CASTILE RESOURCES LTD

ABN: 93 124 314 085

ANNUAL REPORT

For the Year Ended 30 June 2020

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DIRECTORS

Peter Cook	Non-Executive Chairman
Mark Hepburn	Managing Director
John Braham	Non-Executive Director
Jake Russell	Non-Executive Director

SECRETARY
Ben Secrett

REGISTERED & BUSINESS OFFICE
Level 7, 189 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9488 4480

WEBSITE & EMAIL
www.castile.com.au
info@castile.com.au

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000
Telephone: 1300 850 505
Telephone: +61 3 9415 4000
www.investorcentre.com/contact

AUDITORS
Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, London House
216 St Georges Terrace
Perth WA 6000

BANKERS
National Australia Bank
100 St Georges Terrace
Perth WA 6000

LEGAL ADVISER
Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING
Australian Securities Exchange
ASX Code: CST

Dear Shareholder

It is my pleasure to present you the inaugural annual report for Castile Resources Limited for the year ending 30 June 2020.

My involvement with the groups assets span more than 10 years and I think they are outstanding and capable of spawning the next series of new mines for the Northern Territory.

We listed in February 2020 with huge enthusiasm to immediately re-start the small amount of drilling required to enable the Rover 1 prospect to go to feasibility and evaluate our other near mine targets.

COVID-19 and the consequential lockdowns brought that to screaming halt and the rigs have sat idle for the remainder of the financial year. Nonetheless our teams progressed on with the many engineering and approval tasks required to enable the inevitable development at Rover 1 to go ahead.

Subsequent to year end we are back on the ground in late August and drilling in September, 2020.

I thank all of our shareholders have who have stuck with us since listing and in the ensuing year we will do our best to create you wealth from the unravelling our these fantastic IOCG opportunities in one of the new frontiers of Australian exploration.

Yours Sincerely

____

Peter Cook
Non-Executive Chairman

25 September 2020

On behalf of the Directors and Staff of Castile Resources Limited we would like to thank our shareholders for their ongoing support of our young Company. The ASX listing of Castile Resources Limited on February 14, 2020 has given the shareholders of the Company a fantastic opportunity to participate in the ongoing development and exploration of the Rover Mineral Field in the Northern Territory. The free in-specie distribution given to reward Westgold Resources Limited shareholders has meant they will also be along for the journey. The shareholders of Westgold Resources Limited can now enjoy the leverage to these remarkable assets now they are the sole focus of Castile's' financial resources and management. The investment community is very enthusiastic about Castile Resources as evidenced by the $20 million capital raising for the ASX listing to advance the prospects within the portfolio. Castile is pleased to have attracted and retained some very high calibre institutional shareholders onto the register to support the Company as it goes forward.

At this stage, the jewel in our crown is the highly advanced Rover 1Prospect which is a high grade Iron Oxide Copper Gold (IOCG) deposit typical of the rich Tennant Creek Goldfields. The majority of the funds raised will be concentrated on advancing this exciting project through to the development phase. However, the exploration and evaluation of the overall Rover mineral field is in its infancy with many outstanding tartgets still to be tested. Whilst Rover 1 is our intial focus history would suggest that it may just be one of many deposits hidden within the field.

The Company commenced development studies on the Rover 1 Prospect in March 2020 using the enormous amount of work completed by the previous owners including over 85,000m of drilling and other metallurgical and baseline studies. Rover 1 has a significant endowment of copper, gold and associated metals that aggregate into a high value project. The current overall rise in metal prices bode well for a strongly positive development situation.

The Company had planned a comprehensive drilling program for the 2020 field season. The program included high impact gold exploration targets and geotechnical drilling to include in our PFS. The program was due to commence on the Rover 1 Gold Prospect when the dry season began in April 2020. However, shutdowns resulting from the onset of the COVID-19 pandemic brought this to a halt and Castile was unable to begin the program.

During the period of shutdown, management focussed on ensuring all procedures and policies were in place to protect our employees and the wider community from the health risks of the pandemic. This allowed us to secure full approval of our COVID-19 Business Plan from the Chief Health Officer of the Northern Territory in early June 2020. As the June 2020 financial year ended we were in heavy consultation with the Central Land Council who are extremely supportive of our application to resume drilling. We expect to be on the ground in time to complete the full drilling program in 2020 and the Northern Territory Government were actively pursuing the mining industry to lead the Northern Territory out of the economic disaster.

The delays caused by the pandemic have allowed the Company time to interact and gain support with all levels of the Northern Territory (NT) Government. Castile Resources now has the full support of the Barkly Regional MLA, the NT Dept of Trade Business and Innovation, the NT Dept of Industry and Resources and the Office of the Chief Minister, The Honourable Michael Gunner. The Chief Minister will be attending a site visit to our Tennant Creek Core Yard in the first week of July 2020.

We aim to drive value for Castile shareholders with a "People First" approach. If we take care of our people and we have the very best people forming strategy, making decisions and executing the operations we will have a far greater chance of successfully developing our assets.

As a consequence of the delays our powder has remained dry and we haven't yet spent the funds on exploration activity as planned. That said, subsequent to the year end we are back on the ground with the drill bit turning. Our employees, stakeholders and shareholders are looking forward to the next ywith enormous anticipation as our Company works to deliver outstanding results from our Pre-Feasibility Study and our comprehensive gold exploration drilling program.

I would like to thank our employees and our Board of Directors for their tremendous support during these challenging times and I look forward to us delivering on the abundant potential within the Castile Resources portfolio.

Sincerely,

____

Mark Hepburn
Managing Director

25 September 2020

Your Directors submit the financial report of the Company for the year ended 30 June 2020.

DIRECTORS

The names of Directors who held office during or since the end of the year:

Name	Title
Peter Cook	Non-Executive Chairman (appointed 7 June 2011)
Mark Hepburn	Managing Director (appointed 29 November 2019)
John Braham	Independent Non-Executive Director (appointed 29 November 2019)
Jake Russell	Independent Non-Executive Director (appointed 28 November 2019)
Johannes Norregaard	Non-Executive Director (resigned 29 November 2019)

COMPANY SECRETARY

Name	Title
Ben Secrett	Company Secretary

PRINCIPAL ACTIVITIES

The principal activity of the Company is minerals exploration and mine development.

REVIEW OF RESULTS

The loss after tax for the year ended 30 June 2020 was $139,966 (2019: loss of $704,798).

The earnings of the Company for the past 3 years are summarised below:

	30 June 2020 $	30 June 2019 $	30 June 2018 $
Revenue	53,891	-	-
EBITDA	(350,685)	(2,433,986)	(5,149)
EBIT	(397,657)	(2,454,270)	(27,578)
Loss after income tax	(139,966)	(704,798)	(16,452)

The factors that are considered to affect total shareholders return are summarised below:

	30 June 2020 $	30 June 2019 $	30 June 2018 $
Share price at financial year end	0.16	N/A	N/A

CORPORATE

During the year the Company's corporate activities comprised preparation for and completion of its demerger from Westgold Resources Limited ("Westgold"), preparation and lodgement of a prospectus for an initial public offering, and preparation and lodgement of an application for admission to the official list of ASX.

During the year the following changes to the Company's Directors and Secretary took place:
- On 28 November 2019 Jake Russell was appointed as a Non-Executive Director of the Company.
- On 29 November 2019 Mark Hepburn was appointed as the Company's Managing Director, John Braham was appointed as a Non-Executive Director of the Company, and Johannes Norregaard resigned as a Non-Executive Director of the Company.
- On 29 November 2019 Ben Secrett was appointed as Secretary of the Company and David Okeby resigned as Secretary of the Company.

During the year the Company was a wholly owned subsidiary of Westgold until 3 December 2019. On that date the Company was de-merged from Westgold by way of an in-specie distribution of the Company's shares to Westgold shareholders on the basis of 1 share for every 4 Westgold shares held by a Westgold shareholder on the in-specie record date.

On 3 December 2019 the Company issued a prospectus dated 3 December 2019 to raise up to $19,968,861 before costs by way of a non-renounceable pro-rata entitlement offer of 1 new share for every 1 share held on the entitlement offer record date, and lodged an application for admission to the official list of ASX on 4 December 2019. The ASX listing was scheduled for February 2020. In the period between 4 December 2019 and 31 December 2019 Castile was funded by loan funds from Westgold Resources Limited.

The Company closed the initial public offering of fully paid ordinary shares under the prospectus dated 3 December 2019 and issued 99,844,305 shares at $0.20 each, raising gross proceeds of $19,968,861.

The Company was admitted to the official list of ASX Limited on 12 February 2020, and its 199,710,121 shares on issue commenced quotation on ASX on 14 February 2020.

OPERATIONAL REVIEW

As a result of COVID-19 restrictions and border lockdowns Castile was unable to complete any drilling on the Rover 1 Gold Project during the year. Management focus for the year since listing in February 2020 was to continue the Pre-Feasibility Study on the Rover 1 Gold Project and ensure our staff, contractors, procedures and facilities were in place to allow drilling to begin as quickly as possible once restrictions were lifted and the necessary permitting was in place.

The primary focus of the company since listing in February 2020 was planning and logistics for our drilling program under strict COVID-19 regulations. Castile is pleased to report that our staff, contractors and suppliers have responded to these challenging conditions, and given us a great runway into the upcoming gold exploration program that will begin in the next financial year.

Our drilling contractor, United Drilling, has been extremely co-operative, and will have the diamond core drill rig on site in early to mid-August as scheduled. Castile remains confident it will complete all exploration and resource definition drilling planned at Rover 1 in this 2020 field (dry) season, including testing of the gold exploration targets at Ganymede and the Western Deeps. The program will also include selected resource definition holes to assist with the Pre-Feasibility Study on the Rover 1 Gold deposit.

Work continued the Rover 1 Gold Project Pre-Feasibility Study (PFS) during the quarter. METS Engineering completed an initial metallurgical study which resulted in a proposed flowsheet for the processing plant. The METS report also recommended commissioning a report from industrial mineral experts Stratum Resources to assess the possibility of producing a coal washing magnetite product from waste ore. Castile expects the results from this report in the coming quarter.

The Company remained heavily engaged with the Northern Territory Government during the year as they plan to accelerate economic activity to recover from the COVID-19 pandemic. The resources sector is viewed as an important part of the recovery, and a report is expected in the coming months as to how the NT Government will directly assist mining and exploration companies going forward.

COVID-19 Impacts

The COVID-19 pandemic has meant that no drilling operations were executed during the 2020 Financial Year. Castile's COVID-19 Business Management Plan was submitted and fully approved by the NT Government. The Company returned to on-ground activities, including drilling, in August 2020 under the regulations and procedures of the COVID-19 Business Management Plan.

Being WA based, the current hard border in WA has complicated our ability to freely operate and manage our activity in the Northern Territory as we would have expected. However, our staff and contractors have found ways to make this work albeit at a temporary higher cost to our business.

PROJECTS

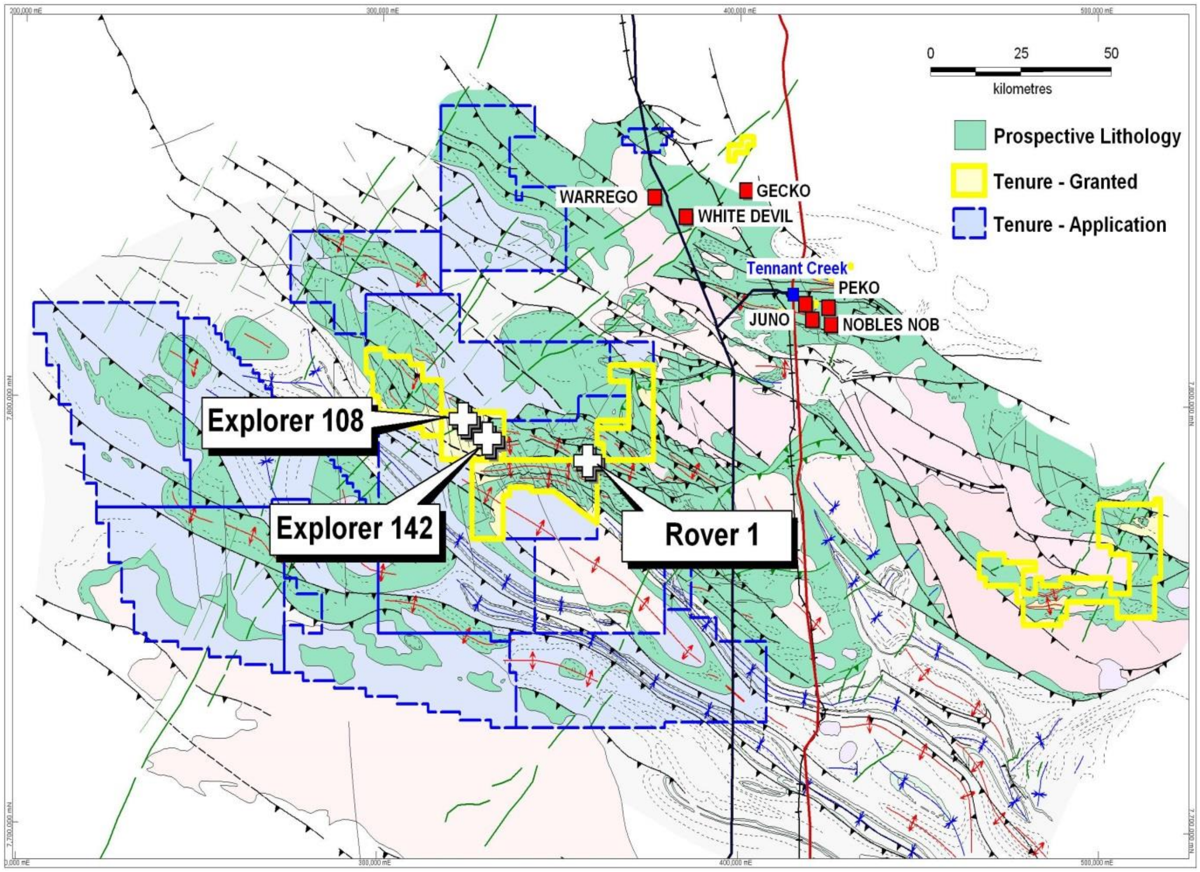
THE ROVER PROJECT

Executive Summary

The Rover Project is a postulated undercover repetition of the prolific Tennant Creek goldfield approximately 80km to its southwest. The project area is proximal to a major infrastructure corridor adjacent to Central Australian Railway, gas pipeline, the major Stuart Highway and the main regional centre of Tennant Creek.

Exploration to date has tested a number of coincident magnetic and gravity anomalies and have successfully discovered and evaluated IOCG (iron oxide copper-gold) at the Rover 1 and Explorer 142 Prospects.

At the Explorer 108 and Curiosity Prospects, approximately 40 km west-northwest of Rover 1, a further two polymetallic discoveries of mainly lead-zinc style mineralisation have been discovered.



Rover Project Location Map

<u>Rover 1 Gold Prospect – Works completed during the Year</u>

Rover 1 Engineering Report

Work on development studies commenced immediately after the Company's listing on the ASX. Mining Engineering studies have devised a conceptual mine design finalised based on the current resource model. This design is expected to evolve as additional drilling is completed. Site layout options were also considered, ahead of a final site layout being determined later in the year. Economic models are now being constructed to evaluate and compare Owner Mining with Contract Mining.

EcOz has been appointed as the Environmental Consultant for the PFS. EcOz were used by Westgold Resources to develop the Mine Management Plan submission for the Exploration Decline in 2012. Being familiar with the project, EcOz's existing knowledge will be leveraged to fast-track Hydrological and Waste Rock Characterisation studies which form part of mine permitting requirements. A request for quotation was sent to numerous Geotechnical Consultants to provide Ground Support Standards and Stoping Sequence requirements for the Underground Operations.

Rover Mineral Field Geology Works

Whilst the COVID-19 restrictions temporarily constrained on-ground access to Rover, Castile has remained active from a technical perspective, with a focus on the examination of datasets from the newly acquired ex. Adelaide Resources tenure.

Castile engaged expert industry geophysical consultants, Newexco, to undertake a review of the newly aggregated geophysical datasets available over the expanded Rover field. This work included the merging and re-gridding of magnetic and gravity datasets with select 3D inversion models to aid targeting.

A review of historic down-hole electromagnetic surveys (DHEM) completed at Explorer 108 and Explorer 142 in 2008 and 2009 has revealed several proximal anomalies that remain untested by drilling. The anomalies are long wavelength, late-time features as would be expected from large, distal massive sulphide bodies. Castile is encouraged by these results which increase the scope for exploration activities at these two deposits. The quality of data is not yet sufficient to derive a vector to source, but in nonetheless highly encouraging. Castile intends to revisit these holes and re-survey with modern instruments and refined loop designs as part of its work program during the year.

<u>WARUMPI PROJECT</u>

The Company's tenement package also includes the Warumpi Project which is a highly prospective grass-roots exploration project located approximately 300 km west of Alice Springs and approximately 500 km southwest of the Rover Project. Activities at Warumpi were limited for the year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company was admitted to the official list of ASX Limited on 12 February 2020, and its 199,710,121 shares on issue commenced quotation on ASX on 14 February 2020. The COVID-19 pandemic has delayed drilling during the 2020 calendar year field season. Other than the developments reported here and elsewhere in this report there were no significant changes in the state of affairs of the Company during the financial year ended 30 June 2020.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

There are no likely developments of which the Directors are aware other than that disclosed in this report which could be expected to significantly affect the results of the Company's operations in subsequent financial periods not otherwise disclosed in the 'Principal activities' and 'Review of operations' or the 'Significant events after the balance date' sections of the Directors' report.

The Directors' note that subsequent to the end of the financial year the Company has commenced on-ground exploration activities, including commencing the Rover 1 Gold Project drilling program.

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

The Directors' qualifications and experience are set out below.

Current Directors

Director	Details
Peter Cook	
Qualifications	BSc (Applied Geology), MSc (Min. Econ), WASM, MAusIMM
Position	Non-Executive Chairman
Appointment Date	7 June 2011
Resignation Date	N/A
Length of Service	9 years
Biography	Mr Cook has over 35 years experience in the fields of exploration, project, operational and corporate management of mining companies.
Committee Memberships	Member of Board in its capacity as Audit and Risk Management Committee Member of Board in its capacity as Nomination and Remuneration Committee
Other Current Directorships	Westgold Resources Limited
Former ASX Listed Directorships	Nelson Resources Limited
Mark Hepburn	
Qualifications	B.Econ. & Fin, AICD
Position	Managing Director
Appointment Date	29 November 2019
Resignation Date	N/A
Length of Service	7 months
Biography	Mr Hepburn has significant experience in the management and corporate development of public companies, their interaction with small, institutional investors and their servicing through communication, promotion and management. Mark brings substantial market aptitude and the critical marriage between the risk aspects of exploration and development, with the intricacies of capital markets.
Committee Memberships	N/A
Other Current Directorships	Mali Lithium Limited
Former ASX Listed Directorships	Sihayo Resources Limited

John Braham	
Qualifications	
Position	Non-Executive Director (Independent)
Appointment Date	29 November 2019
Resignation Date	N/A
Length of Service	7 months
Biography	Mr Braham is an experienced Mining Finance and Investment professional having a 24 year career with Macquarie Bank until 2017. For the last 11 years of his service he was an Executive Director and co-head of Macquarie's Global Mining and Finance Division. Mr Braham has vast experience in the provision of debt and equity to mining, exploration and development companies, worldwide. Mr Braham brings Castile a set of finance and corporate skills to greatly assist with its future financing and development needs.
Committee Memberships	Member of Board in its capacity as Audit and Risk Management Committee Member of Board in its capacity as Nomination and Remuneration Committee
Other Current Directorships	Equus Mining Limited
Former ASX Listed Directorships	None
Jake Russell	
Qualifications	B.Sc. (Hons) MAIG
Position	Non-Executive Director (Independent)
Appointment Date	28 November 2019
Resignation Date	N/A
Length of Service	7 months
Biography	Mr Russell is a geologist with circa 20 years of experience in exploration, mining, resource development and management. He is currently the group Chief Geologist of Westgold Resources Limited and prior to its demerger from Metals X Limited, he was the Group Chief Geologist of Metals X Limited. Mr Russell brings Castile a second to none knowledge of the assets of Castile and a high degree of technical expertise in their exploration, resource development and exploitation.
Committee Memberships	Member of Board in its capacity as Audit and Risk Management Committee Member of Board in its capacity as Nomination and Remuneration Committee
Other Current Directorships	None
Former ASX Listed Directorships	None

Former Directors

Johannes Norregaard	
Qualifications	B.Eng (Mining) WASM, MAusIMM
Position	Non-Executive Director
Appointment Date	29 December 2016
Resignation Date	29 November 2019
Length of Service	2 years, 11 months
Biography	Mr Norregaard has over 30 years of corporate and mine management experience in base metal and gold operations across Australia, Canada and South East Asia.
Committee Memberships	N/A
Other Current Directorships	Westgold Resources Limited
Former ASX Listed Directorships	None

COMPANY SECRETARY

Current Company Secretary

Company Secretary	Details
Ben Secrett	
Qualifications	BEc, JD, GradDip AppCorpGov
Position	Company Secretary
Appointment Date	29 November 2019
Resignation Date	N/A
Biography	Mr Secrett has over 10 years' experience providing corporate advisory, legal, risk and governance services to Australian and foreign listed and unlisted entities, having worked as a corporate lawyer and a Principal Adviser in ASX Listings Compliance. Ben has a comprehensive knowledge of the Corporations Act, ASX listing rules, the JORC Code and the Petroleum Resource Management System, and extensive experience in IPOs and capital raisings, backdoor listings, transaction structuring, and corporate governance and compliance.

Former Company Secretary

Company Secretary	Details
David Okeby	
Position	Company Secretary
Appointment Date	1 December 2016
Resignation Date	29 November 2019
Biography	Mr Okeby has significant legal, contractual, administrative and corporate experience in the mining industry. Mr Okeby brings skills in governance, stakeholder relations and corporate activities including mergers, acquisitions and disposals.

MEETINGS OF DIRECTORS

The number of meetings held during the year and the number of meetings attended by each Director was as follows:

	Board	Audit & Risk Committee	Nomination Committee	Remuneration Committee
Number of Meetings Held	**2**	**N/A**	**N/A**	**N/A**
Number of Meetings Attended:				
Peter Cook	2	N/A	N/A	N/A
Mark Hepburn[1]	2	N/A	N/A	N/A
John Braham[2]	2	N/A	N/A	N/A
Jake Russell[3]	2	N/A	N/A	N/A
Johannes Norregaard[4]	-[5]	N/A	N/A	N/A

The Company does not have an Audit, Remuneration or Nomination Committee with the full Board carrying out the functions that would otherwise be dealt with by such Committees. All Directors were eligible to attend all Board Meetings held when they were in office.

SHARE OPTIONS

As at the date of this report:

No. Options	Exercise Price	Expiry Date	Listed / Unlisted
2,000,000	$0.25	26-Nov-22	Unlisted

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

No shares as a result of the exercise of the options were issued as at the date of this report.

[1] Appointed 29 November 2019.
[2] Appointed 29 November 2019.
[3] Appointed 28 November 2019.
[4] Resigned 29 November 2019.
[5] No Board Meetings were held while Mr Norregaard was in office during the reporting period.

DIRECTORS' INTERESTS AND BENEFITS

The movement during the reporting year in the number of ordinary shares of the Company and the number of options over ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

Director	No. Shares Held at 30 June 2020	No. Shares Held at Date of this Report	No. Options Held at 30 June 2020	No. Options Held at Date of this Report
Peter Cook				
Directly	3,377,783	3,377,783	-	-
Indirectly	7,017,334	7,017,334	-	-
Mark Hepburn[6]				
Directly	-	-	-	-
Indirectly	500,000	500,000	2,000,000	2,000,000
John Braham[7]				
Directly	275,911	275,911	-	-
Indirectly	-	-	-	-
Jake Russell[8]				
Directly	-	-	-	-
Indirectly	-	-	-	-
Johannes Norregaard[9]				
Directly	-	-	-	-
Indirectly	-	-	-	-
Total	**11,171,028**	**11,171,028**	**2,000,000**	**2,000,000**

REMUNERATION REPORT

<u>Introduction</u>

The Directors present the Remuneration Report for the Company for the year ended 30 June 2020. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

[6] Appointed 29 November 2019.
[7] Appointed 29 November 2019.
[8] Appointed 28 November 2019.
[9] Resigned 29 November 2019.

The current Directors of the Company are considered to be the Key Management Personnel of the Company, being:

Name	Appointment Date
Peter Cook	7 June 2011
Mark Hepburn	29 November 2019
John Braham	29 November 2019
Jake Russell	28 November 2019

Remuneration Policy

The remuneration policy of the Company has been designed to align KMP objectives with Shareholders' interests and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best KMP to run and manage the Company, as well as create goal congruence between Directors, Executives and Shareholders.

Executive Directors and Key Management Personnel

The Board's policy for determining the nature and amount of remuneration for Executive Directors and Key Management Personnel of the Company was in place for the year ended 30 June 2020. There was no performance evaluation performed during the year due to the Company's infancy. The Board has agreed to conduct its first performance review in the next financial year. Executive Directors and KMP are remunerated to execute the Company's business and exploration objectives, and the Board may consider the award of cash or equity remuneration linked to performance milestones.

Non-Executive Directors

The Board's policy is to remunerate Non-Executive Directors based on market practices, duties and accountability, and not to award options or performance rights to Non-Executive Directors. Independent external advice is sought when required. The fees paid to Non-Executive Directors will be reviewed annually. 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 ("AGM"). The maximum aggregate amount of fees payable has been set at $300,000pa.

Use of Remuneration Consultants

To ensure the Remuneration Committee (of which the function is performed by the Board as a whole at this stage) is fully informed when making remuneration decisions, it may seek external remuneration advice. The Board did not engage external remuneration advice in 2020.

Remuneration Report Approval at FY2020 AGM

The remuneration report for the year ended 30 June 2020 will be put to shareholders for approval at the Company's AGM which will be held during November 2020. The Company has not previously held an AGM as a public listed entity and as such no remuneration report has been considered at a previous AGM.

Details of Remuneration

Details of remuneration of the Directors and KMP of the Company (as defined by AASB 124 Related Party Disclosures) and specified executives are set out below:

		Fixed				STI	LTI	Total	Proportion of Remuneration		
	Year	Salary fees and leave $	Other Fees $	Super-annuation $	Share Based Payments $	Incentive Payments $	Fair value of Share Options (equity settled) $	$	Fixed %	STI %	LTI %
Executive and Non-Executive Directors											
Peter Cook	2020	**20,000**	**-**	**-**	**-**	**-**	**-**	**20,000**	**100%**	**-**	**-**
	2019	-	-	-	-	-	-	-	-	-	-
Mark Hepburn[10]	2020	**112,500**	**103,200**	**10,687**	**64,599**[11]	**-**	**-**	**290,986**	**100%**	**-**	**-**
	2019	-	-	-	-	-	-	-	-	-	-
John Braham[12]	2020	**13,699**	**-**	**1,301**	**-**	**-**	**-**	**15,000**	**100%**	**-**	**-**
	2019	-	-	-	-	-	-	-	-	-	-
Jake Russell[13]	2020	**13,699**	**-**	**1,301**	**-**	**-**	**-**	**15,000**	**100%**	**-**	**-**
	2019	-	-	-	-	-	-	-	-	-	-
Johannes Norregaard[14]	2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019	-	-	-	-	-	-	-	-	-	-
Total Remuneration	2020	**159,898**	**103,200**	**13,289**	**64,599**	**-**	**-**	**340,986**	**100%**	**-**	**-**
	2019	-	-	-	-	-	-	-	-	-	-

Service Agreements

The Company has entered into an employment agreement with Mark Hepburn on the following material terms:

- Position: Managing Director.
- Commencement Date: 29 November 2019.
- Term: Until agreement is validly terminated.

[10] Appointed 29 November 2019.
[11] On 26 November 2019 the Company granted 2,000,000 unlisted $0.25 options expiring 26 November 2022 to a related party of Mark Hepburn as part of his remuneration, valued at $230,000.
[12] Appointed 29 November 2019.
[13] Appointed 28 November 2019.
[14] Resigned 29 November 2019.

- Notice period: Either party may terminate the agreement without cause by providing the other party with no less than 3 months' notice in writing, or by payment of the Company to Mark Hepburn of 3 months' salary in lieu of such notice, as the case may be. The Company may terminate the agreement by summary notice to Mr Hepburn with cause in circumstances considered standard for agreements of this nature in Australia, including serious or persistent breaches of the agreement, grave misconduct or wilful neglect in the discharge of his duties under the agreement.
- Salary: Upon the Company listing on the Official List, Mr Hepburn receives a salary of $300,000 per annum (exclusive of statutory superannuation). Prior to listing, Mr Mark Hepburn will had an hourly rate of $150 per hour up to a maximum of $1,200 per day (whichever is the greatest). Mark Hepburn has also been issued 2,000,000 options
- Expenses: The Company will reimburse Mark Hepburn for all reasonable expenses incurred by him in the performance of his duties in connection with the Company.
- Leave: The agreement otherwise contains leave entitlements, termination and confidentiality provisions and general provisions considered standard for an agreement of this nature.

The Company has entered into agreements with its Non-Executive Directors. Remuneration has been agreed as follows:

Director	Annual Remuneration inclusive of Superannuation
Peter Cook	$80,000
John Braham	$60,000
Jake Russell	$60,000
Total	**$200,000**

<u>Cash Bonuses included in Remuneration</u>

There were no cash bonuses issued during the year ended 30 June 2020.

<u>Share Based Payments Granted as Compensation</u>

The options were granted as compensation during the year ended 30 June 2020 are detailed on the following page.

The Directors' interests in the Company's securities can be found within the Directors' Report on page 14.

The following table sets out the details of unlisted share option movements during the year ended 30 June 2020:

	Balance at 30 June 2019	Granted	Exercised	Net Other Change	Balance at 30 June 2020	Vested and Unexercised at 30 June 2020
Executive and Non-Executive Directors						
Peter Cook	-	-	-	-	-	-
Mark Hepburn[15]	-	2,000,000	-	-	2,000,000	-
John Braham[16]	-	-	-	-	-	-
Jake Russell[17]	-	-	-	-	-	-
Johannes Norregaard[18]	-	-	-	-	-	-
Total	**-**	**2,000,000**	**-**	**-**	**2,000,000**	**-**

Loans to Director and and their related parties
No loans have been made to any Director or any related parties during the year ended 30 June 2020.

Other transactions with related parties
During the reporting year, there were the following related party transactions:

- Subsequent to the de-merger from Westgold Resourced Limited (former parent entity) from 3 December 2019, a total of $653,779 plus GST was incurred/paid in relation to reimbursement of costs.

End of Audited Remuneration Report.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to payment of dividends.

[15] Appointed 29 November 2019.
[16] Appointed 29 November 2019.
[17] Appointed 28 November 2019.
[18] Resigned 29 November 2019.

CORPORATE GOVERNANCE STATEMENT

The Company and its Board of Directors are committed to achieving and demonstrating high standards of corporate governance. The Company has adopted (where suitable for its circumstances) the Corporate Governance Principles and Recommendations (Third Edition) published by the ASX Corporate Governance Council. The Company has reviewed its corporate governance practices against the Third Edition for the financial year ended 30 June 2020. The Council released the Fourth Edition in February 2019, effective for financial years beginning on or after 1 January 2020, and the Company will report against the Fourth Edition for the financial year ending 30 June 2021.

The Company's 2020 Corporate Governance Statement reflects its corporate governance practices for the financial year ended 30 June 2020 and was approved by the Board on 25 September 2020. The Company's 2020 Corporate Governance Statement and Corporate Governance Plan are available on its website at www.castile.com.au.

ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

The Company is an explorer and developer of polyetallic metals and is subject to risks that the commodity price fluctuations could render its exploration activities ineffective. Fortunately commodity prices have risen during the year and the commodities explored for are in strong demnd in international markets. The Company remains in a strong financial position to achieve its exploration and development objectives.

The December 2019 prospectus disclosed the risks that may have a material impact on its financial performance and the market price for its shares. This disclosure included possible material exposure to a decline in economic conditions and the general economic outlook. The Company recognises that the COVID-19 pandemic has and may continue to have a negative impact on the Australian and global economies, and has and may continue to have a negative impact on the Company's ability to conduct operations given government imposed travel restrictions.

The Company's exposure to environmental risk relates to its operation of exploration and future mining in the area of its major prospects and ensuring its activities have no material impact on the environment where they occur. In 2012, an Environmental Study was conducted over the Rover 1 area which concluded that no rare, endangered tor vulnerable species were found, however there were several threatened speces known to exist in the greater region.

The Company is subject to significant environmental monitoring requirements in respect of its exploration activities and the Directors confirm theay are unaware of any breaches of these.

The Company at times requires approvals, consents and permits from the the Traditional Owners of the country on which the Company's projects are located) and the NT Government in respect of tenure and to conduct operations. The Company values its relationship with the Traditional Owners and the local community, and is implementing a number of social and community programs to maintain and develop these relationships, and ensure continued engagement between all parties.

EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial years other than the following (some of which are also disclosed elsewhere in the Directors' Report):

- During July and August 2020 the Company received the required permits from the Central Land Access for personnel and equipment to access the Rover 1 Gold Project area, and mobilised personnel and equipment to site in August 2020.

- On 22 August 2020 the Company commenced its Rover 1 Gold Project exploration drilling program. The Company will release results of this drilling program to the ASX as assays are received.

- On 1 September 2020 the Company announced that it had established a less than a marketable parcel share sale facility, under which any less than a marketable parcel holding of Castile Shares on the record date of 28 August 2020 (1,851 Castile Shares or fewer) would be sold on behalf of the holders if they do not elect to retain their holding by no later than 19 October 2020. The proceeds of sale under the facility will be remitted to holders.

INDEMNITY AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has indemnified, to the extent permitted by law, the Directors and officers of the Company against any liability incurred by a Director or officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of that officer's duties. No amount was paid pursuant to these indemnities during the financial year, nor subsequently to the date of this Annual Report.

During the financial year the Company paid, as permitted by law, a premium in respect of a contract to insure the Directors and officers of the Company against a liability (including legal costs) incurred by a Director or officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of that officer's duties. Under the terms of that contract, the details of the nature and extent of the liabilities insured against and the amount of premiums paid are confidential.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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 part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company pursuant to section 236 with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 5 to the financial statements. The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are of the opinion that the services as disclosed in Note 5 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocates for the Company or jointly sharing economic risks and rewards.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2020 has been received and is included within the financial statements.

AUDITOR

Bentleys Audit & Corporate (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2) of the Corporation Act 2001 and is signed for and on behalf of the Directors.

____

Peter Cook
Non-Executive Chairman

25 September 2020

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the audit of the financial statements of Castile Resources Ltd for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

Bentleys	*Doug Bell*
BENTLEYS	**DOUG BELL** CA
Chartered Accountants	**Partner**

Dated at Perth this 25th day of September 2020

Member of Allinial GLOBAL
An association of legally independent firms

A member of Bentleys, a network of independent accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities and not in Partnership. Liability limited by a scheme approved under Professional Standards Legislation.

Advisors
Accountants
Auditors

	Note	30 June 2020 $	30 June 2019 $
Revenue	3	**53,891**	-
Accounting fees		**(53,308)**	-
Compliance fees		**(119,875)**	(263)
Consultancy fees		**(47,710)**	-
Depreciation: other assets	10	**(32,136)**	(20,284)
Depreciation: right of use assets	11	**(14,836)**	-
Directors' remuneration		**(163,687)**	-
Exploration expenditure written off	12	**(20,584)**	(2,429,834)
Insurance expense		**(35,707)**	-
Interest expense: lease liability		**(1,909)**	-
IT expenses		**(24,236)**	-
Legal fees		**(18)**	-
Loan forgiveness	14	**250,114**	-
Marketing expense		**(13,910)**	-
Occupancy expenses		**(10,571)**	-
Other expenses		**(56,239)**	(3,889)
Share based payments expense		**(64,599)**	-
Staff expenses		**(20,497)**	-
Travel expenses		**(23,749)**	-
Profit/(loss) before tax		**(399,566)**	(2,454,270)
Income tax benefit/(expense)	4	**259,600**	1,749,472
Net profit/(loss) for the year from operations		**(139,966)**	(704,798)
Other comprehensive income		**-**	-
Total comprehensive profit/(loss)for the year		**(139,966)**	(704,798)
Basic and diluted profit/(loss) per share (cents)	6	**(0.1)**	(35,239,900)

The accompanying notes form part of these financial statements.

	Note	30 June 2020 $	30 June 2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	**17,210,016**	4,474
Trade and other receivables	8	**31,316**	578,725
Other assets	9	**27,775**	-
Total Current Assets		**17,269,107**	583,199
Non-Current Assets			
Other assets	9	**447,647**	63,342
Property, plant and equipment	10	**315,867**	206,966
Right of use assets	11	**162,856**	-
Exploration and evaluation assets	12	**17,435,858**	15,981,491
Total Non-Current Assets		**18,362,228**	16,251,799
Total Assets		**35,631,335**	16,834,998
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**178,465**	216
Borrowings	14	**49,080**	-
Employee obligations	15	**28,060**	-
Total Current Liabilities		**255,605**	216
Non-Current Liabilities			
Borrowings	14	**118,634**	-
Deferred tax liability	4	**3,394,235**	3,841,624
Total Non-Current Liabilities		**3,512,869**	3,841,624
Total Liabilities		**3,768,474**	3,841,840
Net Assets		**31,862,861**	12,993,158
EQUITY			
Contributed equity	16	**18,945,072**	2
Reserves	17	**64,599**	-
Retained earnings		**12,853,190**	12,993,156
Total Equity		**31,862,861**	12,993,158

The accompanying notes form part of these financial statements.

	Contributed Equity $	Share Based Payments Reserve $	Retained Earnings $	Total $
Balance at 1 July 2019	**2**	**-**	**12,993,156**	**12,993,158**
Equity issues	19,968,861	-	-	-
Equity issue expenses (tax adjusted)	(1,023,791)	-	-	(1,023,791)
Share based payments	-	64,599	-	64,599
Profit/(loss) for the year	-	-	(139,966)	(139,966)
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the year	-	-	(139,966)	(139,966)
Balance at 30 June 2020	**18,945,072**	**64,599**	**12,853,190**	**31,862,861**
Balance at 1 July 2018	**2**	**-**	**13,697,954**	**13,697,956**
Profit/(loss)for the year	-	-	(704,798)	(704,798)
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the year	-	-	(704,798)	(704,798)
Balance at 30 June 2019	**2**	**-**	**12,993,156**	**12,993,158**

The accompanying notes form part of these financial statements.

	Note	30 June 2020 $	30 June 2019 $
Cash flows from operating activities			
Payments to suppliers and employees		**(164,741)**	(3,122)
Interest received		**46,579**	-
Interest paid: leases		**(1,909)**	-
Payments for tenement and other deposits		**(384,305)**	-
Net cash used in operating activities	18	**(504,376)**	(3,122)
Cash flows from investing activities			
Payments for property, plant and equipment		**(141,037)**	-
Payment for exploration and evaluation assets		**(515,638)**	(313,081)
Payments for tenement acquisitions	12	**(682,180)**	-
Net cash from/(used in) investing activities		**(1,338,855)**	(313,081)
Cash flows from financing activities			
Proceeds from equity issues		**19,968,861**	-
Payment for costs of equity issues		**(1,347,093)**	-
Proceeds from borrowings		**1,156,008**	315,735
Repayment of borrowings		**(729,003)**	-
Net cash (used in)/provided from financing activities		**19,048,773**	315,735
Net increase/(decrease) in cash held		**17,205,542**	(468)
Cash and cash equivalents at beginning of the year		**4,474**	4,942
Cash and cash equivalents at year end	7	**17,210,016**	4,474

The accompanying notes form part of these financial statements.

1. *Corporate information*

This annual report covers Castile Resources Limited (the "Company"), a company incorporated in Australia for the year ended 30 June 2020. The presentation currency of the Company is Australian Dollars ("$"). A description of the Company's operations is included in the review and results of operations in the Directors' Report. The Directors' Report is not part of the financial statements. The Company is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code "CST". The financial statements were authorised for issue on 25 September 2020 by the Directors. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

2. *Accounting policies*

a. Basis of preparation

The general purpose financial statements of the Company have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost base. It is recommended that the annual financial report be considered together with any public announcements made by the Company up to the issue date of this report, which the Company has made in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001.* The financial statements have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities.

b. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

c. Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2. *Accounting policies (continued)*

d. Significant management judgement in applying accounting policies and estimate uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

i. Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

ii. Leases – incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

iii. Share based payment transactions

The Company 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 of the options issued are determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

e. New or amended Accounting Standards and Interpretations adopted

In the year ended 30 June 2020, the Company has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting year. It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Company accounting policies, with the exception of AASB 16 Leases.

AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss.

Impact of adoption

There were no leases held at the date of initial application, 1 July 2019.

f. Standards and Interpretations on issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue not yet adopted for the year ended 30 June 2020. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted on the Company and therefore no change is necessary to Company accounting policies.

	30 June 2020 $	30 June 2019 $
3. *Revenue*		
Interest revenue	**53,891**	-
	53,891	-

Accounting policy:
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

4. *Income tax benefit/(expense)*

	30 June 2020 $	30 June 2019 $
a. Major components of income tax expense:		
Statement of profit or loss and other comprehensive income: current income tax benefit	**-**	165,934
Deferred income tax – relating to origination and reversal fo temporary differences in current year	**259,600**	1,583,538
Income tax benefit/(expense)	**259,600**	1,749,472
b. A reconciliation of income tax benefit and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:		
Profit/(loss) before tax	**399,566**	2,454,270
At statutory income tax rate of 30% (2019: 30%)	**119,870**	736,281
Non-deductible expenses (non-assessable income)	**59,117**	-
Adjustments in respect of previous year	**(213)**	1,013,191
Capital raising costs	**80,826**	-
	259,600	1,749,472

4. *Income tax benefit/(expense) (continued)*

c. Deferred income tax relates to the following:

	Statement of Financial Position		Statement of Profit or Loss and Other Comprehensive Income	
	30 June 2020 $	30 June 2019 $	30 June 2020 $	30 June 2019 $
Deferred tax liabilities				
Trade and other receivables	**(2,193)**	-	**(2,193)**	-
Other assets	**(8,333)**	-	**(8,333)**	-
Exploration and evaluation assets	**(4,110,053)**	(3,799,303)	**(310,750)**	1,577,639
Property, plant and equipment	**(57,672)**	(42,321)	**(15,351)**	5,899
Gross deferred tax liabilities	**(4,178,251)**	(3,841,624)		
Deferred tax assets				
Trade and other payables	**4,680**	-	**4,680**	-
Employee obligations	**8,418**	-	**8,418**	-
Right of use assets	**651**	-	**651**	-
Business related costs – profit/loss	**1,200**	-	**1,200**	-
Business related cost - equity	**323,302**	-	**-**	-
Tax losses	**445,765**	-	**581,278**	165,934
Gross deferred tax assets	**784,016**	-		
Net deferred tax liabilities	**(3,394,235)**	(3,841,624)		
Deferred income tax benefit/(expense)			**259,600**	1,749,472

d. Unrecognised losses

At 30 June 2020, there were no unrecognised losses for the Company (2019: Nil).

Accounting policy:

Income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss.

4. ***Income tax benefit/(expense) (continued)***

Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided for using the full liability balance sheet approach. The tax rates and tax laws used to compute the amount of deferred tax assets and liabilities are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable profits.

Deferred tax liabilities are recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or tax loss); and
- taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, including carry-forward tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised except when:

- the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or tax loss); and
- the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures and it is not probable that the temporary difference will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets and deferred tax liabilities are reassessed at each reporting date and are recognised to the extent that they satisfy the requirements for recognition. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. Income taxes relating to transactions recognised outside profit and loss (for example, directly in other comprehensive income or directly in equity) are also recognised outside profit and loss.

4. *Income tax benefit/(expense) (continued)*

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

	30 June 2020 $	30 June 2019 $
5. *Auditor's remuneration*		
Audit of the financial statements: Bentleys Audit & Corporate (WA) Pty Ltd	**37,998**	-
Investigating accountant's report for prospectus: Bentleys Audit & Corporate (WA) Pty Ltd	**34,758**	-
	72,756	-

	30 June 2020	30 June 2019
6. *Earnings per share*		
Basic and diluted profit/(loss) per share (cents per share)	**(0.1)c**	(35,239,900)c
Net profit/(loss) attributable to ordinary shareholders ($)	**$(139,966)**	$(704,798)
	Shares	**Shares**
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	**98,793,366**	2

6. *Earnings per share (continued)*

Accounting policy:
Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit attributable to members of the parent adjusted for:

- cost of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares; adjusted for any bonus element.

	30 June 2020 $	30 June 2019 $
7. *Cash and cash equivalents*		
Cash at bank	**2,210,016**	4,474
Term deposits	**15,000,000**	-
	17,210,016	4,474

Accounting policy:
Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and shortterm deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. *Trade and other receivables*

	30 June 2020 $	30 June 2019 $
Accrued interest revenue	**7,311**	-
GST receivable	**24,005**	22
Loan – Westgold Resources Limited[19]	**-**	578,703
	31,316	578,725

Trade and other receivables are non-interst bearing and are generally receivable within 3 months. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

[19] Refer to Note 14.

8. *Trade and other receivables (continued)*

Accounting policy:
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. This category generally applies to trade and other receivables. Trade and other receivables are generally due for settlement within no more than 30 days from the date of recognition. Due to their current nature, the carrying amount of trade and other receivables approximates fair value. The carrying amount of trade and other receivables is reduced through the use of an allowance account and the loss is recognised in the profit or loss.

	30 June 2020 $	30 June 2019 $
9. *Other assets*		
Current		
Prepaid expenses	**27,775**	-
	27,775	-
Non-Current		
Tenement and other deposits	**447,647**	63,342
	447,647	63,342

10. *Plant and equipment*

	30 June 2020 $	30 June 2019 $
Opening written down value at beginning of year	**206,966**	227,250
Additions	**141,037**	-
Disposals	**(70,473)**	-
Accumulated depreciation on disposals	**70,473**	-
Depreciation	**(32,136)**	(20,284)
Closing written down value at end of year	**315,867**	206,966

10. *Plant and equipment (continued)*

Accounting policy:
Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, or where appropriate, over the estimated life of the mine. Major depreciation periods are:

- Mine specific plant and equipment is depreciated using – the shorter of life of mine and useful life. Useful life ranges from 2 to 25 years.
- Buildings – the shorter of life of mine and useful life. Useful life ranges from 5 to 40 years.
- Office plant and equipment is depreciated at 20% per annum for computers, office machines and other office equipment and furniture.

Impairment
The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the year the item is derecognised.

11. *Right of use assets*

	30 June 2020 $	30 June 2019 $
Balance at beginning of year[20]	**-**	-
AASB 16 lease recognition	**177,692**	-
Depreciation	**(14,836)**	-
Balance at end of year	**162,856**	-

[20] The office & car parking lease agreement commenced on 1 March 2020 for a term of 2 years and an option to extend for 2 years. The discount rate (incremental borrowing rate) applied is 3.53%. The photocopier lease agreement commenced on 25 May 2020 for a term of 3 years. The discount rate (incremental borrowing rate) applied is 3.53%.

11. *Right of use assets (continued)*

Accounting policy:
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease lia bilities.

	30 June 2020 $	30 June 2019 $
12. *Exploration and evaluation assets*		
Balance at beginning of year	**15,981,491**	18,098,244
Acquisition of tenements[21]	**682,180**	-
Exploration and evaluation expenditure incurred during the year	**792,771**	313,081
Write-off	**(20,584)**	(2,429,834)
Balance at end of year	**17,435,858**	15,981,491

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

[21] During the period the Company acquired the tenements adjacent to the Rover 1 project for a consideration of $650,000 with associated stamp duty costs of $32,180.

12. *Exploration and evaluation assets (continued)*

Accounting policy:
Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and:

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit and loss or provided against.

<u>Impairment</u>
The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Company no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when the new information becomes available.

13. *Trade and other payables*

	30 June 2020 $	30 June 2019 $
Accrued expenses	**41,306**	-
Employee payables	**71,600**	-
Trade payables[22]	**65,559**	216
	178,465	216

Accounting policy:
Trade and other payables amounts represent liabilities for goods and services provided to the entity prior to the end of the year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of invoice.

[22] Trade payables are non-interest bearing and are normally settled on 30 day terms. All amounts are short-term. The net carrying value of trade payables is considered a reasonable approximation of fair value.

	30 June 2020 $	30 June 2019 $
14. *Borrowings*		
Current		
Westgold Resources Limited balance payable at date of de-merger[23]	**250,114**	-
Loan forgiveness	**(250,114)**	-
Lease liabilities	**46,391**	-
Other	**2,689**	-
	49,080	-
Non-Current		
Lease liabilities	**118,634**	-
	118,634	-

15. *Employee obligations*

Annual leave provision	**28,060**	-
	28,060	-

Accounting policy:
Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

[23] The loan is unsecured, non-interest bearing and has no terms for repayment. On de-merger, as at 3 December 2019 Westgold agreed to forgive the balance of the loan on that date of $250,114.

	30 June 2020 No.	30 June 2020 $	30 June 2019 No.	30 June 2019 $
16. *Contributed equity*				
Balance at beginning of year	**2**	**2**	2	2
Capital re-organisation[24]	**99,865,814**	**-**	-	-
IPO equity issue	**99,844,305**	**19,968,861**	-	-
Equity issue expenses (tax adjusted)	**-**	**(1,023,791)**	-	-
Balance at end of year	**199,710,121**	**18,945,072**	2	2

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in propotion to the number 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 limited amount of authorised capital.

Accounting policy:
Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

	30 June 2020 $	30 June 2019 $
17. *Reserves*		
Share based payments reserve		
Balance at beginning of year	**-**	-
Options granted[24]	**64,599**	-
Balance at end of year	**64,599**	-

[24] During the period the Company was a wholly owned subsidiary of Westgold Resources Ltd ("Westgold") until 3 December 2019. On that date the Company was spun-out of Westgold by way of an in-specie distribution of the Company's shares to Westgold shareholders on the basis of 1 share for every 4 Westgold shares held by a Westgold shareholder on the in-specie record date. Accordingly the Company's 2 shares were split into 99,865,816 shares on 3 December 2019. On 3 December 2019 the Company issued a prospectus dated 3 December 2019 to raise up to $19,968,861 before costs by way of a non-renounceable pro-rata entitlement offer of 1 new share for every 1 share held on the entitlement offer record date, and lodged an application for admission to the official list of ASX on 4 December 2019. The Company was admitted to the official list on 12 February 2020.

17. *Reserves (continued)*

[24]The reserve is used to record the value of equity benefits to employees and Directors. Variables used to calculate the option valuations are are as follows:

Inputs	Director Options
Number of options	2,000,000
Exercise price	$0.250
Expiry date	26 November 2022
Grant date	26 November 2019
Share price at grant date	$0.200
Risk free interest rate	0.62%
Volatility	100%
Option value	$0.115

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	30 June 2020		30 June 2019	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Outstanding at beginning of year	-	-	-	-
Granted during the year	2,000,000	$0.25	-	-
Forefeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of year	**2,000,000**	**$0.25**	**-**	**-**
Exercisable at end of year	**2,000,000**	**$0.25**	**-**	**-**

No share options were exercised during the year (2019: Nil). The share options at the end of the year had an exercise price of $0.25 and a weighted average remaining contractual life of 2.4 years.

Accounting policy:

The Company 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 using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

18. *Reconciliation of cashflows from operating activities*

	30 June 2020 $	30 June 2019 $
Profit/(loss)	**(139,966)**	(704,798)
Depreciation	**46,972**	20,284
Exploration expenditure written off	**20,584**	2,430,497
Income tax benefit/(expense)	**259,600**	(1,749,472)
Loan forgiveness	**(250,114)**	-
Share based payments	**64,599**	-
Change in trade & other receivables	**(31,294)**	1,768
Change in other assets	**(412,080)**	-
Change in trade & other payables	**(90,737)**	(1,401)
Change in employee obligations	**28,060**	-
	(504,376)	(3,122)

19. *Operating segments*

The Company has determined operating segments based on the information provided to the Board of Directors. The Company operates predominantly in one business segment being the exploration for minerals in one geographic segment, being Australia.

Accounting policy:
An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. Operating segments have been identified based on the information provided by management to the Board of Directors. The Company aggregates two or more operating segments when they have similar economic characteristics. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately.

However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

20. *Events after the end of the reporting year*

There are no matters or circumstances have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial years other than the following:

- During July and August 2020 the Company received the required permits from the Central Land Access for personnel and equipment to access the Rover 1 Gold Project area, and mobilised personnel and equipment to site in August 2020.
- On 22 August 2020 the Company commenced its Rover 1 Gold Project exploration drilling program. The Company will release results of this drilling program to the ASX as assays are received.
- On 1 September 2020 the Company announced that it had established a less than a marketable parcel share sale facility, under which any less than a marketable parcel holding of Castile Shares on the record date of 28 August 2020 (1,851 Castile Shares or fewer) would be sold on behalf of the holders if they do not elect to retain their holding by no later than 19 October 2020. The proceeds of sale under the facility will be remitted to holders.

21. *Related party transactions*

a. KMP compensation

	30 June 2020 $	30 June 2019 $
Short-term employee benefits	**263,098**	-
Post-employment benefits	**13,289**	-
Share based payments	**64,599**	
Long-term benefits	**-**	-
Total	**340,986**	-

b. Transactions with related parties

During the reporting year, there were the following related party transactions:

- During the year a total of $653,779 plus GST was paid to Westgold Resourced Limited (former parent entity) in relation to reimbursement of costs.

22. *Financial risk management*

The Company's principal financial instruments comprise receivables, payables, cash and cash equivalents, deposits and borrowings. The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2019. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the Company's entities are subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Risk exposures and responses

The Company manages its exposure to key financial risks in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security. The main risks arising from the Company's financial instruments are interest rate risk, credit risk, equity price risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analysis and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts. The Board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed below.

a. Interest rate risk

The Company's exposure to risks of changes in market interest rates relate to the Company's interest-bearing liabilities and cash balances. Therefore, the Company does not have any variable interest rate risk on its debt. The Company constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. There is no significant exposure to changes in market interest rates at the reporting date.

22. *Financial risk management (continued)*

At the reporting date the Company's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below:

	Variable interest $	Fixed interest $
30 June 2020		
Financial assets		
Cash and cash equivalents	2,210,016	15,000,000
Total	**2,210,016**	**15,000,000**
Financial liabilities		
Lease liabilities	-	165,025
Total	**-**	**165,025**
30 June 2019		
Financial assets		
Cash and cash equivalents	4,474	-
Total	**4,474**	**-**

The following table illustrates the estimated sensitivity to a 1.0% increase and decrease to interest rate movements.

Impact on pre-tax profit/(loss)	$
30 June 2020	
Interest rates + 1.0%	**(172,100)**
Interest rates – 1.0%	**172,100**
30 June 2019	
Interest rates + 1.0%	(45)
Interest rates – 1.0%	45

b. Credit risk

Credit risk arises from the financial assets of the Company, which comprises cash and cash equivalents, trade and other receivables and other financial assets held as security and loans. Cash and cash equivalents are held with National Australia Bank, which is an Australian Bank with an AA- credit rating (Standard & Poor's). The Company's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of the financial assets (as outlined in each applicable note). The Company does not hold any credit derivatives to offset its credit exposure. The Company trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the Company's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Company does not have a significant exposure to bad debts. Significant concentrations of credit risk are in relation to cash and cash equivalents with Australian banks.

22. *Financial risk management (continued)*

c. Liquidity risk
Liquidity risk arises from the financial liabilities of the Company and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due. The Company has funding through finance leases. The table below reflects all contractually fixed payables for settlement, repayment and interest resulting from recognised financial liabilities as of 30 June 2020.

Cash flows for borrowings without fixed amount or timing are based on the conditions existing as 30 June. The remaining contractual maturities of the Company's borrowings are:

	30 June 2020 $	30 June 2019 $
<6 months	**23,195**	216
6-12 months	**23,195**	-
1-5 years	**118,635**	-
>5 years	**-**	-

<u>Maturity analysis of financial assets and liabilities based on management's expectation</u>
The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments of working capital e.g. inventories and trade receivables. To monitor existing financial assets and liabilities, as well as to enable effective controlling of future risks, management monitors its Company's expected settlement of financial assets and liabilities on an ongoing basis.

22. *Financial risk management (continued)*

Details	<6 months $	6-12 months $	1-5 Years $	>5 Years $	Total $
30 June 2020					
Financial assets					
Trade and other receivables	30,795	521	-	-	31,316
Total	**30,795**	**521**	**-**	**-**	**31,316**
Financial liabilities					
Trade and other payables	173,465	5,000	-	-	178,465
Total	**173,465**	**5,000**	**-**	**-**	**178,465**
30 June 2019					
Financial assets					
Trade and other receivables	22	-	-	-	22
Total	**22**	**-**	**-**	**-**	**22**
Financial liabilities					
Trade and other payables	216	-	-	-	216
Total	**216**	**-**	**-**	**-**	**216**

Accounting policy:

Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, or fair value through profit or loss or fair value through OCI. The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Trade receivable that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

22. *Financial risk management (continued)*

Subsequent measurement

For purposes of subsequent measurement, the Company's financial assets are classified in these categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Company's financial assets at amortised cost include cash, short-term deposits, and trade and other receivables. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of other income in the Statement of Comprehensive Income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that do not pass the SPPI test are required to be classified, and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

22. *Financial risk management (continued)*

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Company applies the simplified approach in calculating ECLs, as permitted by AASB 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information. The Company considers a financial asset in default when contractual payments are 90 days past due.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity. At each reporting date, the Company assesses whether financial assets carried at amortised cost are creditimpaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

<u>Financial Liabilities</u>

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of trade and other payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

22. *Financial risk management (continued)*

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

23. *Commitments and contingencies*

	30 June 2020 $	30 June 2019 $
Committed expenditure for the Company comprises:		
<1 year	**358,344**	33,308
1-5 years	**740,817**	66,826
>5 years	**-**	-
	1,099,161	100,134

There are no material changes to the Company's contingent liabilities since the 30 June 2019 financial report other than:

- Pursuant to the Deed of Assignment and Assumption – Rover Royalty and Tenement Transfer Agreement, the Company granted a perpetual royalty, payable by the Company at a rate of 1.5% where gold is not the product; and as outlined in the table below where the product is gold:

Average Spot Price per Ounce	Cumulative Gold Production (Ounces): <500,000	Cumulative Gold Production (Ounces): >500,000
> $600	1.50%	1.75%
$601 to $700	1.75%	2.00%
>$700	2.00%	2.50%

The Directors of the Company declare that:

In the Directors' opinion, the financial statements and notes are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 2 to the financial statements; and
- give a true and fair view of the Company's financial position as at 30 June 2020 and of the performance for the year ended 30 June 2020;

In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Peter Cook
Non-Executive Chairman

25 September 2020

Independent Auditor's Report

To the Members of Castile Resources Ltd

Bentleys®
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Castile Resources Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Company in accordance with the auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Advisors
Accountants
Auditors

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.

Key audit matter	How our audit addressed the key audit matter

Exploration and evaluation assets
(Refer to Note 12)
 	
The Company has capitalised exploration and evaluation assets of $17,435,858 as at 30 June 2020.
 	
Exploration and evaluation assets is a key audit matter due to:
- The significance of the balance to the Company's financial position.
- The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources ("AASB 6")*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.
- The assessment of impairment of exploration and evaluation expenditure being inherently difficult.
	Our procedures included, amongst others:
	- Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Company holds an interest and the exploration programs planned for those tenements.
	- For each area of interest, we assessed the Company's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable.
	- We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets.
	- Substantiated a sample of expenditure by agreeing to supporting documentation.
	- We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:
	  - the licenses for the right to explore expiring in the near future or are not expected to be renewed;
	  - substantive expenditure for further exploration in the specific area is neither budgeted or planned
	  - decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and
	  - data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.
	- Examined the disclosures made in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 Note 2(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Partner

Dated at Perth this 25th day of September 2020

As at 14 September 2020
Issued Securities

	Listed on ASX	Unlisted	Total
Fully paid ordinary shares	199,710,121	-	199,710,121
$0.25 unlisted options expiring 26 November 2022	-	2,000,000	2,000,000
Total	**199,710,121**	**2,000,000**	**201,710,121**

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	3,551	1,185,596	0.59%
1,001 - 5,000	1,387	3,279,040	1.64%
5,001 - 10,000	389	3,049,909	1.53%
10,001 - 100,000	640	23,125,169	11.58%
100,001 - and over	174	169,070,407	84.66%
Total	**6,141**	**199,710,121**	**100.00%**

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	39,574,425	19.82%
2.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	15,750,357	7.89%
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	12,337,678	6.18%
4.	CITICORP NOMINEES PTY LIMITED	8,686,343	4.35%
5.	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	7,500,000	3.76%
6.	MR RAM SHANKER KANGATHARAN	6,431,960	3.22%
7.	AJAVA HOLDINGS PTY LTD	5,517,168	2.76%
8.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,163,350	2.59%
9.	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	4,088,541	2.05%
10.	NEWBALL PTY LIMITED	4,000,000	2.00%
11.	ALL-STATES FINANCE PTY LIMITED	3,470,828	1.74%
12.	PETER GERARD COOK	3,377,783	1.69%
13.	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	3,203,553	1.60%
14.	PHH PTY LIMITED	2,810,000	1.41%
15.	MR JOHN ANDREW RODGERS <JOHN RODGERS FAMILY A/C>	2,500,000	1.25%
16.	HYLEC CONTROLS PTY LTD	1,500,000	0.75%
17.	BARGOLD HOLDINGS PTY LTD <MOIR SUPER FUND A/C>	1,200,000	0.60%
18.	MR RICHARD FARLEIGH	1,144,649	0.57%
19.	JOHN R KEITH (ADMINISTRATION) PTY LTD <JOHN KEITH FAMILY A/C>	1,030,000	0.52%
20.	MRS JOAN CHRISTINE COOK	1,029,358	0.52%
Total		**130,315,993**	**65.27%**

The number of shareholdings held in less than marketable parcels is 3,975.

Distribution of Unlisted Options

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 - and over	1	2,000,000	100%
Total	**1**	**2,000,000**	**100%**

The Company has the following substantial shareholders listed in its register as at 14 September 2020:

Rank	Shareholder	Shares Held	% Issued Capital
1.	Kingdon Capital Management LLC	10,815,167	5.42%
2.	Peter Cook	10,395,117	5.21%
3.	Paradice Investment Management Pty Ltd	10,251,962	5.13%

Ordinary Shares Voting Rights - Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

Unquoted Equity Securities

Class	Number of Holders	Name	Number of Securities
$0.25 unlisted options expiring 26 November 2022	1	MH Cornerstone Pty Ltd <The Mulligan Family A/C>	2,000,000

The Company has the following restricted securities on issue as at the date of this report:

Security Type	Number of Securities Escrowed	Escrow Duration	Escrow Date
$0.25 unlisted options expiring 26 November 2022	2,000,000	24 months from date of commencement of official quotation	14 February 2022

Use of Funds

Between the date of listing on ASX and the date of this report the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the Prospectus dated 3 December 2019.

Other

The Company is not currently conducting an on-market buy-back. There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed. No securities were purchased on-market during the reporting period in respect of an employee incentive scheme.

Schedule of Exploration Tenements

Tenement	Project	Location	Interest
EL 24541	Rover	Northern Territory	100%
EL 25511	Rover	Northern Territory	100%
EL 27039	Rover	Northern Territory	100%
EL 27292	Rover	Northern Territory	100%
EL 27372	Rover	Northern Territory	100%
ELR 29957	Rover	Northern Territory	100%
ELR 29958	Rover	Northern Territory	100%
EL 10397	Warumpi	Northern Territory	100%
EL 29747	Warumpi	Northern Territory	100%
EL 31794	Warumpi	Northern Territory	100%

Mineral Resources Annual Review

There are no changes to the Company's mineral resources estimates as a result of its annual review. The mineral resources estimates for the Rover Project (Rover 1, Explorer 108 and Explorer 142) are detailed below.

Project	Gold			Silver			Copper			Bismuth			Cobalt			Lead			Zinc		
	kt	Grade (g/t)	koz Au	kt	Grade (g/t)	koz Ag	kt	Grade	kt Co	kt	Grade	kt Bi	kt	Grade	kt Co	kt	Grade	kt Pb	kt	Grade	kt Zn
Indicated																					
Explorer 108				8,438	14.32	3,886	5,689	0.36%	20.3							8,438	2.05%	172.8	8,438	3.41%	288.1
Explorer 142																					
Rover 1	3,618	1.49	173	3,618	2.13	248	3,618	1.06%	38.3	3,618	0.17%	6.2	3,618	0.05%	1.8						
Subtotal	**3,618**	**1.49**	**173**	**12,056**	**10.66**	**4,134**	**9,307**	**0.63%**	**58.7**	**3,618**	**0.17%**	**6.2**	**3,618**	**0.05%**	**1.8**	**8,438**	**2.05%**	**172.8**	**8,438**	**3.41%**	**288.1**
Inferred																					
Explorer 108				3,430	3.32	366										3,430	1.88%	64.3	3,430	2.81%	96.5
Explorer 142	176	0.21	1				176	5.21%	9.2												
Rover 1	3,282	2.02	213	3,282	2.00	211	3,282	1.36%	44.6	3,282	0.10%	3.3	3,282	0.07%	2.3						
Subtotal	**4,458**	**1.93**	**214**	**6,712**	**2.67**	**577**	**3,458**	**1.56%**	**53.8**	**3,282**	**0.10%**	**3.3**	**3,282**	**0.07%**	**2.3**	**3,430**	**1.88%**	**64.3**	**3,430**	**2.81%**	**96.5**
Total																					
Explorer 108				11,868	3.32	4,252	5,689	0.36%	20.3							11,868	2.00%	237.2	11,868	3.24%	384.6
Explorer 142	176	0.21	1				176	5.21%	9.2												
Rover 1	6,900	1.74	386	6,900	2.07	459	6,900	1.20%	83.0	6,900	0.14%	9.4	6,900	0.06%	4.1						
GRAND TOTAL	**7,076**	**1.70**	**388**	**18,768**	**7.81**	**4,710**	**12,765**	**0.88%**	**112.5**	**6,900**	**0.14%**	**9.4**	**6,900**	**0.06%**	**4.1**	**11,868**	**2.00%**	**237.2**	**11,868**	**3.24%**	**384.6**

There are no changes to the Company's mineral resources holdings in the period between its annual review or mineral resources and its end of financial year balance date. The Company has not previously released an annual report to ASX as it listed on ASX on 14 February 2020.

The mineral resource estimates and exploration results contained in this report were previously announced to the ASX on 12 February 2020 in the Company's prospectus dated 3 December 2019. TheCompany confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements or this presentation, and that all material assumptions and technical parameters underpinning the mineral resource estimates continue to apply and havenot materially changed.

This annual mineral resources statement is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Jake Russell BSc (Hons) MAIG who has sufficient experience which is relevant to the styles of mineralisation, thetypes of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)". Mr Russell consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.Mr Russell is a Director of Castile Resources Limitedand is eligible to and may participate in any short-term and long-term incentive plans of the Company as disclosed in its annual reports and disclosure documents. The annual review statement is approved by Mr Russell.

Governance Arrangements

The Company stores all primary geological data in a database management system located on a secure SQL server. As new data is acquired it passes through a validation system designed to pick up any significant errors before the information is loaded into the master database.

Geological interpretation of any given deposit is carried out using a systematic approach to ensure that the resultant estimated mineral resource figure is both sufficiently constrained, and representative of the expected sub-surface conditions. In all aspects of resource estimation the factual and interpreted geology are used to guide the development of the interpretation. Geological matrixes are established to assist with interpretation and construction of the estimation domains.

All modelling and estimation work undertaken by the Company is carried out in three dimensions using appropriate software. After validating the drillhole data to be used in the estimation, interpretation of the orebody is undertaken in sectional and / or plan view to create the outline strings which form the basis of the three-dimensional orebody wireframe. Wireframing is then carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate three-dimensional representation of the sub-surface mineralised body.

Drillhole intersections within the mineralised body are defined, these intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Drillholes are subsequently composited to allow for grade estimation.

Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation search parameters, top-cuts etc. Variographic analysis of individual domains is undertaken to assist with determining appropriate search parameters, which are then incorporated with observed geological and geometrical features to determine the most appropriate search parameters.

An empty block model is then created for the area of interest. This model contains attributes set at background values for the various elements of interest as well as density, and various estimation parameters that are subsequently used to assist in resource categorisation. The block sizes used in the model will vary depending on orebody geometry, minimum mining units, estimation parameters and levels of informing data available.

Grade estimation is then undertaken, using estimation techniques appropriate to the domain being estimated. Both by-product and deleterious elements are estimated at the time of primary grade estimation if required. Estimation results are validated against primary input data, previous estimates and mining output (if available).

A resource is then depleted for mining voids (if required), and subsequently classified in line with JORC guidelines utilising a combination of estimation derived parameters and geological / mining knowledge. This approach considers all relevant factors and reflects the Competent Person's view of the deposit.

The cut off grades used for the reporting of the mineral resource estimates have been selected based on the style of mineralisation, depth from surface of the mineralisation and the most probable extraction technique.

Resource estimates are peer reviewed by the corporate technical team prior to reporting, and where appropriate external consultants are engaged to provide additional technical review.

All currently reported mineral resources estimates are considered robust, and representative on both a global and local scale. No ore reserves are currently reported by the Company.