

## Highlights

### ▪ New Directors and Management

On 18<sup>th</sup> January, three new directors were appointed to the Board and a new Company Secretary was appointed. The three incumbent directors resigned.

On 20<sup>th</sup> January the new Board informed shareholders that it would review the Company's Ghana operations and consider all options to grow the Company.

### ▪ Ghana Licences

Project tenure in Ghana continued to be reviewed with the general aim of consolidating licences around key target areas and minimising holding costs.

An Information Memorandum for the Kpali Gold Project was drafted and made available to prospective farm-in partners.

### ▪ Corporate

End of Quarter cash was \$0.30M and issued shares was 131M.

On 25<sup>th</sup> January a placement of 8,329,212 new ordinary shares at a price of \$0.009 to raise \$74,962.91 was made to Azumah Resources Limited.

Castle retains 1.0M shares in ASX listed Minquest (ASX: MNQ)(~\$10,000).

For further information please visit Castle website at [www.castleminerals.com](http://www.castleminerals.com) or contact:

#### **Stephen Stone**

Director

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Capital Structure  
Quoted Shares: 139.3 million  
Unlisted Options: 1.05m @ 40c

Board  
Michael Atkins  
Director

Stephen Stone  
Director

Ian Hobson  
Director and  
Company Secretary

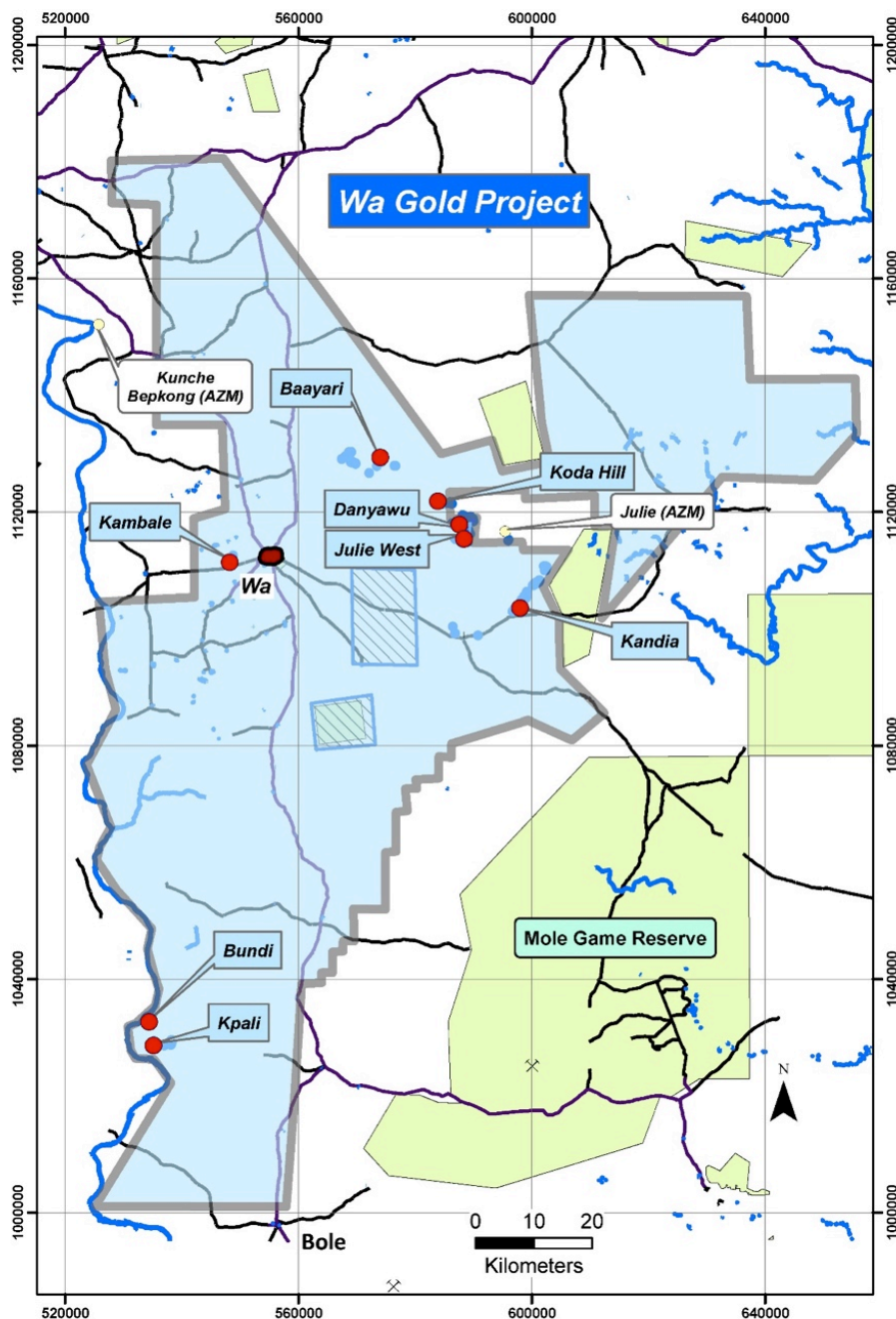
**About Castle:**

Castle Minerals listed on the Australian Stock Exchange in May 2006 (ASX code 'CDT'). It is one of the largest tenure holders in Ghana, West Africa, a country with a long history of gold mining and exploration. Castle's ~11,000km<sup>2</sup> ground position hosts five mineral projects; Akoko, Antubia, Bondaye, Opon Mansi (application) and Wa, with the latter itself comprising several Mineral Resources and numerous targets for evaluation.

The Wa and Akoko projects are 100% owned by Castle Minerals (subject to a Ghanaian Government right to a free-carried 10% interest). Bondaye and Opon Mansi are applications and the Akoko Project is subject to a sale agreement with London based Goldcrest Resources.

Castle's corporate objectives have been the exploration and development of its projects in Ghana and the acquisition and exploration of other mineral resource opportunities, particularly in West Africa.

**Castle's Wa Project tenure and prospect locations**



**Table 1: Castle Minerals Limited Licence Summary**

Tenement reference and location	Tenement Name	Interest at beginning of Quarter %	Interest at end of Quarter %
PL. 2/400 Antubia	Boizan	100	100 (Area reduced)
- Bondaye	Bondaye	Application	Application
PL. 2/398 Akoko	Akoko	100 <sup>#</sup>	100 <sup>#</sup>
PL. 2/425 Akoko	Akoko West	100	100
- Opon Mansi	Opon Mansi	Application	Application
- Wa	Wonachiyiri	Application	Application
RL. 10/23 Wa	Jang	100	100
PL. 10/13 Wa	Julie West	0 <sup>^</sup>	0 <sup>^</sup>
RL. 10/13 Wa	Wa	100	100
PL. 10/26 Wa	Degbiwu	100	100
PL. 10/23 Wa	Bulenga	100	100
PL. 10/25 Wa	Charingu	100	100
- Wa	Kandia	Application	Application
PL. 10/24 Wa	Baayiri	100	100
- Wa	Kunche Trend 1	Application	Application
- Wa	Kunche Trend 2	Application	Application
RL. 8/27 Wa	Gbinyiri	100	100
RL. 8/28 Wa	Gurungu	100	100
RL. 8/31 Wa	Jumo	100	100
RL. 8/30 Wa	Chasia	100	100
RL. 8/29 Wa	Perisi	100	100
- Wa	Funsi	Application	Application
PL. 10/47 Wa	Kambale	100	100

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

<sup>#</sup> A conditional sale agreement has been executed with Goldcrest Resources where Goldcrest may acquire a 100% interest in the Akoko Project.

<sup>^</sup> Put Option to sell the Julie West PL was executed in September 2015 and the put option was exercised in October 2015 to sell a 100% interest.

## 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 a 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.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

**Castle Minerals Limited**

ABN

83 116 095 802

Quarter ended ("current quarter")

31 December 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(21) - - (40)	(50) - - (100)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
• R&D tax concession	-	-
• Other	-	-
<b>Net Operating Cash Flows</b>	<b>(60)</b>	<b>(148)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- 1 -	250 30 -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>1</b>	<b>280</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(59)</b>	<b>132</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(59)	132
1.20	Cash at beginning of quarter/year to date	361	170
1.21	Exchange rate adjustments to item 1.20	-	
1.22	<b>Cash at end of quarter</b>	302	302

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	17
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	-
4.3 Production	-
4.4 Administration	240
<b>Total</b>	<b>270</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	221	280
5.2 Deposits at call	81	81
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>302</b>	<b>361</b>

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+ See chapter 19 for defined terms.

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	8 Kong Project PL's surrendered.		100%	Nil
	Antubia Prospecting Licence		100%	Nil
	Boizan PL area reduced		100%	100%
	Akoko PL	Conditional Sale Agreement to sell 100%	100%	100%
	Julie West PL	Sale agreement	100%	Nil
6.2 Interests in mining tenements and petroleum tenements acquired or increased				

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	130,992,519	130,992,519		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> (description)				

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> ( <i>description and conversion factor</i> )	1,050,000	-	<i>Exercise price</i> 40 cents	<i>Expiry date</i> 1 September 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Performance Rights</b>	2,000,000	-	<i>Expiry date</i> 22 November 2016	
7.12	Issued during quarter				
7.13	Exercised during quarter				
7.14	Expired/cancelled during quarter				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:

(Company secretary)

Date: 25 January 2016

Print name:

**Ian Hobson**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

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+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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