to the fair value of the equity instruments issued. The fair value of the shares issued was determined by reference to the closing price of \$0.015 on the grant date (settlement date of the acquisition) of 13 July 2018.

## Notes to the Consolidated Financial Statements continued

- (2) Resolutions were approved by shareholders at the Annual General Meeting of the Company held on 13 November 2017 to issue shares to Directors in lieu of directors' fees for the period 1 October 2016 to 30 September 2017. Fees totalling \$189,300, as invoiced by the Directors, were satisfied by the issue of 11,829,596 ordinary shares on 14 November 2017 utilising these approvals, calculated at the 15-day VWAP at the time the fees accrued, being \$0.0151. The closing price of \$0.071 on the date of the Annual General Meeting was the grant date fair value of the shares issued.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 10. CONTRIBUTED EQUITY CONTINUED

	2019	2018
	\$	\$
Issue of 11,829,596 shares at \$0.071 per share (fair value)	-	839,901
Directors' fees settled	-	(189,300)
Loss on settlement of liability	-	650,601

The settlement of the above liabilities by the issue of shares has resulted in a net loss for accounting purposes, resulting from the increase in the value of shares issued in respect to directors' fees from the time that the fees accrued to the grant date fair value at the date of issue. This net loss is recognised in the profit or loss for the year of nil (2018: \$650,601), as shown in the table above.

### (c) Movements in options on issue

	Number of options	
	2019	2018
Beginning of the financial year	6,000,000	6,000,000
End of the financial year	6,000,000	6,000,000

### (d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

### (e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2019 and 30 June 2018 are as follows:

	2019	2018
	\$	\$
Cash and cash equivalents	242,288	685,260
Financial assets at fair value through profit or loss	112,804	31,585
Trade and other payables	(244,382)	(144,581)
Working capital position	110,710	572,264

### 11. RESERVES

#### (a) Reserves

Foreign currency translation reserve	249,882	249,466
Share-based payments reserve	674,736	674,736
	924,618	924,202

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 11. RESERVES CONTINUED

#### (b) Nature and purpose of reserves

##### (i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(d) and accumulated within a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

##### (ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

### 12. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

### 13. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

#### (a) Audit services

BDO Audit (WA) Pty Ltd - audit and review of financial reports	28,214	22,994
Non-related audit firm for the audit or review of financial reports of Group subsidiary entity	4,890	-
Total remuneration for audit services	<u>33,104</u>	<u>22,994</u>

#### (b) Non-audit services

BDO (WA) Pty Ltd - tax compliance services	8,160	6,380
Total remuneration for other services	<u>8,160</u>	<u>6,380</u>

### 14. CONTINGENCIES

#### Contingent liability

##### Tenement acquisition

In accordance with a tenement acquisition agreement entered during the 2018 financial year, the following deferred consideration may become payable in future periods:

- 2,000,000 performance rights to vest into fully paid ordinary shares of Castle on the date that Castle submits a Form 5 (in the form specified in the Mining Act) stating that Castle has expended \$500,000 on the tenement.

#### Contingent assets

##### Julie West tenement sale

Under the terms of the sale agreement for the Julie West Prospecting Licence ("tenement"), the Group is entitled to a final payment of \$250,000 upon completion. Completion is dependent upon obtaining the consent of the Minister in Ghana responsible for the administration of the *Minerals and Mining Act, (2006)* Ghana to the transfer of all the legal and beneficial interest in the tenement to the Group.

##### Topago sale

Under the terms of the sale agreement for the disposal of the Group's former subsidiary Topago Mining Ltd ("Topago") the sale consideration includes a cash payment of US\$100,000 upon commencement of mining at the Akoko Gold Project, a gross royalty of US\$25 per ounce on the first 50,000 ounces of gold produced, and a 1% gross royalty on any additional production over 50,000 ounces of gold. The amounts (in AUD) and the timing of receipt are not able to be determined at the period end and accordingly, no asset has been recognised for the contingent asset.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 15. RELATED PARTY TRANSACTIONS

#### (a) Parent entity

The ultimate parent entity within the Group is Castle Minerals Limited.

#### (b) Subsidiaries

Interests in subsidiaries are set out in note 16.

#### (c) Key management personnel compensation

	2019	2018
	\$	\$
Short-term benefits	186,386	202,185
Post-employment benefits	17,674	16,832
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<b>204,060</b>	<b>219,017</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 11 to 15.

#### (d) Transactions and balances with other related parties

##### *Other services*

James Guy & Associates Pty Ltd, a business of which Mr Guy is principal, provided geological consulting services to the Castle Minerals Group during the year. The amounts paid were on arms' length commercial terms and are disclosed in the remuneration report in conjunction with Mr Guy's compensation for the period commencing from his appointment as a Director on 28 March 2019. At 30 June 2019 there was \$5,775 owing to James Guy & Associates Pty Ltd.

##### *Azumah expense payments*

During the year Azumah Resources Limited ("AZM"), who is a related party of the Group as two of Castle's directors, Messrs Atkins and Stone, are also directors of AZM, on-charged to the Group various administration expenses including office rent and overheads, bookkeeping and office administration staff. The total of expenses on-charged by AZM during the year was \$39,084 (2018: \$54,547). The amount owed to AZM at 30 June 2019 was \$89,857 (2018: \$87,026). In accordance with the Julie West Prospecting Licence sale, AZM also reimbursed the Group \$26,344 during the 2018 financial year for tenement expenditure incurred in keeping the tenement on good standing. Transactions are commercial and at arms' length terms.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

### 16. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of incorporation	Class of shares	Equity Holding*	
			2019 %	2018 %
Carlie Mining Ltd	Ghana	Ordinary	100	100

\*The proportion of ownership interest is equal to the proportion of voting power held.

### 17. EVENTS OCCURRING AFTER THE REPORTING DATE

During August 2019 the Group signed a binding term sheet ("Agreement") with private Ghana company Iguana Resources Ltd ("Iguana"), whereby Iguana may earn up to an 80% interest in the Group's Degbiwu and Gbiniyiri licenses in Ghana's Upper West region by spending a total of US\$11.7 million in three stages over five years. The Agreement includes payments to the Group of US\$15,000 upon execution (since paid) and upon, amongst other things, Ghanaian government ministerial approval. Iguana are also required to spend a minimum of US\$250,000 on exploration before it can withdraw from the Agreement.

On 23 -24 September 2019 the Group sold its available-for-sale financial assets for proceeds of \$173,655. The value of these shares at 30 June 2019 was \$112,804.

No other matter or circumstance has arisen since 30 June 2019, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

### 18. CASH FLOW INFORMATION

	2019 \$	2018 \$
<b>(a) Reconciliation of net profit or loss after income tax to net cash outflow from operating activities</b>		
Net loss for the year	(494,738)	(1,615,493)
<b>Non-Cash Items</b>		
Depreciation of non-current assets	2,769	3,463
Net loss on disposal of plant and equipment	-	17,629
Loss on settlement of liability	-	650,601
Expenses settled by the issue of shares – Directors' fees	-	189,300
Expenses settled by the issue of shares – tenement acquisition	30,000	140,000
Expenses settled by the issue of shares – consulting services	-	21,000
Net exchange differences	(415)	(82)
<b>Change in operating assets and liabilities, net of effects from sale of subsidiary</b>		
Decrease in trade and other receivables	-	6,175
(Increase) in financial assets at fair value through profit or loss	(81,219)	(17,485)
Increase/(decrease) in trade and other payables	99,300	(180,703)
Net cash outflow from operating activities	(444,303)	(785,595)

### (b) Non-cash investing and financing activities

During the year, 2,000,000 (2018: 4,000,000) ordinary shares were issued at a deemed cost of \$30,000 (2018: \$140,000) as part consideration for tenement acquisitions. This amount is included in 'tenement acquisition and exploration expenses' on the statement of profit or loss and other comprehensive income of the Group.

During the 2018 year a total of 11,829,596 ordinary shares were issued in satisfaction of directors' fees totalling \$189,300. These amounts are included in 'salaries and employee benefits expense' and 'administration expenses' on the statement of profit or loss and other comprehensive income of the Group.

During the 2018 year, 600,000 ordinary shares were issued in satisfaction of consulting services totalling \$21,000. This amount is included in 'administration expenses' on the statement of profit or loss and other comprehensive income of the Group.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019

2019

2018

\$

\$

### 19. LOSS PER SHARE

#### (a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share:

<b>(494,738)</b>	(1,615,493)
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<b>Number of shares</b>	<b>Number of shares</b>
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#### (b) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

<b>223,724,743</b>	204,777,744
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#### (c) Information on the classification of options

As the Group made a loss for the year ended 30 June 2019, the options on issue were considered anti-dilutive and were not included in the calculation of diluted earnings per share. The options currently on issue could potentially dilute basic earnings per share in the future.

### 20. SHARE-BASED PAYMENTS

#### (a) Employees and contractors' options

The Group provides benefits to employees (including directors) and contractors of the Group in the form of share-based payment transactions, whereby employees or consultants render services in exchange for options to acquire ordinary shares. The exercise price of the options granted and on issue at 30 June 2019 is 3 cents per option, with an expiry date of 30 November 2019.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share in the capital of the Company with full dividend and voting rights.

#### *Fair value of options granted*

There were no options granted during the 2019 or 2018 financial years.

Set out below is a summary of the share-based payment options granted:

	2019		2018	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	6,000,000	3.0	6,000,000	3.0
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	<b>6,000,000</b>	<b>3.0</b>	6,000,000	3.0
Exercisable at year-end	<b>6,000,000</b>	<b>3.0</b>	6,000,000	3.0

The weighted average remaining contractual life of share options outstanding at the end of the year was 0.42 years (2018: 1.42 years), and the exercise price is 3 cents. Option expiry date is 30 November 2019.

## Notes to the Consolidated Financial Statements continued

30 JUNE 2019	Notes	2019 \$	2018 \$
<b>20. SHARE-BASED PAYMENTS (cont'd)</b>			
<b>(b) Shares issued to suppliers</b>			
During the year, 2,000,000 (2018: 4,000,000) ordinary shares were issued at a deemed cost of \$30,000 (2018: \$140,000) as part consideration for tenement acquisitions. This amount is included in 'tenement acquisition and exploration expenses' on the statement of profit or loss and other comprehensive income of the Group.			
During the 2018 financial year, 600,000 ordinary shares were issued in satisfaction of consulting services totalling \$21,000. This amount is included in 'administration expenses' on the statement of profit or loss and other comprehensive income of the Group.			
<b>(c) Expenses arising from share-based payment transactions</b>			
Total expenses arising from share-based payment transactions recognised during the period were as follows:			
Shares issued to suppliers ('tenement acquisition and exploration expenses')	10	<b>30,000</b>	140,000
Shares issued to suppliers ('administration expenses')	10	-	21,000
		<b>30,000</b>	<b>161,000</b>
<b>21. COMMITMENTS</b>			
<b>Exploration commitments</b>			
The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:			
within one year		<b>54,225</b>	58,010
later than one year but not later than five years		<b>162,675</b>	232,040
		<b>216,900</b>	<b>290,050</b>
<b>22. PARENT ENTITY INFORMATION</b>			
The following information relates to the parent entity, Castle Minerals Limited, at 30 June 2019. The information presented here has been prepared using accounting policies consistent with those presented in note 1.			
Current assets		<b>339,932</b>	692,308
Non-current assets		<b>11,061</b>	13,829
<b>Total assets</b>		<b>350,993</b>	<b>706,137</b>
Current liabilities		<b>234,327</b>	135,344
<b>Total liabilities</b>		<b>234,327</b>	<b>135,344</b>
Contributed equity		<b>25,908,754</b>	25,878,754
Share-based payments reserve		<b>674,736</b>	674,736
Accumulated losses		<b>(26,466,824)</b>	(25,982,697)
<b>Total equity</b>		<b>116,666</b>	<b>570,793</b>
Loss for the year		<b>(484,127)</b>	(1,623,938)
<b>Total comprehensive loss for the year</b>		<b>(484,127)</b>	<b>(1,623,938)</b>

As detailed in note 14, there are contingent liabilities in respect to tenement acquisition agreements that the parent entity has entered or co-signed with a subsidiary entity, and contingent assets of the parent entity resulting from sale of a subsidiary.

## Directors' Declaration

In the directors' opinion:

- (a) the financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 23 to 40 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable;
- (c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2019, comply with Section 300A of the *Corporations Act 2001*; and
- (d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Stephen Stone  
Managing Director  
Perth, 26 September 2019

## INDEPENDENT AUDITOR'S REPORT

To the members of Castle Minerals Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Castle Minerals Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material uncertainty related to going concern section, we have determined there are no key audit matters to be communicated in our report.

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Castle Minerals Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO  


Phillip Murdoch

Director

Perth, 26 September 2019

## ASX ADDITIONAL INFORMATION

For the year ended 30 June 2019

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is shown below. All information is current as at 23 September 2019.

### Distribution of equity securities – ordinary shares

Spread of holdings	Number of holders	Ordinary shares held	% of issued ordinary shares
1 – 1,000	43	4,324	0.00%
1,001 – 5,000	68	199,772	0.09%
5,001 – 10,000	97	819,643	0.37%
10,001 – 100,000	297	12,984,490	5.81%
Over 100,000	169	209,587,747	93.74%
<b>Total holdings on Register</b>	<b>674</b>	<b>223,595,976</b>	

There were 421 holders of less than a marketable parcel or ordinary shares (calculated at 0.01 cents per share).

### Substantial Shareholders

These substantial shareholders have notified the Company in accordance with section 671B of the Corporations Act 2001:

Rank	Holder name	Ordinary shares held	% of issued capital
1	Azumah Resources Limited	27,725,024	12.39%
2	Stepstone Pty Ltd	23,202,193	10.37%

### Twenty largest shareholders

The names of the twenty largest shareholders of quoted ordinary shares are:

Holder name	Ordinary shares held	% of issued capital
Azumah Resources Limited	27,725,024	12.39%
Stepstone Pty Ltd	23,202,193	10.37%
William Henry Hernstadt	10,000,000	4.47%
Michael William Atkins	8,700,234	3.89%
George Alexander Bonney	8,100,000	3.62%
Danny Eu Huat Khoo	5,800,000	2.59%
Gotha Street Capital Pty Ltd	5,500,000	2.46%
Redstar Resources Limited	4,690,756	2.10%
Ian Richard Hobson	4,471,818	2.00%
Ausdrill International Pty Ltd	4,245,067	1.90%
J P Morgan Nominees Australia	4,045,663	1.81%
Michael Filan Ashforth	3,830,000	1.71%
Paul Amoako-Atta	3,784,644	1.69%
Rosane Pty Ltd	3,600,000	1.61%
Leet Investments Pty Limited	3,200,000	1.43%
Kim Tsung Brett	3,184,778	1.42%
Raccolto Investments Pty Ltd	3,000,000	1.34%
BNP Paribas Nominees Pty Ltd	2,792,050	1.25%
David Luke Morgan & Terepai Morgan	2,403,901	1.08%
Monarch Asset Management P/L	2,400,000	1.07%
<b>Total</b>	<b>134,676,128</b>	<b>60.20%</b>

## **ASX ADDITIONAL INFORMATION CONTINUED**

**For the year ended 30 June 2019**

### **Voting rights**

All ordinary shares are fully paid and carry one vote per share without restriction.

### **Unlisted Options**

6,000,000 unlisted options exercisable at 3 cents, expiring 30 November 2019. They carry no dividend or voting rights.

Number of holder - 3