



Castile Resources Limited

ASX Code: CST
ABN: 93 124 314 085

Board and Management

Non-Executive Chairman
Peter Cook

Managing Director
Mark Hepburn

Non-Executive Directors
Jake Russell
John Braham

Address and Contact Details

Level 7, Ashton Chambers
189 St Georges Terrace
Perth WA 6000

Ph: +61 8 9488 4480
info@castile.com.au
www.castile.com.au

Ordinary Shares on Issue

199,710,121

Cash as at 31 Mar 2021

\$13.304M

ASX Announcement
30 April 2021

QUARTERLY ACTIVITIES REPORT

For the period ending 31 March 2021

Highlights

Rover Mineral Field

- No Lost Time Injuries (LTI's) or cases of COVID-19 reported from any Castile Resources employee during the quarter
- Castile begins drilling the 10,000m exploration and resource definition program during the quarter
- Castile contracts two drilling rigs for the intensive field season with both rigs beginning operations during the quarter
- Resource drilling of high-grade gold zones at the Rover 1 Iron Oxide Copper Gold deposit (IOCG) to feed directly into the ongoing Pre-Feasibility Study
- Explorer 108 undergoes geophysical re-interpretation seeking potential targets for the primary copper source to complement the existing large zinc/lead resource
- Two large geophysical anomalies identified at Explorer 108 to be targeted for copper mineralisation in the current drill program
- High-grade gold targets at Explorer 142 to enhance existing high-grade copper resource
- Rover 3 exploratory work for high-grade gold and copper planned for the current season

Corporate

- Strong cash balance retained on 31 March 2021 of \$13.304M
- During the period Castile Resources prepared an application for co-funding an exploration drill hole with Northern Territory Geological Survey (lodged in April 2021)

Managing Directors Report

Health and Safety

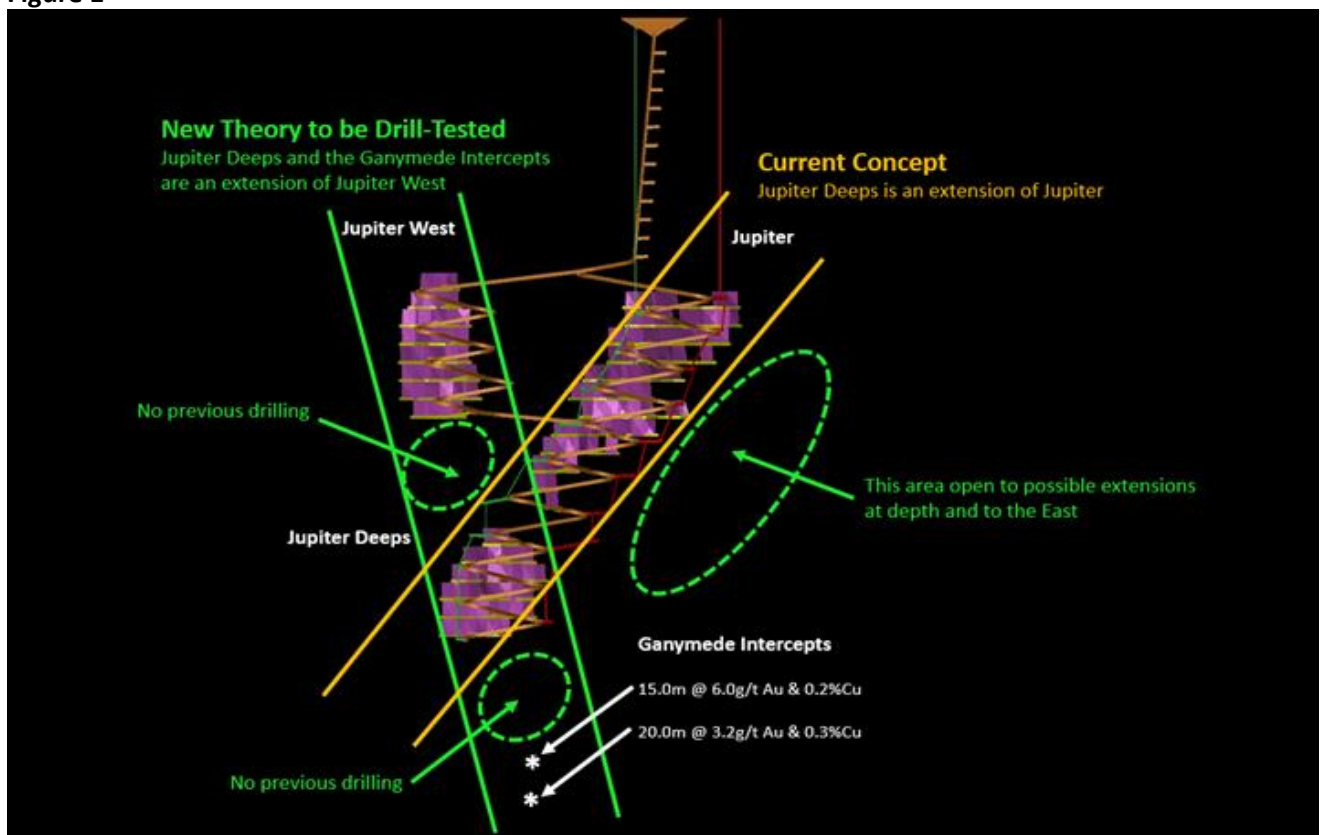
No Lost Time Injuries (LTI's) or cases of COVID-19 reported from any Castile Resources employee during the quarter. All COVID-19 protocols and site Health and Safety induction policies were adhered to.

Operations

Planning for the 2021 drilling program was finalised during the quarter with drilling beginning at the end of March. The program includes resource definition drilling at Rover 1 which will feed directly into the Pre-Feasibility Study. There will also be extensive regional exploration at Explorer 108, Explorer 142 and Rover 3.

In a further development at Rover 1, interpretation of the results of the 2020 drilling program has led our geologists to theorise that the Jupiter Deeps structure may be the extension of the Jupiter West orebody, which continues at depth through to the Ganymede intercepts (**See Figure 1**). Castile will test this theory during the 2021 field season, and if correct, it opens up the entire area between Jupiter West and the Jupiter Deeps system which has had no previous drilling. This theory also suggests that there may be extensions to the Jupiter mineralisation at depth and to the east. If mineralisation does occur in these areas, it will be very positive for the project.

Figure 1





Geology

The geology team has completed the final data analysis on the individual drilling programs from the 2020 drilling program and finalised their completion reports. Planning commenced for the 2021 field season which will comprise of resource development drilling at Rover 1, as well as downhole electromagnetics (DHEM) and exploration holes at Explorer 108, Explorer 142 and Rover 3.

The key objectives of this season's program at each target are:

Rover 1 **High-Grade Gold and Copper Resource Definition**

The program aims to further expand upon the gold-copper resource at Castile's flag ship Rover 1 Project. Last year drilling defined a super-rich, high-grade gold core which is typical of the great Tennant Creek iron oxide copper gold (IOCG) gold mines. Drilling will target extending these zones as a primary foundation for ongoing mining studies.

Explorer 108 **A Large Copper Target**

Castle Resources considers the Explorer 108 lead-zinc deposit to be a Mt. Isa analogue given the numerous geochemical and structural similarities between the two. The large, copper-rich target within the system is the objective of this program. Massive copper sulphide mineralisation is conductive and amenable to discovery by electromagnetic (EM) geophysical techniques. Two such conductive anomalies were identified in the 2020 geophysics review completed by Newexco. Down hole geophysical surveys are to be completed with modern equipment and appropriate loop designs to determine a vector to these sources to allow for further drill testing.

Explorer 142 **Targeting Gold Zones**

Explorer 142 is an IOCG deposit with similar geological characteristics to Rover 1. This program will be targeting gold mineralisation at Explorer 142 to compliment and expand the existing copper resource. A large end of hole anomaly was identified in the 2020 geophysics review completed by Newexco. This anomaly appears to be independent of the currently understood extent of ironstone. A down hole geophysical survey will be conducted with modern equipment and appropriate loop designs to determine a vector to the source for further drill testing.

Rover 3 **Targeting a Deposit Similar to Rover 1**

The Rover 3 geophysical target is a remnant magnetic anomaly of similar intensity and size to Rover 1. Rover 3 was previously modelled as a single source, with a 2013 exploration hole testing this model failing to intersect any mineralisation or magnetic material. The 2020 geophysics review by Newexco remodeled the anomaly, interpreting it as multiple magnetic bodies. The 2013 hole appears to be located between two of the modelled bodies. 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 be followed by an exploratory drillhole targeting the magnetic sources which will undergo further downhole geophysical surveys (DHEM).

Engineering

Core for metallurgical analysis was delivered to the laboratory, work programs finalised and test-work commenced. A report regarding the preliminary geotechnical standards for mine development and extraction of stoping blocks for Rover 1 to be adopted during the pre-feasibility study was received and largely finalised with no significant variations from the previous work completed.

Corporate and Financial

Castile's cash position as of 31 March 2021 was \$13.304m.

The Appendix 5B for the quarter ended 31 March 2021 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$0.646m for the activities reported above which included drilling costs associated with the Tennant Creek project.

The Company also expended \$0.078m for staff (geological, engineering, field, administrative and management personnel and Directors), administration and corporate costs. The total amount paid to Directors of the Company, their associates and other related parties was \$0.077m for salary, fees, consulting fees and superannuation.

Castile provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 14/2/2020 against the "use of funds" statement in its Prospectus dated 3/12/2019 (released on ASX on 12/2/2020).

Expenditure Item	Forecast (2 years)	Actual (15 months) incl. of GST	Variance	Explanation of Material Variances
	\$'000	\$'000	\$'000	
Rover Project: Regional Exploration	1,600	-	(1,600)	Regional projects yet to commence
Drilling: Rover 1 Infill, Explorer 108 Extensional, Curiosity Prospect, Explorer 142 Extensional	6,800	3,210	(3,590)	(1) Timing issue – the Company listed on 14/2/2020 and funds are budgeted for expenditure over 8 quarters.
Rover 1 – Feasibility & Development Studies	3,600	125	(3,475)	See (1) above.
Warumpi Project – Regional Exploration	1,000	29	(971)	See (1) above.
Exploration capital costs – plant & equipment	660	412	(248)	Timing.
Working capital reserves	2,460	-	(2,460)	(2) No material variance for the time elapsed since listing. The funds are budgeted for expenditure over 8 quarters.
Corporate and equipment costs	400	22	(378)	See (2) above.
General working capital	2,424	1,371	(1,053)	See (2) above.
ASX listing and associated costs and repayments to Westgold Resources	450	1,210	760	Includes remaining ASX listing and legal associated costs, amounts repayable to Westgold Resources Limited, and transaction management fee of 2% of underwritten funds paid to the broker to the issue.
Underwriting fees & expenses	575	559	(16)	No material variance.
Total	19,969	6,938	(13,031)	

Securities on issue as of 31 December 2020

	Quoted on ASX	Unquoted	Total
Fully paid ordinary shares	199,710,121	-	199,710,121
Unquoted options exercisable at \$0.25 each on or before 26 November 2022	-	2,000,000	2,000,000
Unquoted options exercisable at \$0.313 each on or before 21 December 2023	-	1,000,000	1,000,000
Unquoted options with \$nil exercise price expiring 21 December 2024	-	600,000	600,000
Total	199,710,121	3,600,000	205,310,121

Tenements held as of 31 December 2020

Castile held the following tenements as of 31 December 2020 and did not acquire or dispose of any tenements during the quarter.

Tenement	Project	Location	Interest	Status
EL 24541	Rover	Northern Territory	100%	Expiry 17/12/2021
EL 25511	Rover	Northern Territory	100%	Expiry 17/12/2021
EL 27039	Rover	Northern Territory	100%	Expiry 14/05/2021
EL 27292	Rover	Northern Territory	100%	Expiry 26/05/2021
EL 27372	Rover	Northern Territory	100%	Expiry 26/05/2021
ELR 29957	Rover	Northern Territory	100%	Expiry 16/09/2023
ELR 29958	Rover	Northern Territory	100%	Expiry 16/09/2023
EL 10397	Warumpi	Northern Territory	100%	Expiry 10/09/2021
EL 29747	Warumpi	Northern Territory	100%	Expiry 12/10/2023
EL 31794	Warumpi	Northern Territory	100%	Expiry 27/02/2024

Warumpi Project, NT

No on-ground exploration works took place during the quarter at the Warumpi tenements.

Northern Territory Government

The Northern Territory Government continues to encourage mining and development as part of the report handed down by the Territory Economic Reconstruction Commission in December 2020 and the “Operation Rebound” initiatives designed to stimulate the Northern Territory economy post COVID-19. Subsequent to the March quarter the Northern Territory Government announced \$44.5m in funding for the mining and exploration industry and wants five new projects up and running over the next five years. Castile is very well positioned with regard to the timing of this announcement with the Rover 1 Pre-Feasibility Study due later in the calendar year.

Social Responsibility and Community Activity

Castile continues to use Tennant Creek and Northern Territory owned businesses and contractors as providers of goods and services wherever possible. The company has employed local staff for our operations centres in Tennant Creek and at our exploration camp near Rover 1.

Castile continues to be involved with local events in the Tennant Creek community and has committed during the quarter as the main sponsor of the Tennant Creek RSL ANZAC Memorial Dinner and has donated sports memorabilia to be auctioned at the event to raise money for the Tennant Creek RSL.



Mark Hepburn
Managing Director, Castile Resources Limited
For further enquiries please contact
info@castile.com.au

The activities report and Appendix 5B cashflow report for the quarter ended 31st March 2021 were approved for release by Castile's Managing Director, Mark Hepburn.

Competent Person Statement

The information contained in this announcement was previously disclosed to the market on 14 October 2020, 20 October 2020, 16 December 2020, 14 January 2021, 9 March 2021, and 1 April 2021 ("Announcements"). Castile is not aware of any new information or data that materially affects the information in the Announcements.