ASX Announcement 9 March 2021

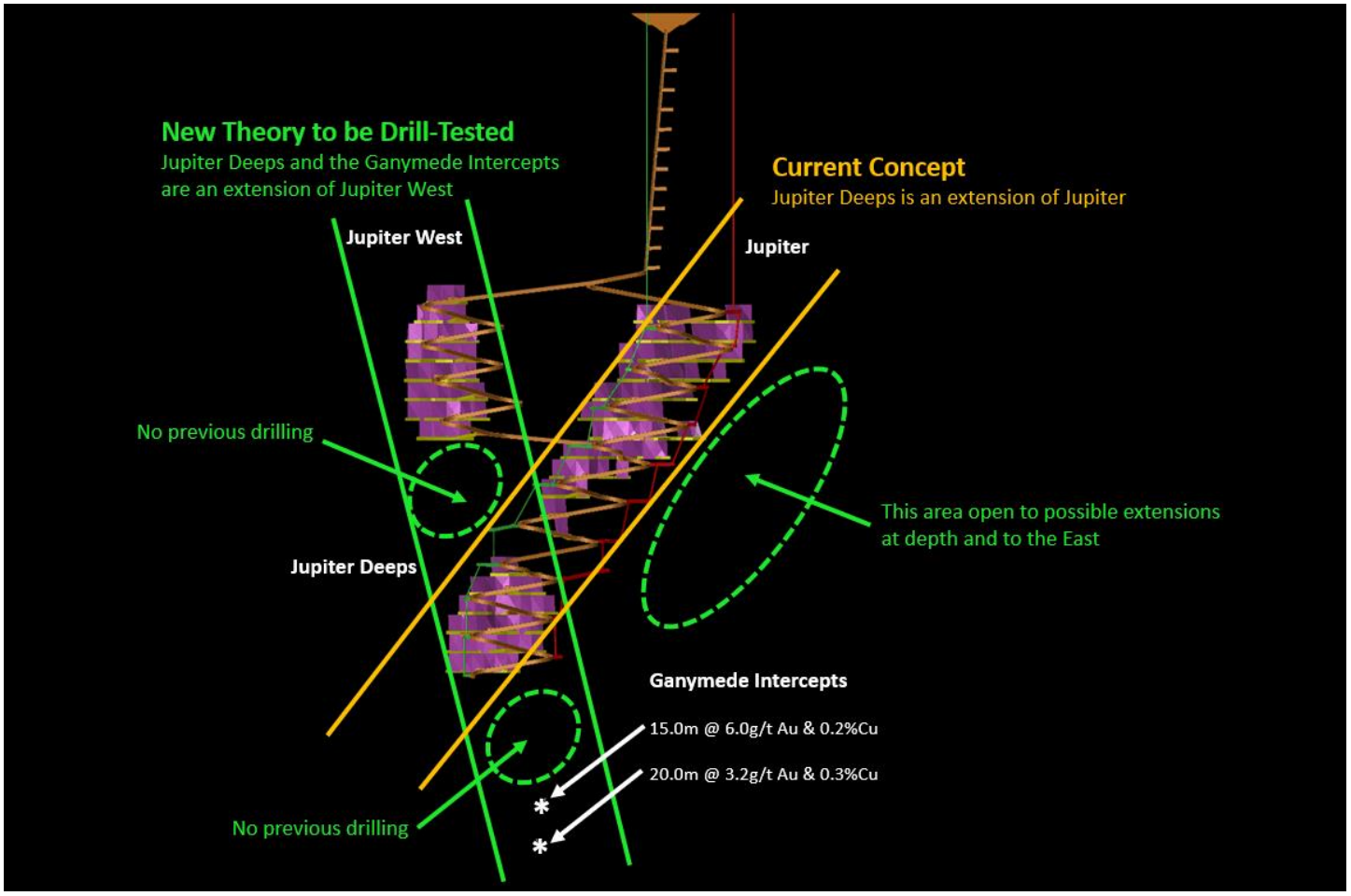
CASTILE CONTRACTS TWO DRILLING RIGS FOR 2021 PROGRAM

Castile Resources Limited (ASX:CST) ("Castile" or "the Company") is pleased to advise that it has re-engaged United Drilling Services to provide two (2) drilling rigs for an expanded 2021 field season. The program itinerary is fully funded and has work commencing in late March 2021 with a comprehensive diamond drilling program of up to 10,000m on numerous advanced prospects within the Rover Mineral Field. The program will include the following objectives:

Rover 1 Prospect

The 2020 drilling program at Rover 1 returned fantastic results including **30.4m @ 35.6 g/t Au and 1.46% Cu** in Hole 20CRD001 which has changed the way we view the overall gold zone within the Jupiter lode. It revealed high grade "bonanza" gold zones of relatively concentrated dimensions. These are similar to the super-rich gold lenses historically mined in the Tennant Creek goldfields and require more intense drilling to validate their continuity due to the large value of gold and copper metal dependent on each intercept. Additionally, the incorporation of data collated in the 2020 drill season enabled a re-interpretation of the fluid pathways and a hypothesis that the Jupiter Deeps structure may actually be the depth extension of the Jupiter West orebody which in-turn continues at depth through to the Ganymede intercepts **(See Figure 1).**

Figure 1 – New theory to be tested at Rover 1



Castile will be testing this theory during the 2021 field season, if it is correct, it opens the entire area between Jupiter West and the Jupiter Deeps system, which has had no previous drilling. This theory also hypothesises extensions to the Jupiter Zone at depth and to the east. If mineralisation does occur in these areas, it will have very positive ramifications for the project and would necessitate changes in mine design and planning to accommodate the structures.

Explorer 108 Prospect

Explorer 108 is located 35kms to the west of Rover 1 and drilling to date has defined a lead-zinc discovery with an initial polymetallic resource of 11.8Mt @ 3.24% Zn, 2.00% Pb and 11.1/t Ag. In addition, a separate Indicated resource of 5.7Mt of 0.36% Cu as a blanket has been defined. Castile's geological model for Explorer 108 prospect is a Mt Isa analogue given the numerous geochemical and structural similarities between the two. The primary copper system is yet to be defined. A review of previously captured, downhole electromagnetic geophysics surveys has identified two subtle but significant off-hole conductive anomalies. These will be the subject of resurveys using modern equipment to determine a vector to the source for further drill testing.

Explorer 142 Prospect

Explorer 142 is located 30kms to the west of Rover 1 and is a sparsely tested IOCG (Iron Oxide Copper Gold) orebody with similar style mineralisation to Rover 1. The limited drilling to date at Explorer 142 has defined an Inferred copper resource of **176kt @ 5.21% Cu.** This seasons drilling will target the extension of this resource and will target bonanza grade gold ore shoots typical of the Tennant Creek IOCG orebodies. A review of downhole geophysics completed on the last of the drill holes at Explorer 142 has delineated a strong conductor which appears to be independent of the currently understood extent of ironstone. Additional down hole geophysical surveys using modern equipment to determine a vector to the source for further drill testing will be completed.

Rover 3 Target

The Rover 3 anomaly is located 13kms to the north east of Rover 1 and has emerged as a priority target following the 2020 geophysics review. The target here is another gold-copper discovery similar to Rover 1 which is the typical Tennant Creek style IOCG ore system. A single wildcat drill hole into this anomaly in 2013 is interpreted as drilling between two magnetic bodies and missing the target. It is planned to firstly re-enter the historic hole and complete a down-hole magnetic survey to fine tune the magnetic forward model. This will then be followed up with an exploratory drillhole targeting the magnetic sources which will undergo further downhole geophysical surveys (DHEM).

Mark Hepburn, Managing Director of Castile Resources commented:

"We are going to hammer these priority targets with two rigs this season to give shareholders some serious bang for their buck. Gold is still a priority and remains at high prices, and now that copper is flying we are very well positioned with our multiple copper-gold resources and targets. This mineral field is still in its infancy and our treasure map of coincident magnetic and gravity anomalies lying undercover is lighting up like a Christmas Tree. We are mindful that all our exploration targets are within an easily transportable distance from the Rover 1 infrastructure.

As for Rover 1, the new theory that the Jupiter Deeps and the Ganymede intercepts are all part of one continuous system could have extremely positive ramifications for this deposit and warrants drill testing. If it is correct, it will open

previously undrilled target areas between the structures as we have illustrated in Figure 1. We think Rover 1 will emulate the great historic mines of Tennant Creek which all had high-grade cores that accounted for large proportions of their overall contained metal. The 2021 definition drilling at Rover 1 will be concentrated on those high grade core sections. This drilling, and if the new theory regarding the Deeps is correct, will have a significant effect on our resource modelling, reserve definition and the optimisation of the mine engineering and plant design at Rover 1. Consequently, it will require us to defer the timing of the PFS until the 2021 drilling is completed in the third quarter of this calendar year. Our studies for the development of Rover 1 are continuing with all the technical, baseline environmental and other works to enable approval to mine and complete our PFS. The NT government remain extremely supportive of the mining sector and we have seen a stampede in recent times by mining companies, including the majors, to pick up ground around us in the Northern Territory. Castile continues to assess these and other exploration opportunities but have yet to find an opportunity equal or better to the prospects in our current portfolio."

Mark Hepburn, Managing Director, Castile Resources Limited

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This announcement was approved for release by Castile's Managing Director, Mark Hepburn

Competent Person Statement

The Mineral Resources contained in this announcement were first disclosed in the prospectus dated 3 December 2019 and released on the ASX market announcements platform on 12 February 2020 ("Prospectus"). The Exploration Results contained in this announcement were previously disclosed to the market on 14 October 2020, 20 October 2020, 16 December 2020 and 14 January 2021. Castile is not aware of any new information or data that materially affects these Exploration Results and Mineral Resources included in these announcements. With respect to the Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the Prospectus continue to apply and have not materially changed.

Table 3: Rover Project consolidated Mineral Resources (Rover 1, Explorer 108 and Explorer 142 deposits)

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**