



CASTILE RESOURCES LIMITED

QUARTERLY ACTIVITIES REPORT

For the Period Ending 30 June 2024

HIGHLIGHTS

Critical Minerals Processing Precinct in Darwin – Gold, Copper & Cobalt

- The Northern Territory Land Development Corporation has engaged with Castile on 10 hectares of land in the Middle Arm Sustainable Development Precinct (MASDP).
- Significant commercial, environmental and human resources benefits are evident via relocating the back-end refining section of the Rover 1 Project processing plant to produce downstream critical minerals at the \$2 billion purpose built critical mineral and renewable energy production hub.
- The facility will produce downstream gold, copper and cobalt as end user metals.
- Castile's MASDP facility will be a strategic development as one of the few processing plants in Australia capable of producing downstream copper cathode.
- Castile will have the optionality of processing third party concentrates from nearby deposits in the Northern Territory, South Australia and Queensland that would otherwise be shipped offshore.

Exploration Grant of Over \$95,000 Awarded to Castile

- A co-funding exploration grant totalling \$95,540 from the Northern Territory Governments' Geophysics Survey Drilling Collaborations program has been approved.
- Castile will drill Pathfinder 35 during the 2024 field season targeting high grade IOCG structures similar to Rover 1.

Co-Funded Passive Seismic Survey Continues

- Initial data shows evidence the sensors were successful in gathering data from the basement geology beneath the transported cover that sits above the Rover 1 Deposit.
- The survey continues to accumulate data from the Rover 1 Project.

Continuing Strong Corporate and Government Relationships

- Developing Major Project Status engagement protocols with key departments in the Northern Territory and Federal Government for the Rover 1 Project Bankable Feasibility Study.

Castile Ended the Quarter with a Cash Position of ~\$2.43M on 30 June 2024

CASTILE RESOURCES LIMITED

Castile is developing the Rover 1 Project within the prolific gold-copper mining province of Tennant Creek in the Northern Territory. The Rover 1 PFS Rover 1 revealed a financially robust, polymetallic, high-grade iron oxide copper gold (IOCG) deposit that will produce gold doré, copper and cobalt metal and high-grade magnetite. High purity (99%) copper and cobalt metal produced will be available for sale to EV and battery manufacturers directly from Castile. The gold doré and 96.5% magnetite product (suitable for green steel) provide further diversity and revenue streams. Castile has been awarded Major Project Status by the NT Government and is engaged with NT Land Corp on a parcel of land within the Middle Arm Sustainable Development Precinct.

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ROVER 1 BANKABLE FEASIBILITY STUDY (BFS)

Castile has engaged with the Northern Territory Land Development Corporation on a parcel of land at the \$2 billion-dollar Middle Arm Sustainable Development Precinct (MASDP) located in Darwin. Middle Arm is located 40kms by road from Darwin City and 6kms from Palmerston City. As part of the Rover 1 BFS, Castile is now analysing the environmental, operational, financial, social and stakeholder outcomes of developing the “back end” refining section of the processing plant at the MASDP.

The precinct will be purpose built for critical minerals processing and as a clean energy production hub providing enormous benefit to Castile’s development strategy. The Land Development Corporation (LDC) and the Northern Territory Government (NTG) have acknowledged the suitability of Castile’s downstream processing plant to operate within Middle Arm and will work to provide a suitable site to accommodate Castile’s timeline and functional requirements.

The “front end” mining and beneficiation to concentrate of the Rover 1 ore would remain as planned in Tennant Creek. The move to the precinct would allow the back end “refining” section of the Castile’s processing plant to be located at the MASDP. The bulk concentrate containing gold, copper and cobalt would be transported from Tennant Creek on the existing rail network to the Castile refining facility at the precinct. The outputs would be copper metal and cobalt metal available for direct sale to end users of these critical minerals. The gold from Rover 1 would also be processed to a gold dore’ at the MASDP site.



Figure 1: The Proposed Middle Arm Sustainable Development Precinct (MASDP) near Darwin
(See <https://dipl.nt.gov.au/projects/middle-arm-sustainable-development-precinct>)

Castile's other co-product from Rover 1 is a finely ground 96.5% magnetite product suitable for industrial uses including coal washing. It is still planned to separate and prepare that product at the Rover 1 site.

The immediate benefits of locating the refining facility at MASDP include:

- Reduction in the mine site footprint and environmental impact at the Rover 1 site.
- Reduction the capital infrastructure, construction and operational costs associated with developing less infrastructure at the remote Rover 1 site.
- Reduces the competition for a skilled workforce in the Barkly region.
- MASDP provides a framework for streamlined environmental approvals that target considerable reductions in the time to construction.
- MASDP provides immediate access to road, rail, port and logistics infrastructure.
- The Precinct will connect Castile with multiple giga-scale renewable energy providers to significantly reduce project emissions.
- Nearby Darwin and Palmerston provide proximity to a stable, skilled local workforce.
- Significantly improves logistics regarding the transport of consumables and waste removals required in the refining process.

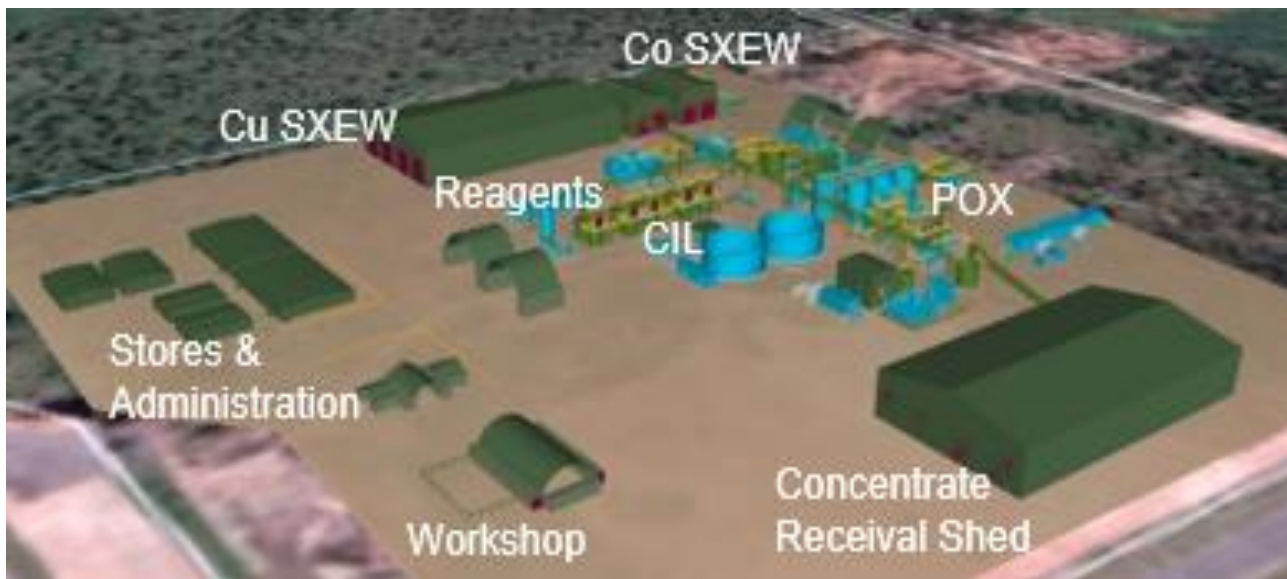


Figure 2: Illustration of the proposed Castile Critical Minerals Refinery at Middle Arm

Castile's planned Rover 1 development has an existing inventory of approximately 10 years of Ore Reserves and Mineral Resources¹ that can underwrite the base-load feed for the refining plant at MASDP.

Castile is simultaneously studying the possible expansion of the downstream facility at MASDP to enable the processing of third-party concentrates and in doing so providing an option to enhance the production of critical minerals within Australia, utilising, protecting and retaining sovereignty over Australia's precious mineral resources.

The sizing of the planned concentrator plant at Tennant Creek and the potential downstream processing hub at MASDP will provide an immediate practical and sensible pathway to development for smaller and sub-economic deposits belonging to third parties within the region.

With projected world demand for copper not being matched by supply, the importance of Australian based copper production is critical to Australia’s demands for copper metal and associated co-products. The establishment of an in-country refining alternative could be a catalyst for Australia to develop and commercialise its many small producers who currently have no option but to concentrate and ship to offshore markets for refining.



Figure 3: Plan View of the Proposed Castile Refinery at Middle Arm

Bulk concentrate from the Rover 1 mine will be received at the MASDP Refinery. This concentrate will be prepared for leaching in a pressure oxidation autoclave.

The oxidised concentrate solution will have the copper separated via a solvent extraction, electro winning process (Cu SXEW). The cobalt will be treated in a similar fashion to produce a final cobalt product (Co SXEW). The residual solid mass after oxidation mass will then be treated within the Carbon-in-leach (CIL) tanks to recover gold.

Support for the plant will be provided onsite with an administration, workshop and stores and warehousing facility.

The critical minerals and co-products produced at site will be ready for direct sale to customers, such as the battery and EV sectors within Australia, as a purely Australian owned and responsibly produced product.

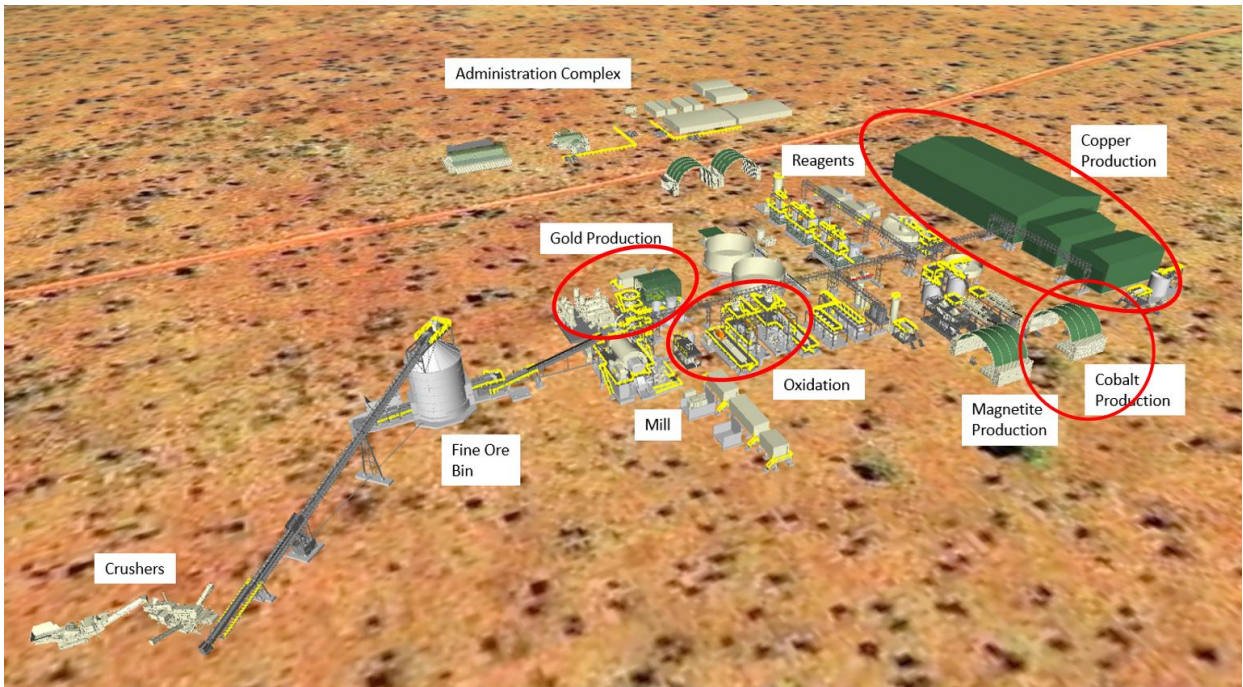


Figure 4: View of the Original Processing Plant Design with the refining components to be relocated and constructed at Middle Arm circled in red. The components not circled remain in a front-end processing plant at Tennant Creek

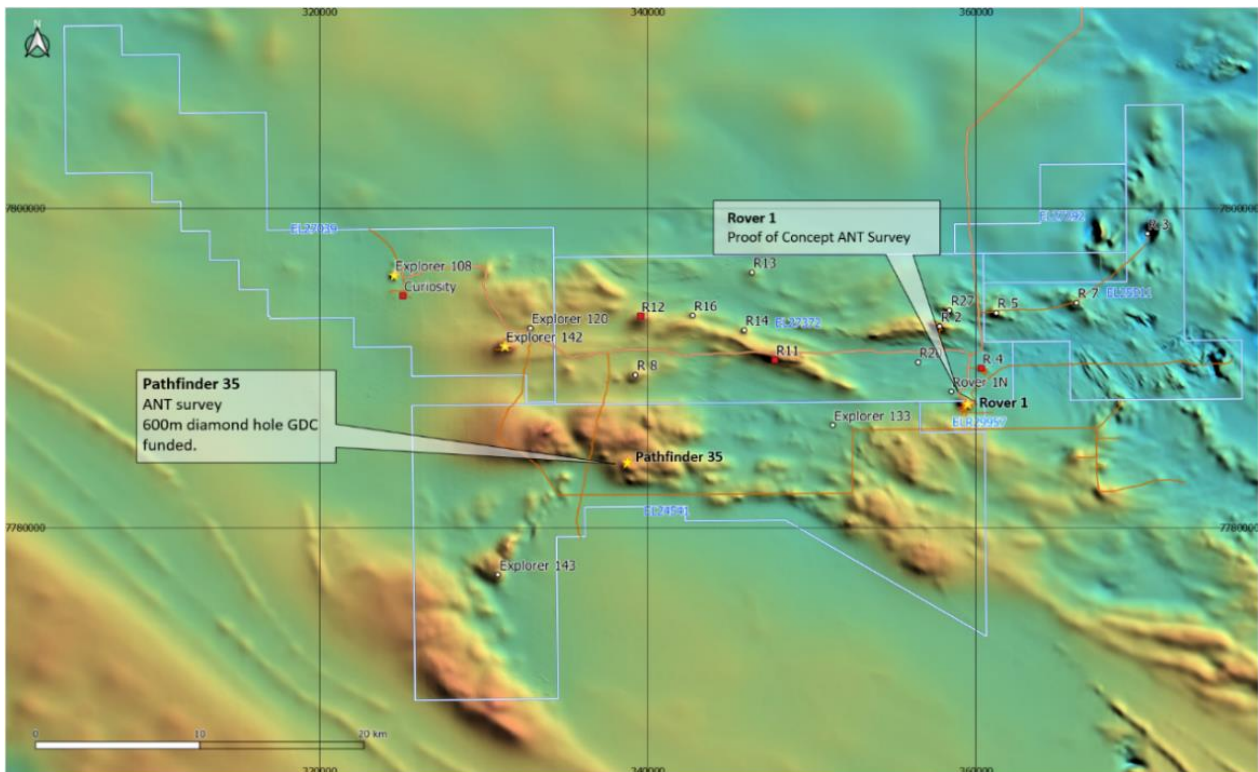


Figure 5: Rover Mineral Field NT Govt Co-Funded Activities

EXPLORATION

ROVER MINERAL FIELD PATHFINDER 35 DRILLING

Castile was granted co-funding for 2024 of \$95,540 from the NTGS to drill the identified target at Pathfinder 35. Access remediation works to allow the drill rig to site are planned for the September quarter to allow additional time for ground conditions to dry out after flooding. Once complete, a rig will be mobilised to complete the program during 2024.

ROVER MINERAL FIELD PASSIVE SEISMIC PROGRAM

Sensor units deployed in December 2023 were retrieved in May 2024 with one unit successfully collected continuous data for the whole deployment, while the other two sensors captured intermittent data due to hardware issues.

Horizontal-to-Vertical Spectral Ratio (HVSr) profile modelling for the continuous data station successfully identified the Wiso basin – Proterozoic basement unconformity. This result indicates that the passive seismic surveys will be able to differentiate between high gravity – low magnetic anomalies as either topographic highs in the basement paleosurface or real in-basement gravity anomalies. Further to this, the zone of weathered and fractured basement immediately under the paleosurface was able to be identified.

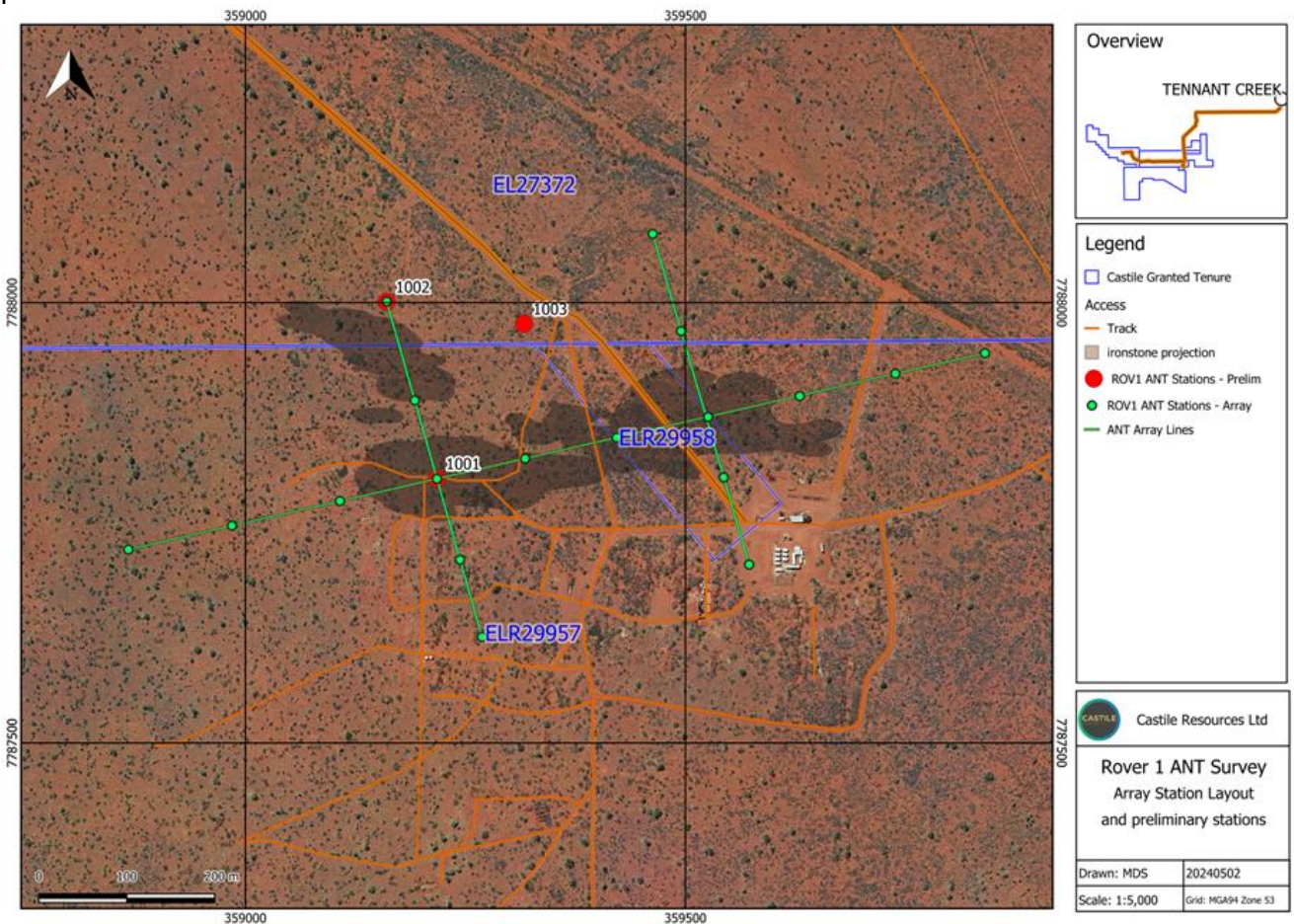


Figure 6: Passive seismic preliminary station locations at Rover 1 with ironstone vertical projections.



This result provides an opportunity to map this zone outside of the limits of historic drilling and integrate it into geotechnical modelling.

HVSR profile modelled for the continuous data station also successfully identified a high velocity zone at approximately 2km, consistent with data from Geoscience Australia's passive seismic AusArray station in 14km west of Rover. This zone may represent strongly metamorphosed Warramunga Formation rocks underlying the Ooradidge Formation host rocks to IOCG mineralisation at Rover or Archean basement rocks. This result has important applications for regional exploration under cover, specifically for identification of deep crustal faulting which has a spatial relationship with mineralisation of all styles. Implementing a broad grid of sensors could be used to evaluate faults identified from magnetic and gravity data.

MILGUN PROJECT – WESTERN AUSTRALIA

Prospect scale geological mapping, rock chip and soil geochemical sampling were undertaken over parts of E52/4235 in March 2024. A quartz-muscovite pegmatite swarm was identified and sampled; however subsequent rock chip analytical results show the pegmatites have not evolved enough to host Lithium-Caesian-Tantalum (LCT) mineralisation. No additional soil geochemical anomalies were identified associated with LCT or Rare Earth Elements (REE) mineralisation. In addition, Au, Cu, Co, Pb and Zn was also examined with no anomalies identified and therefore no further work is planned on E52/4235

Ongoing exploration efforts will be directed to E52/4206 to evaluate the nature of the basement and verify the GSWA interpretation as being intrusive rocks of the Durlacher Supersuite. From a geological point of view, there are known occurrences of LCT pegmatites in proximity to intrusive rocks of the Durlacher Supersuite (DSS) in the Yarlalweelor Gneiss Complex. Further to this, the DSS hosts the Yinnetharra Lithium and Yangibana REE Projects as well as other occurrences of LCT and REE mineralisation elsewhere in the Gascoyne. This will involve aircore drilling to evaluate the nature of the basement rocks under cover.

WARUMPI PROJECT – NORTHERN TERRITORY

Further geophysical surveys are being assessed for the Warumpi tenements in the coming field season.

CORPORATE DEVELOPMENT AND INVESTOR RELATIONS

During the quarter Castile conducted investor updates roadshows in Brisbane, Melbourne and Sydney. Managing Director, Mark Hepburn presented at the Market Talk Event in Sydney prior to the Sydney RIU Conference. Castile's media outreach campaigns on the back of announcements generated coverage in Proactive, Stockhead, Mining.com.au and Oz Mining. Castile continued discussions with various parties on the funding for the Rover 1 project development and the potential for third party users of facilities regarding the MASDP refining section of Castile's processing plant.



FINANCIAL POSITION

Castile's cash position as of 30 June 2024 was ~\$2.426m. Appendix 5B for the quarter ended 30 June 2024 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was ~\$408k for the activities set out in this report which included metallurgy studies and testing costs associated with the Tennant Creek projects. No expenditure was incurred on mining production or development activities during the quarter. The total amount paid to directors of the Company, their associates and other related parties was ~\$192k for salary and superannuation.

TENEMENTS

During the quarter the Company did not acquire or dispose any tenements and held the following tenements as of 30 June 2024.

Tenement	Project	Location	Interest	Status
EL 24541	Rover	Northern Territory	100%	Renewal Application Submitted 14/12/2023
EL 25511	Rover	Northern Territory	100%	Renewal Application Submitted 14/12/2023
EL 27039	Rover	Northern Territory	100%	Expiry 14/05/2025
EL 27292	Rover	Northern Territory	100%	Expiry 26/05/2024
EL 27372	Rover	Northern Territory	100%	Expiry 26/05/2024
ELR 29957	Rover	Northern Territory	100%	Expiry 16/09/2028
ELR 29958	Rover	Northern Territory	100%	Expiry 16/09/2028
EL 33121	Rover	Northern Territory	100%	Expiry 3/11/2028
EL 10397	Warumpi	Northern Territory	100%	Expiry 10/09/2025
EL 31794	Lake Mackay JV	Northern Territory	14%	Expiry 27/02/2024
E52/4206	Milgun	Western Australia	100%	Expiry 19/01/2028
E52/4235	Milgun	Western Australia	100%	Expiry 26/03/2028

HEALTH SAFETY, AND COVID-19 BUSINESS MANAGEMENT PLAN

There were no Lost Time Injuries (LTI's) to any Castile staff reported in the June 2024 quarter. Castile will continue to monitor and maintain safety requirements in the new areas of exploration at Pathfinder 35 and the Milgun Lithium Niobium Project Tenements.

Authorised by the board of Castile Resources Limited.

For further enquiries please contact.

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Listing Rule 5.23

The information contained in this report has been previously reported by the Company as referenced above (Announcements). The Company confirms that it is not aware of any new information or data that would materially affect the information included in the Announcements. Information relating to the Rover 1 Pre-Feasibility Study (PFS) was previously announced by the Company on 5 December 2022 and the Explorer 108 Scoping Study (Scoping Study) was previously announced by the Company on 27 April 2023. The Company confirms that all material assumptions underpinning the PFS and Scoping Study, including financial forecasts and production targets, continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Castile Resources Limited

ABN

93 124 314 085

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(198)	(723)
(e) administration and corporate costs	(138)	(591)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	36	164
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	39	39
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(262)	(1,115)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(5)	(7)
(d) exploration & evaluation	(408)	(1,858)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (tenement deposits)	-	(3)
2.6	Net cash from / (used in) investing activities	(413)	(1,868)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(5)	(20)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(5)	(20)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,106	5,429
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(262)	(1,115)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(413)	(1,868)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(20)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,426	2,426

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,246	2,930
5.2	Call deposits	184	184
5.3	Bank overdrafts	-	-
5.4	Other (credit cards)	(4)	(8)
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,426	3,106

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	181
6.2	Aggregate amount of payments to related parties and their associates included in item 2	11

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Comprises Director salaries and superannuation. Note that the amount within item 1.2(d) includes salaries recharged.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>N/A</p> </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(262)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(408)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(670)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,426
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,426
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: N/A</p>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: N/A</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2024

Authorised by: Mark Hepburn, Managing Director of Castile Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.