



CASTILE
RESOURCES LTD

ABN: 93 124 314 085

ANNUAL REPORT

For the Year Ended 30 June 2022

CONTENTS

CORPORATE DIRECTORY	1
CHAIRMAN'S LETTER	2
MANAGING DIRECTOR'S REPORT	3
DIRECTORS' REPORT	5
AUDITOR'S INDEPENDENCE DECLARATION	29
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	30
STATEMENT OF FINANCIAL POSITION	31
STATEMENT OF CHANGES IN EQUITY	32
STATEMENT OF CASH FLOWS	33
NOTES TO THE FINANCIAL STATEMENTS	34
DIRECTORS' DECLARATION	58
INDEPENDENT AUDITOR'S REPORT	59
ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES	64

CORPORATE DIRECTORY

DIRECTORS

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

SECRETARY

Sebastian Andre

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

Hall Chadwick WA
283 Rokeby Road
Subiaco WA 6008

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 Shareholders

I am pleased to present you the Annual Report for Castile for the year ended June 30, 2022.

We made good progress during the year at our Rover Project with our main focus being the finalisation of works to bring our Rover 1 prospect through pre-feasibility.

Our drilling before the onset of the wet season late in 2021 delivered numerous exceptional copper-gold-cobalt intercepts enabling us to better understand the size and magnitude of the richer gold and copper zones within the Jupiter zone of the Rover 1 orebody.

Just when we thought we had it all defined, our first hole in the 2022 drill season delivered us yet another fantastic gold intercept suggesting we had discovered another bonanza gold zone. Further our drilling revealed an expanding body of IOCG mineralisation.

We changed the focus of our planned development studies to maximise metal recovery and go downstream with direct metal production for the Australian market, and to in particular provide the metals required for future facing energy transitions underway in the global economy.

We closed the year out with a reduced cash pile but still working within the initial funding raised on listing in February 2020 which reflects admirably on the control and discipline applied by our team to applying shareholder funds.

The revised pre-feasibility study for a Rover 1 development should be out in the December quarter of 2022 which we look forward to with great anticipation as a catalyst to show the real value and wealth the Rover 1 development can achieve.

The Board and management appreciate the support of our shareholders over the course of the year and will continue to strive to extract value from the assets of the company.

Yours Sincerely



Peter Cook
Non-Executive Chairman

27 September 2022

Dear Shareholders,

On behalf of the Directors and Staff of Castile Resources Limited I would sincerely like to thank our shareholders for their ongoing support over the course of the year.

The year to June 30, 2022 has been a particularly busy one for the company and I am pleased to report that our field activities were completed without incident or Lost Time Injuries (LTI's) over the course of the year.

The ongoing pandemic restrictions required us to actively adjust our protocols and Business Management Plan accordingly.

Operationally, we successfully completed 9,788m metres of diamond drilling plus a number of older hole re-entries (for DHEM) during the year on our wholly owned Rover Mineral Field assets near Tennant Creek in the Northern Territory.

Our strategic resource definition drilling program at our flagship Rover 1 Prospect was completed by November 2021. Results from the drilling continued to expand upon the extensive IOCG (iron oxide copper gold system) mineralisation at Rover 1 and included some stellar intercepts of both copper and gold which have made material increases to mineralised zones within the orebodies.

Our revised Mineral Resource Estimate (MRE) was released to the market in March 2022 which included significant increases to the Indicated Resources category within a large, commercially robust estimate. Our gold inventory increased by 40% and copper inventory increased by 65% in the Indicated Resource category which was a significant outcome. Subsequent to the period, the MRE was again updated in September 2022 to include the high grade gold zone and IOCG extension discoveries made in the Jupiter Deeps exploration drilling that was completed in June 2022. The majority of the increases were made to the Inferred category of the MRE and will add significant tonnes to our mining model in the Pre-Feasibility Study which is well progressed.

Copper is classified as a critical future mineral by many major countries throughout the world and also by the CSIRO within Australia. Cobalt and magnetite are significant co-products in the MRE and cobalt has also been classified as a critical mineral both internationally and by the Australian Federal Government.

Castiles' strategy is to optimise the extraction of every dollar possible from every tonne that we mine. Our metallurgical studies have confirmed that Rover 1 ore can deliver very high metal recoveries conducive to production of downstream "end user" metals on site.

This is a big shift away from the traditional process of just producing a concentrate, shipping it overseas and receiving lower payments on only the key metals.

Our planned processes envisage the production of gold dore', pure copper metal, pure cobalt metal. The magnetite, which would normally be in our tailings, will be concentrated and converted into a pure high grade industrial minerals product. The cobalt and copper are expected to be in very high demand from the decarbonisation industry including battery and electric vehicle manufacturers and recharging network installers. The production of these metals is possible through the use of pressure oxidation, solvent extraction and electrowinning which the Rover 1

ore is highly amenable to. Castile contracted external expert metallurgical engineers to design the processing facility to a capacity of 500,000tpa which is considered the optimal rate for the project at this time and that work along with our more detailed economic studies is nearing completion.

The Northern Territory Government remain committed to driving and supporting private investment in the Resources sector. The Northern Territory Mineral Task Force formed in 2021 to facilitate companies exploring and developing in the NT has been working towards releasing its report towards the end of calendar year 2022. The Central Land Council has representation on the Task Force and are aligned and committed to advancing projects that will drive employment opportunities and economic growth within their communities.

Castiles' focus is to create value and generate long-term wealth for Castile shareholders and we take a "People First" approach. If we take care of our people and we have the very best people driving strategy, making decisions at the management level and executing the operations we will have a far greater chance of successfully developing our assets.

I would like to thank our shareholders, employees and our Board of Directors for their support as we begin the drive to development of the Rover 1 Project. I also look forward to us extracting further value from the prospects within our portfolio located near the planned Rover 1 infrastructure.

Sincerely,



Mark Hepburn
Managing Director

27 September 2022

FINANCIAL REVIEW OF OPERATIONS

Expenditure for the year reflected Castile's priority to focus on completing the Mineral Resource Estimate for Rover 1 and completing the required analysis and studies with third party consultants for the Pre-Feasibility Study and this is reflected in the financial reports. The majority of our expenditure over the course of the year was allocated to drilling the Rover 1 orebody. Castile also contracted engineering firms to begin designs for the flowsheet and processing plant for the Rover 1 development. Metallurgy, environmental and mining studies were also allocated funds to advance the project data to the Pre-Feasibility Study.

In line with Castile's "hub and spoke" strategy moderate expenditure was also allocated to prospects within the Rover Mineral Field to ensure preliminary work continued to develop further prospects for the Company such as Rover 4, Explorer 108 and Explorer 142. Castile's strategy is to allocate appropriate expenditure to projects that are within truckable distance from the planned infrastructure for the proposed development at Rover 1.

TECHNICAL OVERVIEW

ROVER 1 PROJECT

Castile completed the Resource Definition drilling program at Rover 1 that began in April 2021 and continued through until November 2021. A total of 9,788m plus additional hole cleanouts for downhole electromagnetic (DHEM) surveys.

All results were reported to the market and the Company delivered an updated Resource Estimate including gold, copper, magnetite and cobalt in March 2022. Another short drilling program was completed following the wet season. There were significant extensional discoveries in gold and the IOCG alteration in the Jupiter Deeps section of Rover 1 which were announced after the June 30, 2022 financial year. After the 30 June 2022 financial year the Company delivered a updated Mineral Resource Estimate on 16 September 2022.

Highlights from the 2021/22 drilling program assays include:

21CRD002-2A	38.7m at 7.4g/t Au with 0.3% Cu from 603m downhole
21CRD002	23.5m at 2.1% Cu with 0.3g/t Au from 450.5m downhole
21CRD005	42.2m at 3.5% Cu with 2.1g/t Au and 0.2% Bi from 871.9m
21CRD005-1	18.8m at 2.4% Cu and 4.7g/t Au from 880.15m downhole including 6.6m at 4.1% Cu and 13.1g/t Au from 88
21CRD005-2:	33.2m at 2.3% Cu and 0.8g/t Au from 813.9m downhole
21CRD005-2A:	41.7m at 2% Cu and 0.2g/t Au from 821.3m downhole
21CRD005-2B:	30.5m at 2.2% Cu and 0.7g/t Au from 844m downhole including 9m at 3.4% Cu and 0.1g/t Au from 916m downhole

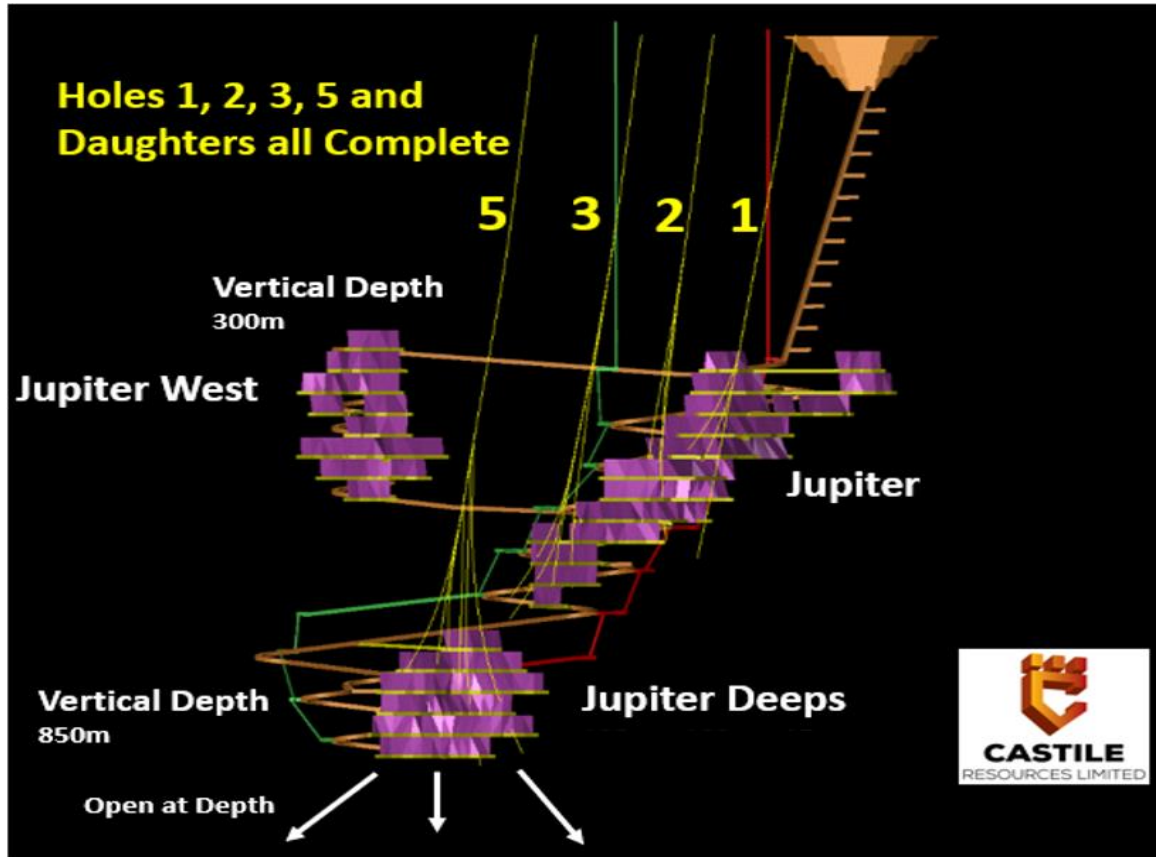


Figure 1. Resource Definition Drilling Program April 2021 to November 2021

The 2021/22 extensional and infill drilling produced large increases to the Indicated category of the Rover 1 Mineral Resource Estimate. This resulted in a robust, commercial resource for Rover 1 which included:

- 45% increase in contained gold to 242,600 ounces;
- 83% increase in contained copper to 63,400 tonnes;
- 61% in in contained Cobalt to 2,900 tonnes;
- an estimate of contained magnetite of 933,000 tonnes.

Additional High Grade Magnetite Product

Castile completed a study to assess the extraction of the substantial magnetite component of the IOCG ore. Metallurgical testwork was completed at various grinds which concluded that an estimated a low-impurity 96.6% magnetite concentrate can be generated using simple magnetic separation methods.

This concentrate rates as a “Maxfine” classification at >95% magnetite and is the highest standard product available in the industrial minerals market. Over 1,775m of core from Rover 1 ore zones

was hyper-spectrally scanned by CoreScan Pty Ltd at their Ascot facilities in Perth. The mineral abundance logs were used to estimate magnetite content of the IOCG. For perspective it is estimated that 24% of the total ore is magnetite and an estimated 68% of that ore is recovered to the concentrate. A strong market exists for this product which is saleable directly to end users as a density modifying mineral in the application of coal washing and plastics refining.

The addition of a recoverable magnetite by-product is a significant bonus for the Rover 1 Project. The nature of the IOCG (iron-oxide-copper-gold) deposit is such that host rock of the ores are estimated to contains approximately 24% magnetite.

In summary the additional resource definition to achieve the updated MRE included 12 parent and 20 daughter holes.

The March 2022 MRE has applied an enhanced interpretation and model for the main ironstone body and incorporated separate domains for major gold and copper zones within it.

Classification	Rover 1 Mineral Resource Estimate			
	Gold (Oz)	Copper (T)	Cobalt (T)	Magnetite(T)
Indicated	242,600	63,400	2,900	933,000
Inferred	20,900	14,000	900	163,000
Total	263,500	77,400	3,800	1,096,000

2g/t Eq Cut Off Grade	Grade				
Classification	Tonnes	Gold (g/t)	Copper (%)	Cobalt (%)	Magnetite (%)
Indicated	3,882,000	1.94	1.63	0.07	24.04
Inferred	865,000	0.75	1.62	0.10	18.79
Total	4,747,000	1.73	1.63	0.08	23.08

Table 1. Summary - March 2022 Rover 1 Mineral Resource Estimate

Castile has released a further updated Mineral Resource Estimate (“MRE”) on 16 September 2022 (See Page 9)

EXTENSIONAL AND RESOURCE DEFINITION DRILLING

Drilling resumed at Rover 1 in May 2022 with a focus on the extensional potential of the Jupiter Deeps section of the Rover 1 orebody. By 30 June 2022 one parent hole with two daughter holes had been drilled which lead to significant extensional discoveries.

Hole 22CDR001-1 resulted in the discovery of a new high-grade gold zone located in close proximity to the current mine plan (ASX:CST 4 July 2022). Hole 22CDR001-2A was drilled as a naviwedge from the parent and resulted in a significant addition to the IOCG alteration in the Jupiter Deeps Orebody (ASX:CST 22 July 2022).

Hole 22CDR001-1 into Jupiter Deeps returned an exceptional intercept which were released to the market just after 30 June 2022.

31m at 4.0 g/t Gold with 1.0% Copper from 868m (TW 20.2m) downhole

This included a high grade gold core zone of:

9.5m at 9.6 g/t Gold with 1.4% Copper from 881.5m downhole

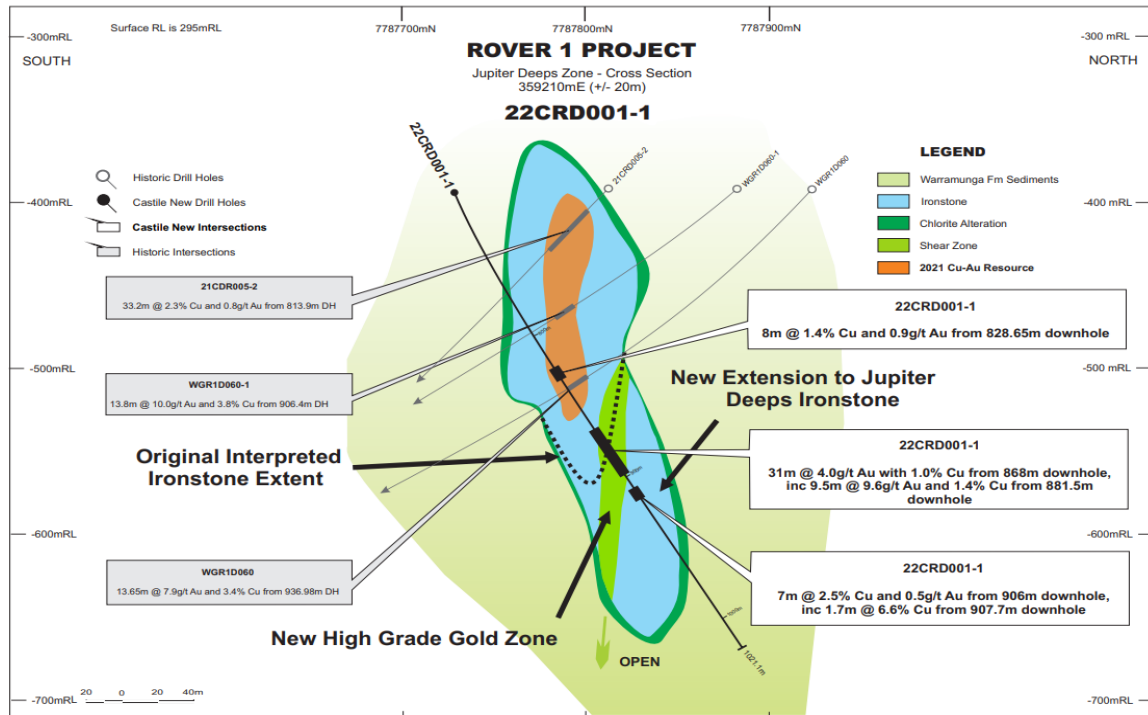


Figure 2. Cross-section showing expanded IOCG alteration and new gold zone at Jupiter Deeps

The expanded new zone of IOCG alteration in hole 22CDR001-2A significantly extended the known area of broad copper and gold mineralisation with a solid hit of:

27.2 m at 1.0% Copper and 0.5g/t Au from 1012.7m (TW of 9.1m)

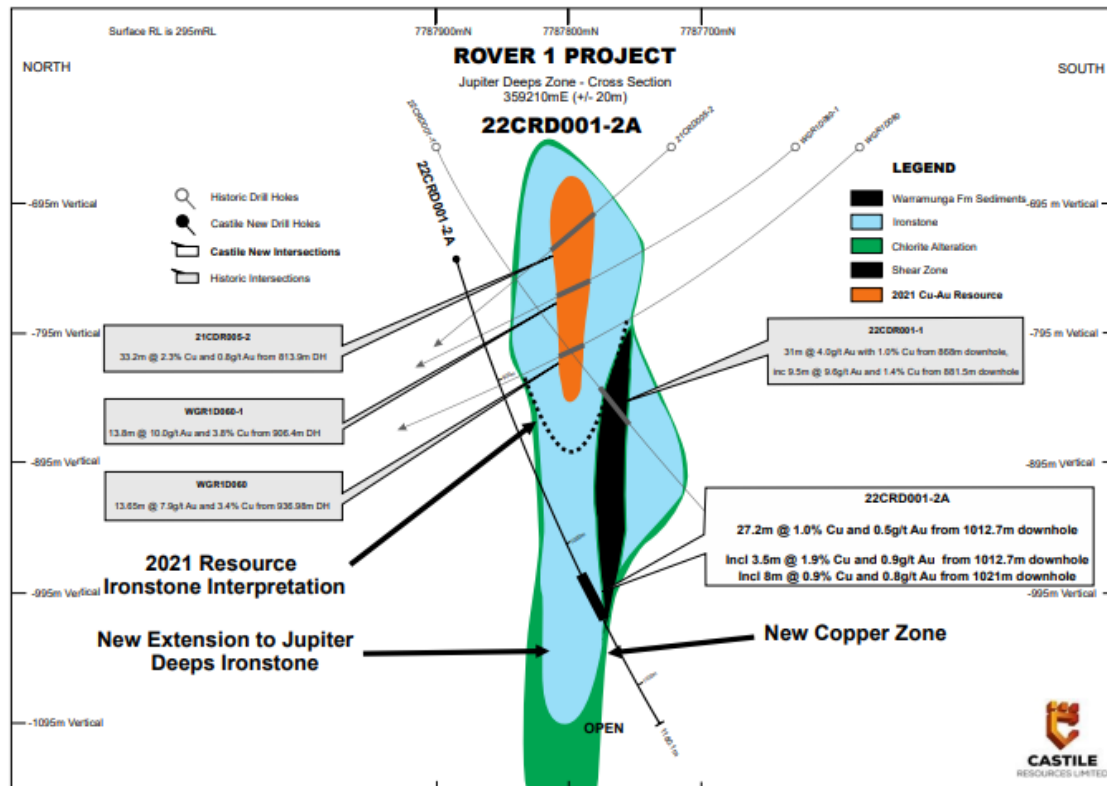


Figure 3. Cross-section showing expanded IOCG alteration and copper zone at Jupiter Deeps

The 2022 program was true “exploration” style drilling targeting extensions to gold and copper mineralization down dip of the Jupiter Deeps region of the Rover 1 orebody to grow the Resource inventory.

Analysis is now complete on all sampling collected from the Rover 1 2022 exploration drilling campaign and Castile is pleased to announce that the total metal inventory of gold, copper, cobalt and magnetite have all increased significantly primarily due to large increases in the Inferred category representing extensions to the Jupiter Deeps ore body.

By comparison to the MRE released on 8 March 2022 increases in the new 16 September 2022 MRE include:

- Total gold up by 20% to 315,200oz with Inferred gold up by 289% to 81,400oz.
- Total copper up by 7% to 83,200t with Inferred copper increasing by 44% to 20,100t
- Total cobalt up by 5% to 4,000t with Inferred cobalt up by 22% to 1,100t
- Total magnetite up by 18% to 1,295,000t with Inferred magnetite up by 119% to 357,000t
- Total tonnage up by 18% to 5.58Mt with Inferred Tonnes up by 86% to 1.61Mt

Classification	Rover 1 Mineral Resource Estimate			
	Gold (Oz)	Copper (T)	Cobalt (T)	Magnetite(T)
Indicated	233,800	63,100	2,900	938,000
Inferred	81,400	20,100	1,100	357,000
Total	315,200	83,200	4,000	1,295,000

2g/t Eq Cut Off Grade	Classification	Tonnes	Grade			
			Gold (g/t)	Copper (%)	Cobalt (%)	Magnetite (%)
	Indicated	3,970,000	1.83	1.59	0.07	23.64
	Inferred	1,611,000	1.57	1.25	0.07	22.79
	Total	5,581,000	1.76	1.49	0.07	23.20

Table 2: September 2022 Rover 1 – Updated Mineral Resource Estimate:

The Company was primarily targeting gold with this program so the majority of the additional tonnes are within the new high grade gold zones which typically carries less accompanying copper. This has seen the Rover 1 global copper grade decrease by 9% to 1.49% but the additional tonnes have seen total copper metal increase by 7% to 83,200t.

A significant increase of 834,000t has taken the total tonnage of the MRE to 5,581,000t. The big move is in grade and tonnages for the inferred section of the additional 52,000oz of gold. The inferred tonnes have increased by 86% to 1.61Mt but more importantly the gold grade has more than doubled from 0.75g/t to 1.57g/t, an increase of 110%. A significant amount of this inferred material will be added to our mining inventory within the Pre-Feasibility Study which is now well progressed.

ROVER 1 PRE-FEASIBILITY STUDY

Post the additional exploration drilling, resource estimation and metallurgical test-work, a clear path and objective for the planned prefeasibility study has been defined. Castile has elected to take a more strategic route in the development of the Rover 1 Project. The relatively boutique scale of the planned mine with its rich array of metals sets a path for downstream processing and an outcome not traditional for Australian miners. Castile plans to release the PFS in the December quarter of 2022.

Castile's Rover 1 mine presents an opportunity for a modern mine development with a footprint markedly smaller than that of most mines. Rover 1 is an underground development, hence only the mine portal development and its associated waste spoil will disturb the mine site. Our plans have the majority of this material used in roads, access, and underground fills, further reducing the footprint.

The opportunity to develop a modern mine and apply the very latest in mining technology and advancements in low emissions equipment present an opportunity for Rover 1 to be a mine of the future. This can be a mine where the application of fossil fuels and hence carbon footprint can be minimised. The Rover 1 mine is located proximal to the proposed development of one of the world's largest renewable energy solar farms, an opportunity to be further enhanced with careful planning.

The Rover 1 mine is planned to be at the forefront of new mine applications with the proposed processing flowsheet producing high recoveries and downstream metal products at site. This will mean the domestic production of critical metals such as copper and cobalt metal. Even the domestic application of gold with its supreme conductive properties can provide metal to feed the ever-expanding battery and electric vehicle (EV) sector.

The downstream application hasn't stopped there, Castile seeks to extract all contained value from its ores including the further downstream processing of traditional tailings streams to recover the 96.5% magnetite product which is heavily in demand as an industrial mineral in the coal washing industry and in supplementing low-grade ores for steel production.

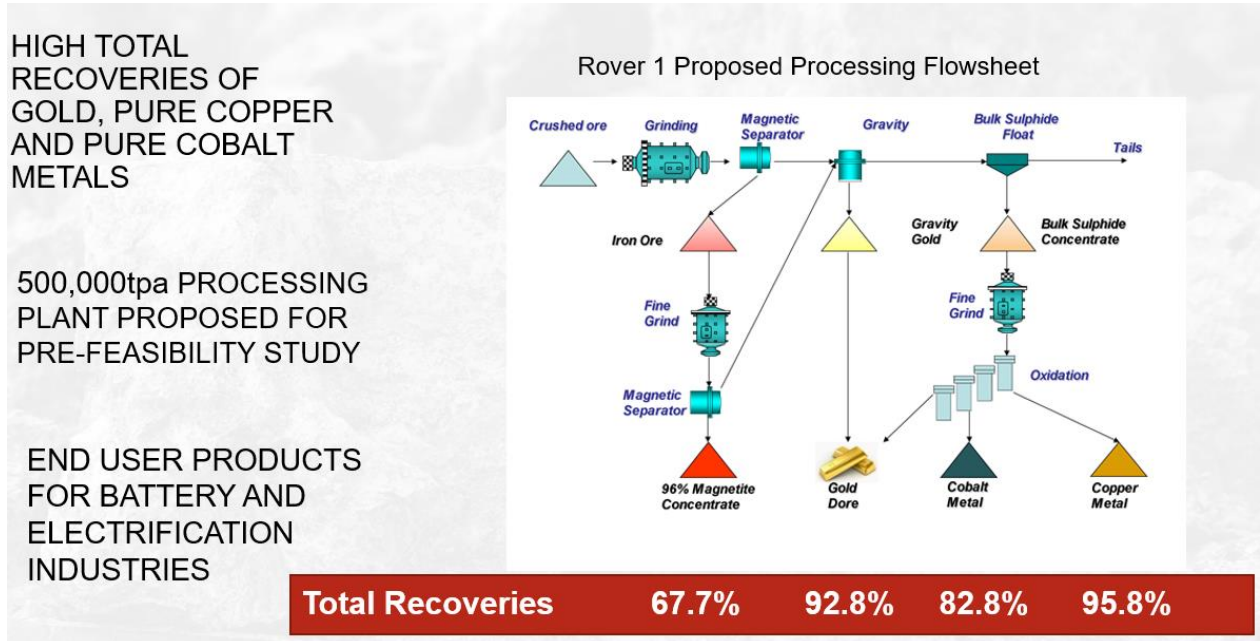


Figure 4: Rover 1- Simplified Ore Processing Flowsheet

ROVER MINERAL FIELD - REGIONAL FIELDWORK

Castile's regional strategy at Rover is to develop a central processing facility for the advanced Rover 1 deposit and then add further sources of ore for the processing plant through exploration of the nearby surrounding targets within the Castile tenement package.

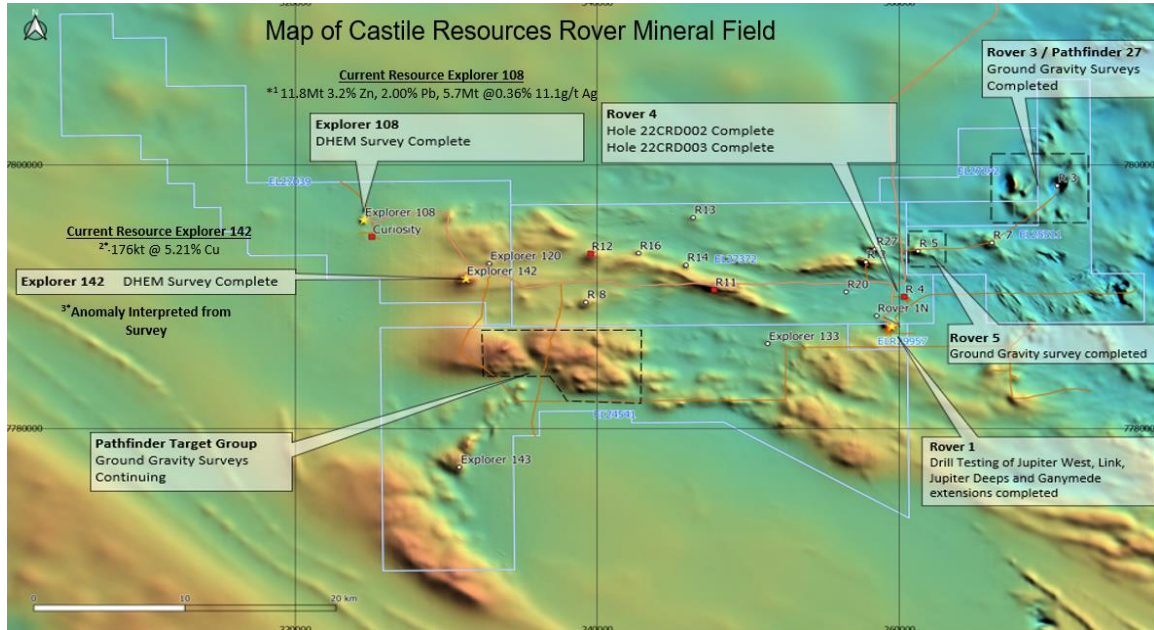


Figure 5: Rover Mineral Field Map Displaying Regional Geophysical Works Program

ROVER 4

The drilling rig moved to Rover 4 at the end of June 2022 to commence an extensional exploration drill program of 2 holes, with a view to generate a maiden resource over the prospect.

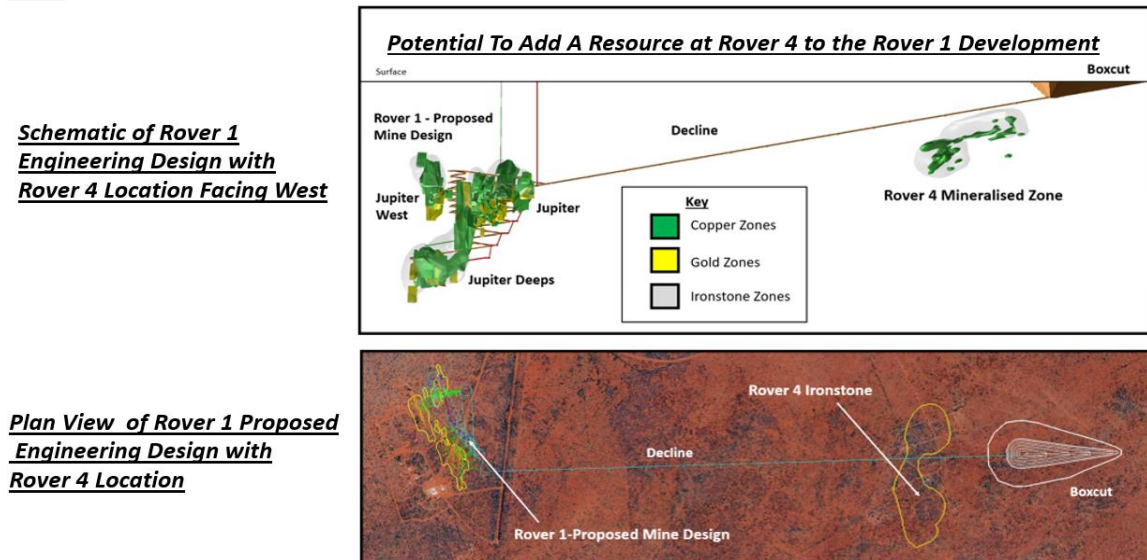


Figure 6: Rover 4 – Perspectives relative to Rover 1.

Castile has also completed the validated of historic drilling at the Rover 4 Prospect. This will enable to a maiden JORC 2012 compliant resource to be estimated for the Rover 4 Prospect. Rover 4 is located approximately 2.5 kms from Rover 1 and the current mine design has the decline passing directly over Rover 4 on the way to Rover 1.

EXPLORER 108

Drilling at Explorer 108 during the year consisted of re-entering, cleaning and casing NR108D047 to allow for a DHEM survey in 2022 and drilling a daughter from NR108D049.

Results from the extension to Hole NR108D049-1 included:

- 145m @ 1.6% Zn, 0.9% Pb, 9.3g/t Ag, 0% Cu and 0.6g/t Au from 485m downhole
- inc 4.9m @ 5.7% Zn, 3.1% Pb, 57.8g/t Ag, 0.1% Cu and 7.6g/t Au from 493.1m
- inc 12.2m @ 3.4% Zn, 1.5% Pb, 37.1g/t Ag, 0% Cu and 0.8g/t Au from 534.8m
- inc 7.1m @ 5.7% Zn, 3.4% Pb, 12.9g/t Ag, 0.1% Cu and 0.7g/t Au from 558.9m

Previous estimates have shown Explorer 108 hosts a significant total resource estimate of 11.8Mt at 3.2% Zn, 2.00% Pb, 11.1g/t Ag (Indicated of of 8.438Mt at 3.41% Zn, 2.05% Pb, 14.32g/t Ag and Inferred Resource of 3.43Mt at 2.81% Zn, 1.88% Pb, 3.32% Ag). A separate Indicated Resource of 5.7Mt at 0.36% Cu also has been previously identified.

Explorer 108 being approximately 40kms away from Rover 1 presents as a fantastic opportunity for a follow up development as part of the regional hub and spoke strategy in place at Castile Resources.

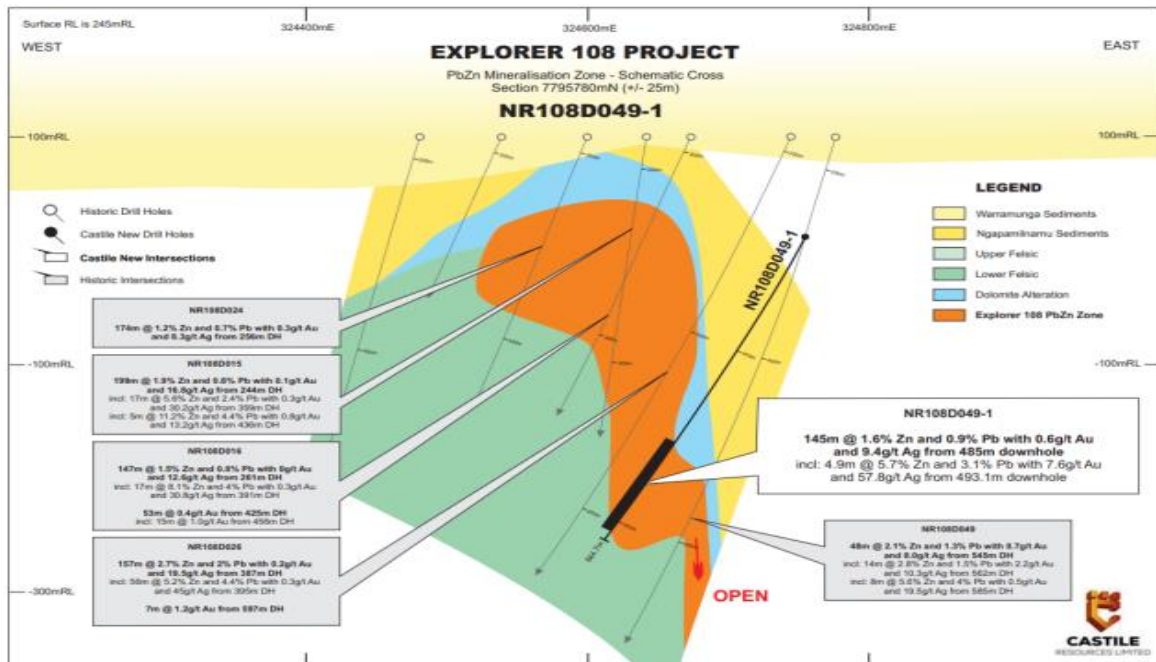


Figure 7: Cross Section through Explorer 108 showing hole NR108D049-1

EXPLORER 142

Castile completed a DHEM survey of hole NR142D003 at Castile's 100% owned Explorer 142 Prospect located 32 kms to the west the Company's flagship Rover 1 Deposit.

The purpose of the survey was to test an interpreted off-end of hole anomaly identified from modelling results of 2021 resurvey of historic hole NR142D003. (See CST:ASX 29 October 2021 Quarterly Activities Report and Appendix 5B).

Drill hole NR142D003 was successfully extended from 815m to 982m and re-cased at the end of the 2021 field season. Gap Geophysics used a single transmitter loop shown in Figure 1 for the survey with the results then remodeled by independent geophysics specialist Newexco and the modelling results then subject to review by the Castile Resources technical team. The results were subsequently released to the market in July 2022 (ASX:CST 18 July 2022).



Figure 8: Location of NR142D003 and Tx Loop. Coordinates in MGA93 Zone 53. (from NX24337)

The anomalism in the hole is complex due to the super position of signal from multiple sources. The new survey has improved the quality of the initial field data, identifying two anomalies;

1. An early time on-hole (proximal) anomaly with interpreted conductive source associated with known ironstone, and
2. A mid time off-hole (medium distal) anomaly with interpreted conductive source that is not associated with known ironstone bodies. Castile will now assess any follow up work required for the 2023 calendar year field season.

REGIONAL GRAVITY SURVEYS

Regional gravity surveys commenced on EL27292 (Pathfinder 27 magnetic anomaly) and EL25511 (Rover 3 and Rover 5 magnetic anomalies). Surveys are being conducted on 50m station spacing on 100m lines. These surveys will continue into the ensuing year and cover the Pathfinder anomaly group in the southwestern part of EL24541.

WARUMPI PROJECT

The Company's tenement package also includes the Warumpi Project which is a 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 due to Native Title access constraints.

Due to the uncertainty of access, the board has taken a conservative approach and impaired the carry value of the Warumpi Project.

HEALTH, SAFETY AND FINANCIAL EFFECTS OF COVID-19

The Castile Resources COVID-19 Business Management Plan has provided protection for our employees and contractors and the communities in which we interact. All employees of Castile were provided with the government health department recommendations and information required to make their own personal decision regarding vaccinations.

As the restrictions around vaccinations, interstate and local travel, isolation requirements and mask wearing eased considerably from beginning of the year the impact on operations has been extremely limited. Federal and State Government policies and procedures were followed as part of the protocols of the plan with cases reported as per the appropriate channels.

CENTRAL LAND COUNCIL AND GOVERNMENT

Strong messaging from all levels of the Northern Territory and Federal Government is to encourage the resources industry to produce downstream, value-added products to increase domestic revenues as opposed to sending raw materials for processing offshore.

Castile notes that the Federal Government's Critical Minerals Accelerator Initiative (CMAI) is tasked with bringing new sources of critical mineral supplies online within Australia by supporting early and mid-stage projects that contribute to robust global supply chains, build domestic capability and create high-paying regional jobs for Australians now and into the future.

The production of cobalt, which has been assigned as a critical mineral by the Australian Federal Government for use in the electrification revolution, will lift the profile of Castile with Rover 1 being one of very few pure metal cobalt producers in Australia and the western world

This also aligns strongly with Castile's broader strategy of producing gold dore (bullion), pure copper metal, pure cobalt metal and a high-grade magnetite which can all be sold directly to local

end users. Castile will look to optimise opportunities and benefits from state government taxes and royalty incentives in our planning and forecasting.

Castile has been in regular consultation with Northern Territory government representatives to ensure application and permitting requirements will be dealt with in a timely manner.

Castile continues to consult with the Central Land Council on field works and facilitating engagement with local communities regarding future training and employment opportunities. The Central Land Council (CLC) remain supportive of Castile's activities in the region.

ENVIRONMENTAL SOCIAL AND GOVERNANCE RESPONSIBILITIES

Castile maintained its focus on ESG outcomes with continued participation in stakeholder and community support programs. Progressive rehabilitation of inactive drill sites and the management of any pollutants and waste materials was a focus leading into the wet season. Castile continues to engage with local communities in Tennant Creek and will be part of a co-ordinated approach to conducting discussions around employment opportunities for Traditional Owner groups and business sector of the local Tennant Creek area. Castile was once again honoured to be the major sponsor of the 2022 Tennant Creek Memorial Club ANZAC Roll Call and Dinner to show support and thanks to the service men and women from the region.

Castile continues to support the NT Government Sports Education Co-Ordinator for the Barkly region by supplying sporting equipment and uniforms to the children within the area. Castile provides the sporting equipment for the children to work on individual skills and team uniforms so they can apply those skills in a team environment. These attributes align with Castile's values of striving to improve our individual workskills with training programs to allow our employees to execute them for the benefit of all in a team based work environment.

BUSINESS DEVELOPMENT

Given the recent easing of travel restrictions, Castile has taken the opportunity to present to its individual and institutional shareholders in the eastern states of Australia, North America and the United Kingdom. In addition to gold production, Castile's proposed strategy of producing end-user products such as pure cobalt metal and pure copper metal for direct sale to participants of the decarbonisation sector was supported by shareholders. In addition to direct presentations, Castile also participated in and presented at conferences in Australia, North America and the UK.

Castile will continue to look for corporate opportunities to maximise the use of our combined Board and Management skill set. Castile currently provides investors with significant exposure to battery metals and gold and will continue to pursue strategic opportunities in those commodities.

DECLARATION OF SIGNIFICANT SUBSEQUENT EVENTS

On 1 August 2022, the Company announced a capital raising of \$5.5m. Since the completion of the capital raising, three substantial holder notices have been lodged with Castile and released on the ASX platform. Subject to shareholder approval, Company directors will contribute up to \$685,000 to the capital raising. Director shareholdings in the Company following issue of shares to directors is set out in the notice of meeting dated 5 September 2022 available on the ASX

platform. Castile was pleased to receive the ongoing financial support of the existing individual and institutional shareholders for the placement. The Company was also pleased to welcome new institutional investors to the register.

CHANGES IN THE STATE OF AFFAIRS

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 2022.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company released an updated Mineral Resource Estimate on September 16 2022 which included the new discoveries discussed in this current Directors Report. There are no likely developments of which the Directors are aware other than those 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.

COMPETENT PERSON STATEMENT

The information contained in this announcement was previously disclosed to the market ("Announcements"). Castile is not aware of any new information or data that materially affects the information in the Announcements.

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"). A further announcement on the 8th of March 2022 provided an update to the Rover 1 Mineral Resource. The Company has provided a further update to the Rover 1 Mineral Resource subsequent to the period on 16 September 2022. Castile is not aware of any new information or data that materially affects the Mineral Resources included in these announcements. All material assumptions and technical parameters underpinning the estimates in the Prospectus continue to apply and have not materially changed.

Your Directors submit the financial report of the Company for the year ended 30 June 2022.

DIRECTORS

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

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

COMPANY SECRETARY

Name	Title
Sebastian Andre	Company Secretary

PRINCIPAL ACTIVITIES

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

REVIEW OF RESULTS

The loss after tax for the year ended 30 June 2022 was \$1,536,603 (2021: loss of \$1,055,870).

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

	30 June 2022	30 June 2021	30 June 2020
	\$	\$	\$
Revenue	60,128	78,747	53,891
EBITDA	(2,623,006)	(1,357,593)	(350,685)
EBIT	(2,785,449)	(1,500,460)	(397,657)
Loss after income tax	(1,536,603)	(1,055,870)	(139,966)

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

	30 June 2022	30 June 2021	30 June 2020
	\$	\$	\$
Share price at financial year end	0.145	0.22	0.16

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	11 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	Breaker Resources NL – Non Executive Chairman Titan Minerals Ltd – Non Executive Chairman
Former ASX Listed Directorships (3 years)	Westgold Resources Limited 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	2 years 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 combination of the risk aspects of exploration and development, with the intricacies of capital markets.
Committee Memberships	N/A
Other Current Directorships	Firefinch Limited – Non-Executive Director Leo Lithium Limited – Non-Executive Director
Former ASX Listed Directorships (3 years)	N/A

John Braham	
Qualifications	
Position	Non-Executive Director (Independent)
Appointment Date	29 November 2019
Resignation Date	N/A
Length of Service	2 years 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 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 (3 years)	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	2 years 7 months
Biography	Mr Russell is a geologist with 20+ years of experience in exploration, mining, resource development and management. He is currently the General Manager – Technical Services 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 (3 years)	None

COMPANY SECRETARY

Current Company Secretary

Company Secretary	Details
Sebastian Andre	
Qualifications	BCom, BA, GradDip AppCorpGov
Position	Company Secretary
Appointment Date	11 December 2020
Resignation Date	N/A
Biography	Mr Andre is a Chartered Secretary with over 10 years of experience in corporate advisory, governance and risk services. He has previously acted as an adviser at the ASX and has a thorough understanding of the ASX Listing Rules, specialising in providing advice to companies and their boards in respect to capital raisings, IPOs, backdoor listings, corporate compliance and governance matters. Mr Andre holds qualifications in accounting, finance, and corporate governance and is a member of the Governance Institute of Australia.

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	4	N/A	N/A	N/A
Number of Meetings Attended:				
Peter Cook	4	N/A	N/A	N/A
Mark Hepburn	4	N/A	N/A	N/A
John Braham	4	N/A	N/A	N/A
Jake Russell	4	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
1,000,000	\$0.313	21-Dec-23	Unlisted
600,000	\$Nil	21-Dec-24	Unlisted
1,000,000	\$0.2392	02-Dec-24	Unlisted
12,307,673	\$0.20	09-Aug-24	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.

REMUNERATION REPORT

Introduction

The Directors present the Remuneration Report for the Company for the year ended 30 June 2022. 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.

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 2022. The Board is responsible for evaluating the performance of the Company's senior executives in accordance with the Company's Board Performance Evaluation Policy. The Chair is responsible for evaluating the performance of the Company's Managing Director in accordance with the Company's Board Performance Evaluation Policy. During the financial year an evaluation of the performance of the Board and its members was not formally carried out. However, a general review of the Board and executives occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.

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 2022

Remuneration Report Approval at FY2022 AGM

The remuneration report for the year ended 30 June 2022 will be put to shareholders for approval at the Company's AGM which will be held during November 2022. The remuneration report for the year ended 30 June 2021 was approved by shareholders with 99.73% support votes at the AGM held on 24 November 2021.

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:

	Year	Fixed				STI	LTI	Total	Proportion of Remuneration		
		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	2022	72,727	-	7,273	-	-	-	80,000	100%	-	-
	2021	80,000	-	-	-	-	-	80,000	100%	-	-
Mark Hepburn	2022	300,000	-	30,000	224,963	-	-	554,963	100%	-	-
	2021	300,000	-	28,500	272,240	-	-	600,740	100%	-	-
John Braham	2022	54,545	-	5,455	-	-	-	60,000	100%	-	-
	2021	54,795	-	5,205	-	-	-	60,000	100%	-	-
Jake Russell	2022	54,545	-	5,455	-	-	-	60,000	100%	-	-
	2021	57,397	-	2,603	-	-	-	60,000	100%	-	-
Total Remuneration	2022	481,817	-	48,183	224,963	-	-	754,963	100%	-	-
	2021	492,192	-	36,308	272,240	-	-	800,740	100%	-	-

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.
- 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 received a salary of \$300,000 per annum (exclusive of statutory superannuation). Mark Hepburn has also been issued 4,600,000 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

Cash Bonuses included in Remuneration

There were no cash bonuses issued during the year ended 30 June 2022.

Share Based Payments Granted as Compensation

The options were granted as compensation during the year ended 30 June 2022 are detailed on the following page.

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 2022	No. Shares Held at Date of this Report	No. Options Held at 30 June 2022	No. Options Held at Date of this Report
Peter Cook				
Directly	3,377,783	3,377,783	-	-
Indirectly	8,569,345	8,569,345	-	-
Mark Hepburn				
Directly	-	-	-	-
Indirectly	1,950,000	1,950,000	4,600,000	4,600,000
John Braham				
Directly	275,911	275,911	-	-
Indirectly	-	-	-	-
Jake Russell				
Directly	-	-	-	-
Indirectly	-	-	-	-
Total	14,173,039	14,173,039	4,600,000	4,600,000

The following table sets out the details of unlisted share option movements during the year ended 30 June 2022:

	Balance at 30 June 2021	Granted	Exercised	Net Other Change	Balance at 30 June 2022	Vested and Unexercised at 30 June 2022
Executive and Non-Executive Directors						
Peter Cook	-	-	-	-	-	-
Mark Hepburn	3,600,000	1,000,000 ¹	-	-	4,600,000	4,600,000
John Braham	-	-	-	-	-	-
Jake Russell	-	-	-	-	-	-
Total	3,600,000	1,000,000	-	-	4,600,000	4,600,000

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 2022.

¹ 1,000,000 unlisted options exercisable at \$0.2392 expiring 2 December 2024 granted on 2 December 2021 were issued by shareholder approval under ASX Listing Rule 10.14 on 24 November 2021. The fair value is \$0.1257 per option.

Other transactions with related parties

During the reporting year, there were no related party transactions other than the remuneration and option grants as detailed in the report.

End of Audited Remuneration Report.

DIVIDENDS

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

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 (Fourth Edition) published by the ASX Corporate Governance Council. The Company has reviewed its corporate governance practices against the Fourth Edition for the financial year ended 30 June 2022.

The Company's 2022 Corporate Governance Statement reflects its corporate governance practices for the financial year ended 30 June 2022 and was approved by the Board. The Company's 2022 Corporate Governance Statement and Corporate Governance Plan are available on its website at www.castile.com.au.

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 2022 has been received and is included within the financial statements.

AUDITOR

Hall Chadwick WA Audit 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

27 September 2022

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Castile Resources Ltd for the financial year ended 30 June 2022, 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,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 27th day of September 2022
Perth, Western Australia

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**



	Note	30 June 2022 \$	30 June 2021 \$
Revenue	3	60,128	78,747
Accounting fees		(106,020)	(116,540)
Compliance fees		(177,514)	(218,794)
Depreciation: other assets	10	(114,312)	(94,736)
Depreciation: right of use assets	11	(48,131)	(48,131)
Directors' remuneration		(437,168)	(410,462)
Exploration expenditure written off	12	(23,582)	(11,531)
Exploration expenditure impaired	12	(1,028,937)	-
Insurance expense		(74,134)	(62,567)
Interest expense: lease liability		(3,655)	(5,130)
IT expenses		(67,749)	(55,195)
Legal fees		(2,489)	(9,842)
Marketing expense		(163,740)	(20,002)
Occupancy expenses		(45,232)	(40,936)
Other expenses		(59,407)	(81,652)
Share based payments expense	17	(224,963)	(272,240)
Staff expenses		(228,084)	(129,827)
Travel expenses		(44,115)	(6,752)
Profit/(loss) before tax		(2,789,104)	(1,505,590)
Income tax benefit/(expense)	4	1,252,501	449,720
Net profit/(loss) for the year from operations		(1,536,603)	(1,055,870)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		(1,536,603)	(1,055,870)
Basic and diluted profit/(loss) per share (cents)	6	(0.8)c	(0.5)c

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**



	Note	30 June 2022 \$	30 June 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	4,430,825	11,220,091
Trade and other receivables	8	162,224	240,522
Other assets	9	126,911	35,037
Total Current Assets		4,719,960	11,495,650
Non-Current Assets			
Other assets	9	647,587	447,647
Property, plant and equipment	10	569,631	669,442
Right of use assets	11	66,594	114,725
Exploration and evaluation assets	12	27,285,361	22,315,452
Total Non-Current Assets		28,569,173	23,547,266
Total Assets		33,289,133	35,042,916
LIABILITIES			
Current Liabilities			
Trade and other payables	13	1,626,831	807,643
Borrowings	14	-	1,406
Lease liabilities		16,916	46,642
Employee obligations	15	126,985	90,514
Total Current Liabilities		1,770,732	946,205
Non-Current Liabilities			
Lease liabilities		61,793	75,962
Deferred tax liability	4	1,880,008	3,024,621
Total Non-Current Liabilities		1,941,801	3,100,583
Total Liabilities		3,712,533	4,046,788
Net Assets		29,576,600	30,996,128
EQUITY			
Contributed equity	16	18,754,081	18,861,969
Reserves	17	561,802	336,839
Retained earnings		10,260,717	11,797,320
Total Equity		29,576,600	30,996,128

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2022**

	Contributed Equity \$	Share Based Payments Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2021	18,861,969	336,839	11,797,320	30,996,128
Equity issue expenses (tax adjusted)	(107,888)	-	-	(107,888)
Share based payments	-	224,963	-	224,963
Profit/(loss) for the year	-	-	(1,536,603)	(1,536,603)
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the year	-	-	(1,536,603)	(1,536,603)
Balance at 30 June 2022	18,754,081	561,802	10,260,717	29,576,600
Balance at 1 July 2020	18,945,072	64,599	12,853,190	31,862,861
Equity issue expenses (tax adjusted)	(83,103)	-	-	(83,103)
Share based payments	-	272,240	-	272,240
Profit/(loss) for the year	-	-	(1,055,870)	(1,055,870)
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the year	-	-	(1,055,870)	(1,055,870)
Balance at 30 June 2021	18,861,969	336,839	11,797,320	30,996,128

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**



	Note	30 June 2022 \$	30 June 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,355,256)	(1,340,993)
Interest received		18,409	76,116
Interest paid: leases		(3,655)	(5,130)
Payments for tenement and other deposits		(199,940)	-
Net cash used in operating activities	18	(1,540,442)	(1,270,007)
Cash flows from investing activities			
Payments for property, plant and equipment		(14,501)	(448,311)
Payment for exploration and evaluation assets		(5,189,022)	(4,236,906)
Net cash used in investing activities		(5,203,523)	(4,673,217)
Cash flows from financing activities			
Payment for costs of equity issues		-	(2,997)
Repayment of borrowings		(45,301)	(43,704)
Net cash (used in) from financing activities		(45,301)	(46,701)
Net increase/(decrease) in cash held		(6,789,266)	(5,989,925)
Cash and cash equivalents at beginning of the year		11,220,091	17,210,016
Cash and cash equivalents at year end	7	4,430,825	11,220,091

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 2022. 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 27 September 2022 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. Accounting Standards that are mandatorily effective for the current reporting year

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- AASB 2020-7 /AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

f. Standards and Interpretations on issue not yet adopted

At the date of authorisation of the financial statements, the Company has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Company's accounting policies, however further analysis will be performed when the relevant standards are effective.

	30 June 2022	30 June 2021
	\$	\$
3. Revenue		
Interest revenue	19,412	68,908
Other revenue	40,716	9,839
	<u>60,128</u>	<u>78,747</u>

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)

a. Major components of income tax expense:

Statement of profit or loss and other comprehensive income: current income tax benefit	-	-
Deferred income tax – relating to origination and reversal fo temporary differences in current year	1,252,501	449,720
Income tax benefit/(expense)	<u>1,252,501</u>	<u>449,720</u>

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	(2,789,104)	(1,505,590)
At statutory income tax rate of 25% (2020: 30%)	697,276	451,677
Non-deductible expenses (non-assessable income)	(56,779)	(82,967)
Adjustments in respect of previous year	12	5
Adjustments in respect of previous deferred income tax as a result of change in tax rate	544,637	-
Capital raising costs	67,355	81,005
	<u>1,252,501</u>	<u>449,720</u>

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 2022 \$	30 June 2021 \$	30 June 2022 \$	30 June 2021 \$
<u>Deferred tax liabilities</u>				
Trade and other receivables	(277)	(30)	(246)	2,163
Other assets	(31,728)	(10,511)	(21,217)	(2,179)
Exploration and evaluation assets	(6,016,536)	(5,651,503)	(365,033)	(1,541,450)
Property, plant and equipment	(118,980)	(168,232)	(66,911)	(110,559)
Gross deferred tax liabilities	<u>(6,167,521)</u>	<u>(5,830,276)</u>		
<u>Deferred tax assets</u>				
Trade and other payables	15,262	17,352	(2,090)	12,672
Employee obligations	31,746	27,154	4,592	18,736
Right of use assets	3,029	2,363	116,829	1,712
Business related costs – profit/loss	501	900	(399)	(300)
Business related cost - equity	135,309	243,196	-	-
Tax losses	4,101,666	2,514,690	1,586,976	2,068,925
Gross deferred tax assets	<u>4,287,513</u>	<u>2,805,655</u>		
Net deferred tax liabilities	<u>(1,880,008)</u>	<u>(3,024,621)</u>		
Deferred income tax benefit/(expense)			<u>1,252,501</u>	<u>449,720</u>

d. Unrecognised losses

At 30 June 2022, there were no unrecognised losses for the Company (2021: 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 2022	30 June 2021
	\$	\$
5. Auditor's remuneration		
Audit of the financial statements	42,044	37,726
	42,044	37,726
	30 June 2022	30 June 2021

6. Earnings per share

Basic and diluted profit/(loss) per share (cents per share)	(0.8)c	(0.5)c
Net profit/(loss) attributable to ordinary shareholders (\$)	\$(1,536,603)	\$(1,055,870)
	Shares	Shares
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	199,710,121	199,710,121

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 2022	30 June 2021
	\$	\$
7. Cash and cash equivalents		
Cash at bank	<u>4,430,825</u>	<u>11,220,091</u>
	<u>4,430,825</u>	<u>11,220,091</u>

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

Accrued interest revenue	1,106	103
GST receivable	161,118	159,526
Other receivables	-	80,893
	<u>162,244</u>	<u>240,522</u>

Trade and other receivables are non-interest 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.

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 2022	30 June 2021
	\$	\$
9. Other assets		
<u>Current</u>		
Prepaid expenses	126,911	35,037
	<u>126,911</u>	<u>35,037</u>
<u>Non-Current</u>		
Tenement and other deposits	647,587	447,647
	<u>647,587</u>	<u>447,647</u>
10. Plant and equipment		
Opening written down value at beginning of year	669,442	315,867
Additions	14,501	448,311
Depreciation	<u>(114,312)</u>	<u>(94,736)</u>
Closing written down value at end of year	<u>569,631</u>	<u>669,442</u>

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.

	30 June 2022	30 June 2021
	\$	\$
11. Right of use assets		
Balance at beginning of year ²	114,725	162,856
Depreciation	(48,131)	(48,131)
Balance at end of year	66,594	114,725

² 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 liabilities.

	30 June 2022	30 June 2021
	\$	\$
12. Exploration and evaluation assets		
Balance at beginning of year	22,315,452	17,435,858
Exploration and evaluation expenditure incurred during the year	6,022,428	4,891,125
Impairment and write-off ³	<u>(1,052,519)</u>	<u>(11,531)</u>
Balance at end of year	<u>27,285,361</u>	<u>22,315,452</u>

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.

³ \$1,028,937 relates to the impairment of tenements EL10379.

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.

Impairment

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.

	30 June 2022	30 June 2021
	\$	\$
13. Trade and other payables		
Accrued expenses	40,851	288,835
Employee payables	138,694	153,379
Trade payables ⁴	1,447,286	365,429
	1,626,831	807,643

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.

⁴ 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 2022	30 June 2021
	\$	\$
14. Borrowings		
Other	-	1,406
	-	1,406
15. Employee obligations		
Annual leave provision	126,985	90,514
	126,985	90,514

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.

	30 June 2022		30 June 2021	
	No.	\$	No.	\$
16. Contributed equity				
Balance at beginning of year	199,710,121	18,861,969	199,710,121	18,945,072
Equity issue expenses (tax adjusted)	-	(107,888)	-	(83,103)
Balance at end of year	199,710,121	18,754,081	199,710,121	18,861,969

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion 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 2022 30 June 2021
\$ \$

17. Reserves

Share based payments reserve

Balance at beginning of year	336,839	64,599
Share based payments expense ⁸	224,963	272,240
	<hr/>	<hr/>
Balance at end of year	561,802	336,839

⁸The reserve is used to record the value of equity benefits to employees and Directors. Inputs used to calculate the option valuations are as follows:

Performance based options

Inputs	Long Term Director Incentive Options (T1)	Long Term Director Incentive Options (T2)	Long Term Director Incentive Options (T3)	Long Term Director Incentive Options (T4)	Short Term Director Options (T5)
Performance Condition	The Company having a market capitalisation in excess of \$100 million.	The Company having a market capitalisation in excess of \$200 million.	The Company completing a bankable feasibility study and commencing mining activity in accordance with the BFS.	The Company completing the sale/s of the first 5,000 ounces or equivalent of gold from the newly constructed mining operation.	The Director remaining employed for 12 months.
Performance Condition Satisfied?	No	No	No	No	No
Number of options	150,000	150,000	150,000	150,000	1,000,000
Exercise price	\$Nil	\$Nil	\$Nil	\$Nil	\$0.2392
Expiry date	21-Dec-24	21-Dec-24	21-Dec-24	21-Dec-24	02-Dec-24
Grant date	26-Nov-20	26-Nov-20	26-Nov-20	26-Nov-20	02-Dec-21
Vesting date	29-Nov-22	29-Nov-22	29-Nov-22	29-Nov-22	02-Dec-22
Share price at grant date	\$0.29	\$0.29	\$0.29	\$0.29	\$0.20
Risk free interest rate	0.21%	0.21%	-%	-%	0.935%
Volatility	108%	108%	-%	-%	109%
Option value	\$0.2289	\$0.2030	\$0.2900	\$0.29	\$0.1257

17. Reserves (continued)

Non-performance based options

Inputs	Director Options (T1)	Director Options (T2)	Short Term Director Options (T1)	Short Term Director Options (T2)
Number of options	1,000,000	1,000,000	500,000	500,000
Exercise price	\$0.25	\$0.25	\$0.313	\$0.313
Expiry date	26-Nov-22	26-Nov-22	21-Dec-23	21-Dec-23
Grant date	26-Nov-19	26-Nov-19	26-Nov-20	26-Nov-20
Vesting date	14-Feb-21	14-Feb-22	21-Dec-21	21-Dec-22
Share price at grant date	\$0.20	\$0.20	\$0.29	\$0.29
Risk free interest rate	0.62%	0.62%	0.09%	0.09%
Volatility	100%	100%	108%	108%
Option value	\$0.115	\$0.115	\$0.1848	\$0.1848

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

	30 June 2022		30 June 2021	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Outstanding at beginning of year	3,600,000	\$0.2258	2,000,000	\$0.25
Granted during the year	1,000,000	\$0.2392	1,600,000	\$0.1956
Forefeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of year	4,600,000	\$0.2287	3,600,000	\$0.2258
Exercisable at end of year	2,500,000	\$0.2287	2,500,000	\$0.2258

No share options were exercised during the year (2021: Nil). The share options at the end of the year had an exercise price of \$0.2287.

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.

	30 June 2022	30 June 2021
	\$	\$
18. Reconciliation of cashflows from operating activities		
Profit/(loss)	(1,563,603)	(1,055,870)
Depreciation	162,443	142,867
Exploration expenditure written off	23,582	11,531
Exploration expenditure impaired	1,028,937	-
Income tax benefit/(expense)	(1,252,501)	(449,720)
Share based payments	224,963	272,240
Change in trade & other receivables	78,298	(209,206)
Change in other assets	(291,814)	(7,262)
Change in trade & other payables	(12,782)	(37,041)
Change in employee obligations	36,471	62,454
	<u>(1,540,442)</u>	<u>(1,270,007)</u>

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 operational aspects noted in the Directors' Report and on 1 August 2022, the Company announced a capital raising of \$5.5m.

	30 June 2022	30 June 2021
	\$	\$

21. Related party transactions

a. KMP compensation

Short-term employee benefits	481,817	492,192
Post-employment benefits	48,182	36,308
Share based payments	224,963	272,240
	<hr/>	<hr/>
Total	754,962	800,740
	<hr/>	<hr/>

b. Transactions with related parties

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

- During the year a total of \$4,816 (2021: \$13,654) plus GST was paid to Westgold Resourced Limited (former parent entity) in relation to reimbursement of costs.

Refer to Note 17 for details of share based payments to Directors and further detail in the remuneration report.

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.

22. *Financial risk management (continued)*

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 2022		
<u>Financial assets</u>		
Cash and cash equivalents	4,430,825	-
Total	4,430,825	-
<u>Financial liabilities</u>		
Lease liabilities	-	78,709
Total	-	78,709
30 June 2021		
<u>Financial assets</u>		
Cash and cash equivalents	11,206,205	-
Total	11,206,206	-
<u>Financial liabilities</u>		
Lease liabilities	-	122,604
Total	-	122,604

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 2022	
Interest rates + 1.0%	(1)
Interest rates – 1.0%	1
30 June 2021	
Interest rates + 1.0%	(5)
Interest rates – 1.0%	5

22. Financial risk management (continued)

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.

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 table below reflects all contractually fixed payables for settlement, repayment and interest resulting from recognised financial liabilities as of 30 June 2022.

Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing as 30 June 2022 and 30 June 2021. The remaining contractual maturities of the Company's financial liabilities are:

	30 June 2022	30 June 2021
	\$	\$
<6 months	8,458	23,321
6-12 months	8,458	23,321
1-5 years	61,793	75,962
>5 years	-	-

Maturity analysis of financial assets and liabilities based on management's expectation

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 2022					
<u>Financial assets</u>					
Trade and other receivables	162,224	-	-	-	162,224
Total	162,224	-	-	-	162,224
<u>Financial liabilities</u>					
Trade and other payables	1,626,831	-	-	-	1,626,831
Lease liabilities	23,321	23,321	32,067	-	78,709
Total	1,650,152	23,321	32,067	-	1,705,540
30 June 2021					
<u>Financial assets</u>					
Trade and other receivables	240,522	-	-	-	240,522
Total	240,522	-	-	-	240,522
<u>Financial liabilities</u>					
Trade and other payables	807,643	-	-	-	807,643
Lease liabilities	24,670	21,972	75,962	-	122,604
Total	832,313	21,972	75,962	-	930,247

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.

22. *Financial risk management (continued)*

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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.

22. Financial risk management (continued)

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).

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.

Financial Liabilities

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.

22. Financial risk management (continued)

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. 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 2022	30 June 2021
	\$	\$
Committed expenditure for the Company comprises:		
<1 year	365,509	385,126
1-5 years	202,171	2,703,189
>5 years	-	-
	567,680	3,088,315

The Company's contingent liabilities are:

- 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 Company has bank guarantees totalling \$366,100 as at 30 June 2022.

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 2022 and of the performance for the year ended 30 June 2022;

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

27 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTILE RESOURCES LTD

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 2022, 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 2022 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.

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
<p>Exploration and Evaluation Assets (Refer to Note 12)</p> <p>The Company has exploration and evaluation assets of \$27,285,361 as at 30 June 2022.</p> <p>Exploration and evaluation assets is a key audit matter due to:</p> <ul style="list-style-type: none"> • 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 <i>Exploration for and Evaluation of Mineral Resources</i> (“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 requires judgement. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • 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 on a sample basis 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: <ul style="list-style-type: none"> ○ 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 2022, 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 2022. 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 2022, complies with section 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Bell

D M BELL CA
Director

Dated this 27th day of September 2022
Perth, Western Australia

As at 8 September 2022

Issued Securities

	Listed on ASX	Unlisted	Total
Fully paid ordinary shares	236,633,198	-	236,633,198
\$0.25 unlisted options expiring 26 November 2022		2,000,000	2,000,000
\$0.2392 unlisted options expiring 2 December 2024		1,000,000	1,000,000
\$Nil unlisted options expiring 21 December 2024		600,000	600,000
\$0.313 unlisted options expiring 21 December 2023		1,000,000	1,000,000
\$0.20 unlisted options expiring 9 August 2024		12,307,682	12,307,682
Total	236,633,198	16,907,682	253,540,880

Distribution of Listed Ordinary Fully Paid Shares

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	386	123,141	0.05
1,001 - 5,000	838	2,470,351	1.04
5,001 - 10,000	396	3,068,165	1.30
10,001 - 100,000	732	26,761,506	11.31
100,001 - and over	180	204,210,035	86.30
Rounding			
Total	2,532	236,633,198	100.00

The number of holders holding less than marketable parcels: 1,067.

Top 20 Listed Ordinary Fully Paid Shareholders

Rank	Shareholder	Shares Held	% Issued Capital
1	CITICORP NOMINEES PTY LIMITED	25,281,603	10.68
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	22,882,341	9.67
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	15,568,996	6.58
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	15,271,147	6.45
5	MR RAM SHANKER KANGATHARAN	10,000,000	4.23
6	MR RAM SHANKER KANGATHARAN	8,650,000	3.66
7	BNP PARIBAS NOMS PTY LTD <DRP>	7,921,090	3.35
8	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>	7,625,977	3.22
9	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	6,500,000	2.75
10	AJAVA HOLDINGS PTY LTD	6,278,376	2.65
11	NO BULL HEALTH PTY LTD	5,772,373	2.44
12	PETER GERARD COOK	3,377,783	1.43
13	NEWBALL PTY LIMITED	3,100,000	1.31
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,967,077	1.25
15	PHH PTY LIMITED	2,810,000	1.19
16	MR MARK STEVEN HEPBURN + MRS AMANDA JANE HEPBURN <HEPBURN SUPERFUND A/C>	1,950,000	0.82
17	MR ADAM ANDREW MACDOUGALL	1,719,000	0.73
18	ALL-STATES FINANCE PTY LIMITED	1,705,844	0.72
19	GREENHILL ROAD INVESTMENTS PTY LTD	1,613,079	0.68
20	BARGOLD HOLDINGS PTY LTD <MOIR SUPER FUND A/C>	1,500,000	0.63
20	HYLEC CONTROLS PTY LTD	1,500,000	0.63
20	MINING AND CIVIL MANAGEMENT SERVICES PTY LTD	1,500,000	0.63
Total		155,494,686	65.71

Distribution of Unlisted Options

Spread of Holdings	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	0	0	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	1	9,955	0.06
10,001 - 100,000	21	1,239,166	7.33
100,001 - and over	15	15,658,561	92.61
Total	37	16,907,682	100.00

Substantial Holders as at 8 September 2022

The following entities have disclosed a substantial shareholder notice to the Company.

Name	Number of Shares	% of Voting Power
Ram Shanker Kangatharan	18,650,000	7.88%
Samarang UCITS – Samarang Asian Prosperity	14,119,831	7.07%
Kingdon Capital Management, LLC	15,568,996	6.644%
CQS (UK) LLP	15,083,621	6.37%
Mr Peter Gerard Cook	10,395,117	5.21%

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
\$0.313 unlisted options expiring 21 December 2023	1	MH Cornerstone Pty Ltd <The Mulligan Family A/C>	1,000,000
\$Nil unlisted options expiring 21 December 2024	1	MH Cornerstone Pty Ltd <The Mulligan Family A/C>	600,000
\$0.2392 unlisted options expiring 2 December 2024	1	MH Cornerstone Pty Ltd <The Mulligan Family A/C>	1,000,000
\$0.20 unlisted options expiring 9 August 2024	35	MR RAM SHANKER KANGATHARAN	3,333,333

The Company has the no restricted securities on issue as at the date of this report.

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.

Electronic Communications

Castile encourages shareholders to receive information electronically. Electronic communications allow Castile to communicate with shareholders quickly and reduce the Company's paper usage.

Shareholders who currently receive information by post can log in at <https://www.computershare.com.au/easyupdate/CST> to provide their email address and elect to receive electronic communications.

Castile emails shareholders when important information becomes available such as financial results, notices of meeting, voting forms and annual reports.

Castile will issue notices of annual and general meetings and the annual report electronically where a shareholder has provided a valid email address, unless the shareholder has elected to receive a paper copy of these documents.

Recent legislative changes to the Corporations Act 2001 (Cth) effective 1 April 2022 mean there are new options available to shareholders as to how they elect to receive their communications. An important notice regarding these rights is available on Castile's website at <https://www.castile.com.au/investors/asx-announcements/>

For further information, please contact Castile's share registry, Computershare, at <https://www-au.computershare.com/Investor/#Contact/Enquiry>

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 31794	Lake Mackay JV	Northern Territory	14%

ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES continued
Mineral Resources Annual Review (Current At 16th September 2022)

There were 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			Copper			Cobalt			Bismuth			Silver			Lead			Zinc		
	Kt	Grade g/t	Koz Au	Kt	Grade %	Kt Cu	Kt	Grade %	Kt Co	Kt	Grade %	Kt Bi	Kt	Grade g/t	Koz Ag	Kt	Grade %	Kt Zn	Kt	Grade %	Kt Zn
Indicated																					
Rover 1	3,970	1.83	233.8	3,970	1.59	63.1	3,970	0.07	2.9	3,970	0.11	4.5	3,970	2.59	330.3						
Explorer 142																					
Explorer 108				5,689	0.36	20.3							8,438	14.32	3,886.0	8,438	2.05	172.8	8,438	3.41	288.1
Sub Total	3,970	1.83	233.8	9,659	0.87	83.4	3,970	0.07	2.9	3,970	0.11	4.5	12,408	10.57	4,216.3	8,438	2.05	172.8	8,438	3.41	288.1
Inferred																					
Rover 1	1,611	1.57	81.4	865	1.25	20.1	865	0.07	1.1	865	0.08	1.4	865	1.76	91.4						
Explorer 142	176	0.21	1.0	176	5.21	9.2															
Explorer 108													3,430	3.32	366.0	3,430	1.88	64.3	3,430	2.81	96.5
Sub Total	1,787	1.44	82.4	1,041	1.92	29.3	865	0.07	1.1	865	0.08	1.4	4,295	3.01	457.4	3,430	1.88	64.3	3,430	2.81	96.5
Total																					
Rover 1	5,581	1.76	315.2	4,835	1.53	83.2	4,835	0.07	4.0	4,835	0.11	5.9	4,835	2.44	421.7						
Explorer 142	176	0.21	1.0	176	5.21	9.2															
Explorer 108				5,689	0.36	20.3							11,868	11.14	4,252.0	11,868	2.00	237.1	11,868	3.24	384.6
Grand Total	5,757	1.71	316.2	10,700	0.97	112.7	4,835	0.07	4.0	4,835	0.11	5.9	16,703	8.62	4,673.7	11,868	2.00	237.1	11,868	3.24	384.6

This Global Resource Inventory Table Reflects the 18 September 2022 Update

ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES continued

There were changes to the Company's mineral resources holdings in the period between its annual review of mineral resources and its end of financial year balance date. The mineral resource estimates and exploration results contained in this report were previously announced to the ASX on 8th March 2022. Subsequent to the close of the 30 June 2022 financial year on the 16th September 2022, the Company made a further update to the Rover 1 Mineral Resource Estimate. All material assumptions and technical parameters underpinning the mineral resource estimates continue to apply. The Resource Inventory Table above reflects the update to the Global Mineral Resource Estimate.

This annual mineral resources statement is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Mark Savage BSc (Hons) AusIMM who has sufficient experience which is relevant to the styles of mineralisation, the types 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 Savage consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. Mr Savage is a full-time employee of Castile Resources Limited. The Annual Review Statement is approved by Mr Savage.

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.

ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES continued

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.