INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Financial Statements for the year ended 30 June 2021 and any public announcements made by Castle Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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DIRECTORS' REPORT

Your directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Castle Minerals Limited ("Castle" or "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

Stephen Stone

Michael Atkins

James Guy

REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated revenues and results for the half-year is set out below:

	2021		2020	
	Revenue and Other Income $	**Results $**	**Revenue and Other Income $**	**Results $**
Consolidated entity revenue and other income and loss	**185**	**(1,082,979)**	67,015	(1,169,750)

During the period, the consolidated entity undertook the following activities:

WESTERN AUSTRALIA

KENDENUP (GRAPHITE)

The Company secured 150km^2 of tenure over the Kendenup graphite field in the southwest of Western Australia in November 2021 via the purchase of granted exploration licence hosting the historical Kendenup graphite workings and the application for adjacent open ground hosting the historical Martigallup graphite occurrences (which has since been granted).

Graphite mineralisation had been intersected on the Martigallup licence by recent third-party diamond drill testing of an electromagnetic (EM) anomaly for base metals. The EM anomaly appears to be along strike from the Kendenup workings and may represent an extension to the horizon that hosts the Kendenup graphite. A ground EM survey is planned to better define and extend the existing EM anomaly, with follow-up drill testing then proposed.

WOODCUTTERS (LITHIUM)

During November 2021 two exploration licences (Woodcutters and Tramways) were applied for within the renowned "Western Australian lithium corridor" that hosts the Mt Marion and Bald Hill deposits, extending Castle's lithium footprint by 242km^2. The tenements lie 25km southwest of Bald Hill and 25kms northwest of Liontown Resources Limited's (ASX: LTR) Buldania lithium deposit.

A recent in-depth review of historical multi-element geochemical auger sampling data has highlighted several areas of lithium and coincident indicator elements anomalism (rubidium, beryllium, caesium and tin). The multi-element signatures of these auger anomalies are consistent with possible hard rock lithium mineralisation associated with lithium-caesium-tantalum ("LCT") type pegmatites. Their close proximity to several mapped granite intrusions provides additional encouragement.

DIRECTORS' REPORT CONTINUED

The Company intends to follow-up with a program of mapping and rock chip sampling of any outcropping pegmatites focusing initially on the highest priority areas generated by the multi-element geochemical review, and subject to grant of the licences. Castle will also seek to validate the previous soil program with infill sampling and, if warranted, undertake an aircore drill program over areas of colluvium with anomalous lithium and other indicator elements to test for the occurrence of pegmatites below the cover.

WILGEE SPRINGS (LITHIUM)

Castle applied for the 120km^2 Wilgee Springs exploration licence (ELA 70/5880) in October 2021, along strike from and within the same metamorphic belt as the world-class Greenbushes lithium mine. Greenbushes, 25km to the south, is the world's largest, highest grade and lowest cost, hard rock, spodumene concentrate producing operation, supplying 21% of global lithium from a Mineral Resource of 178.5Mt at 2.0% Li_2O (refer IGO ASX release 9 December 2020). Castle also joins Lithium Australia P/L, CMC Lithium P/L and Lithium Power Holdings P/L holding licences in the same belt.

Modern advanced geochemical and geophysical exploration technologies will be used to 'peer' through the thick laterite cover which has previously hampered exploration. An orientation site visit confirmed good access for first-pass, low-impact exploration. The field trip also confirmed that there is excellent access into and throughout the area arising from a network of state roads and numerous forestry tracks.

EARAHEEDY (BASE METALS)

The 870km^2 Earaheedy base metals project comprises six exploration licences that were applied for in 2021. These comprise the Withnell, Terra Rossa and Tableland sub-projects. All three areas encompass terrane prospective for base and precious metals.

Withnell

The Withnell application (granted subsequent to period end) is adjacent to the evolving Chinook-Magazine zinc-lead project of Rumble Resources Ltd (ASX: RTR) and north of the Strickland Metals Limited (ASX: STK) Iroquois prospect.

Recent public reporting by ASX listed Rumble Resources Ltd and Strickland Metal Limited on their properties adjacent to the Withnell licence, and other companies generally in the Basin province, has added considerably to the broader understanding of the styles of mineralisation being encountered by drilling (i.e. SEDEX, MVT), its stratigraphic setting and structural controls.

RC and diamond drilling in 1997 by an RGC Exploration Pty Ltd and Carnegie Minerals NL joint venture, intersected low-level zinc and lead anomalism on the Withnell licence, including at the Sioux prospect. Reviews of historical reports indicate that the Withnell licence could host approximately 3.5km strike of prospective lithologies.

Castle's geologists undertook a field orientation site visit to Withnell and Terra Rossa to prepare for the first phase of exploration. Castle is keen to commence drilling, subject to the execution of an access agreement and site survey.

Terra Rossa

The four contiguous Terra Rossa tenement applications are grouped immediately to the east of the of the Sultan Resources Ltd (ASX: SLZ) dormant Thaduna copper deposit. They extend north-south for some 40km and host at least six base metal prospects appearing on the GSWA MINEDEX database.

DIRECTORS' REPORT CONTINUED

Tableland

Two further applications covers the Tableland region in the south-eastern margin of the Basin, which includes similarly prospective stratigraphy to the Terra Rossa project.

Castle intends to drill test the Sioux prospect and other targets on the Withnell licence; map, sample and infill sample several priority base metal targets on the Terra Rossa licences and commence a second phase of field reconnaissance at Tablelands in the coming months.

BEASLEY CREEK (GOLD, BASE METALS AND LITHIUM)

A specialist geochemical review highlighted four high-priority gold and lithium anomalies for rapid field verification and drilling. Numerous other lower-order stream sediment and soil anomalies (total of 23), including for base metals, have also been delineated for follow-up.

Castle's recognition that the under-explored older Archean greenstone sequence of rocks at Beasley Creek is prospective for structurally controlled, orogenic-style gold mineralisation is beginning to pay dividends.

Two of the priority gold targets fall within a structurally bound, northwest trending anomalous corridor in the centre of the licence. They comprise a consistently anomalous 600m zone with associated copper anomalism and a smaller anomalous gold zone with a multi-element association of sliver, bismuth, nickel, platinum and palladium. Sample values peaked at 137ppb Au and 1010ppm Cu.

The two other priority targets have a strong lithium signature in both soil and stream sediment samples. These are located in the southern section of the greenstone rocks, close to their margin with the Rocklea Dome granite.

Lithium and the anomalous associated pathfinder elements also identified were not a specific target for exploration at Beasley Creek but their elevated values have provided Castle with an additional dimension to its exploration in the region.

The multi-element signatures of these anomalies are consistent with possible hard rock lithium mineralisation associated with LCT type pegmatites and their close proximity to the Rocklea Dome granite provides additional encouragement.

At this stage it is too early to have a firm understanding of the origin of the lithium. It is also stressed that Castle has not yet carried out enough sampling to confirm the source of the lithium or other associated elements and no pegmatites have as yet been identified in the field or are apparent from satellite imagery.

A field inspection is planned as a priority and before any decision to drill the lithium targets is made.

SUCCESS DOME (GOLD, BASE METALS)

The reprocessing by Castle of the regional aeromagnetic data covering the Success Dome precious and base metals project in the Ashburton region, and the enhanced structural information obtained from that and an initial phase of mapping and reconnaissance sampling, has provided an excellent guide for a planned initial phase of exploration once the licence is granted.

Success Dome is located midway between the Paulsen's and Ashburton gold deposits and is traversed for several kilometres by the regionally prominent Cheela Thrust fault.

POLELLE (GOLD, BASE METALS)

Polelle is 15km south of the Great Boulder Resources (ASX: GBR) Side Well gold project and its Mulga Bill intrusive related discovery. Adjoining Polelle to the north is the SensOre (unlisted) Tea Well project where its proprietary "AI" technology has predicted a large mineral system.

DIRECTORS' REPORT CONTINUED

The Albury Heath shear zone and its main splay structure extend for a combined 12km on the Polelle licence. Given the close association of gold anomalism with these structures and the success being achieved by Great Boulder and SensOre, the scope for exploration success at Polelle is considered to be strong.

Following the completion of a specialist geochemical data review of historical and Castle stream sediment, soil and rock chip sampling campaigns, several priority targets for gold and base metals were defined.

Castle is now making plans to drill test the highest ranked of targets. All eight prospecting licence applications extending Polelle 4km north have been granted and multi-element geochemical sampling can now be extended across these.

WANGANUI (GOLD)

At the Wanganui project, 33km south-west of the active Meekatharra mining centre and 15km south-west of the operating Bluebird gold mine, down-plunge and along strike extensions to the existing Main Lode North and South deposits are being pursued, as well as other similar targets. The Main Lode mineralisation, which can be intermittently traced for at least 1km, is one of at least four structurally related mineralised zones.

Drilling completed by Castle in the December 2020 Quarter indicated the likelihood of extensions to plunging mineralised structures at Main Lode South. These may be tested as an adjunct to proposed drilling at Polelle but is not considered high priority.

GHANA

CARLIE MINING LIMITED (GRAPHITE, GOLD)

Carlie Mining Limited ("Carlie") is a wholly owned Ghanaian registered subsidiary of Castle that holds all of its Ghana project interests. In addition to its Kambale graphite project, Carlie has a substantial and contiguous tenure position in Ghana's emerging Upper West region. Its licence holdings encompass large tracts of highly prospective Birimian geological terrane, the host to many of West Africa's and Ghana's multi-million-ounce gold mines.

Carlie's Gbiniyiri and Degbiwu licences have been farmed-out to Ghanaian company Iguana Resources Limited ("Iguana"), which intends to explore for gold and base metals. Carlie is in discussions with Iguana, regarding a revision to the terms of the farm-out agreement.

Preliminary test work on near-surface, weathered graphitic schists achieved industry-benchmark fine flake graphite concentrate grades of up to 96.4% and recoveries of 88% using a conventional grind and flotation concentration flowsheet. Three excavated and composited samples provided for the test work graded 12.56%, 16.09% and 17.16% total carbon.

A mapping, trenching and drilling program is being designed to delineate the full extent of the deposit, to identify areas of highest quality graphite and to provide diamond core for test work on fresh, unweathered material.

Castle is preparing to undertake a ground EM survey on its Kambale graphite licences to assist in determining the full extent of the graphitic schist host which is believed to extend over several kilometres and beyond the current area drilled. It will then follow-up with drill traverses to confirm the schist's presence, its boundaries and variations in quality along strike, across its width and to depth.

Diamond drilling is then planned to provide reliable samples for geological purposes and for a second phase of test work on fresh unweathered material.

DIRECTORS' REPORT CONTINUED

CAPITAL RAISING

As announced on 29 September 2021, the Company received firm commitments from professional and sophisticated investors to subscribe for 126,843,833 new fully paid ordinary shares in the Company at an issue price of $0.012 per share to raise $1,522,126 before costs, with shares allotted on 5 October 2021. Each new share was allotted, on a 1:3 basis, attaching listed options exercisable at $0.022, expiring on 31 December 2023. Additionally, during the period a total of 20,000,000 options were exercised raising $400,000.

SUBSEQUENT EVENTS

On 17 January 2022 the Company completed a placement to sophisticated and professional investors of 120,000,000 ordinary shares at an issue price of $0.03 per share to raise $3,600,000 before costs. Each new share was allotted, on a 1:3 basis, attaching listed options exercisable at $0.055, expiring on 31 December 2024.

On 7 February 2022 the Company announced that the Martigallup licence (E70/5963) hosting the historical Martigallup workings in the north of the tenement was granted.

On 11 January 2022 the Kendenup licence (E70/5514) hosting the historical Kendenup workings was transferred to Castle in accordance with the Tenement Sale Agreement.

Other than those matters set out above, no matter or circumstance has arisen since 31 December 2021, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

This report is made in accordance with a resolution of directors.

Stephen Stone
Managing Director
Perth, 25 February 2022

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF CASTLE MINERALS LIMITED

As lead auditor for the review of Castle Minerals Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Castle Minerals Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 25 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Half-year 2021 $	Half-year 2020 $
REVENUE AND OTHER INCOME			
Interest income	2	**185**	197
Government COVID-19 cashflow boost		**-**	66,842
Other income		**-**	12
		185	67,051
EXPENDITURE			
Depreciation expense		**(1,139)**	(892)
Salaries and employee benefits expense		**(166,294)**	(173,857)
Exploration expenses		**(670,594)**	(852,145)
Corporate expenses		**(79,526)**	(77,106)
Administration expenses		**(132,011)**	(132,801)
Share-based payments expense		**(33,600)**	-
LOSS BEFORE INCOME TAX	2	**(1,082,979)**	(1,169,750)
Income tax expense		**-**	-
LOSS AFTER TAX FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		**(1,082,979)**	(1,169,750)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**375**	(1,915)
Other comprehensive income/(loss) for the period, net of tax		**375**	(1,915)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF CASTLE MINERALS LIMITED		**(1,082,604)**	(1,171,665)
Basic and diluted loss per share (cents)		**(0.14)**	(0.22)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 December 2021 $	30 June 2021 $
CURRENT ASSETS			
Cash and cash equivalents		**2,551,682**	1,801,005
Other receivables		**63,896**	55,537
TOTAL CURRENT ASSETS		**2,615,578**	1,856,542
NON-CURRENT ASSETS			
Plant and equipment		**8,470**	9,609
TOTAL NON-CURRENT ASSSETS		**8,470**	9,609
TOTAL ASSETS		**2,624,048**	1,866,151
CURRENT LIABILITIES			
Trade and other payables	3	**160,723**	175,198
Employee benefit obligations		**20,956**	19,799
TOTAL CURRENT LIABILITIES		**181,679**	194,997
NON-CURRENT LIABILITIES			
Employee benefit obligations		**5,005**	3,173
TOTAL NON-CURRENT LIABILITIES		**5,005**	3,173
TOTAL LIABILITIES		**186,684**	198,170
NET ASSETS		**2,437,364**	1,667,981
EQUITY			
Contributed equity	4	**31,758,343**	30,009,956
Reserves		**1,239,298**	1,135,323
Accumulated losses		**(30,560,277)**	(29,477,298)
TOTAL EQUITY		**2,437,364**	1,667,981

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Contributed Equity	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$	$
BALANCE AT 1 JULY 2020	26,809,646	780,136	242,997	(27,486,848)	345,931
Loss for the period	-	-	-	(1,169,750)	(1,169,750)
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	-	-	(1,915)	-	(1,915)
TOTAL COMPREHENSIVE LOSS	-	-	(1,915)	(1,169,750)	(1,171,665)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	3,432,695	-	-	-	3,432,695
Share issue transaction costs during the period	(232,385)	114,000	-	-	(118,385)
BALANCE AT 31 DECEMBER 2020	30,009,956	894,136	241,082	(28,656,598)	2,488,576
BALANCE AT 1 JULY 2021	**30,009,956**	**894,136**	**241,187**	**(29,477,298)**	**1,667,981**
Loss for the period	**-**	**-**	**-**	**(1,082,979)**	**(1,082,979)**
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations	**-**	**-**	**375**	**-**	**375**
TOTAL COMPREHENSIVE LOSS	**-**	**-**	**375**	**(1,082,979)**	**(1,082,604)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the period	**1,922,126**	**-**	**-**	**-**	**1,922,126**
Share issue transaction costs during the period	**(173,739)**	**70,000**	**-**	**-**	**(103,739)**
Options issued during the period	**-**	**33,600**	**-**	**-**	**33,600**
BALANCE AT 31 DECEMBER 2021	**31,758,343**	**997,736**	**241,562**	**(30,560,277)**	**2,437,364**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Half-year	
	2021	**2020**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	**(748,426)**	(868,077)
Payments to suppliers and employees	**(320,063)**	(404,087)
Interest received	**65**	197
Government COVID-19 cashflow boost received	**-**	66,842
Net cash outflow from operating activities	**(1,068,424)**	(1,205,125)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	**1,922,126**	3,432,695
Payments for share issue transaction costs	**(103,739)**	(118,385)
Net cash inflow from financing activities	**1,818,378**	3,314,310
Net increase in cash and cash equivalents	**749,963**	2,109,185
Cash and cash equivalents at the beginning of the half-year	**1,801,005**	434,475
Effects of exchange rate changes on cash and cash equivalents	**714**	(3,704)
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	**2,551,682**	2,539,956

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Castle Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2021. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Going concern

For the half-year ended 31 December 2021 the consolidated entity had a loss of $1,082,979 and had net cash outflows from operating activities of $1,068,424. The Group had no cash generating assets in operation at 31 December 2021 and is unlikely to generate any operating revenue unless its projects are successfully developed or its interests in them monetised.

Management believe there are sufficient funds to meet the entity’s working capital requirements as at the date of this report and as such, the financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

NOTE 2: SEGMENT INFORMATION

For management purposes, the Group has identified two reportable segments being: exploration activities undertaken in Australia; and, exploration activities undertaken in Ghana, West Africa. These segments include activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group’s mineral assets in the respective geographic location.

Segment performance is evaluated based on the operating profit or loss and cash flows and is measured in accordance with the Group’s accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 2: SEGMENT INFORMATION (continued)

	Half-year	
	2021	**2020**
Exploration Segments	**$**	**$**
Segment income – Australia	**-**	-
Segment income – Ghana	**-**	-
Segment income – Total	**-**	-
Reconciliation of segment income to total income before tax:		
Interest income	**185**	197
Other income	**-**	66,854
Total income	**185**	67,051
Segment results – Australia	**(599,344)**	(818,091)
Segment results – Ghana	**(71,250)**	(34,054)
Segment results – Total	**(670,594)**	(852,145)
Reconciliation of segment result to loss before tax:		
Corporate depreciation	**(1,139)**	(892)
Share-based payments expense	**(33,600)**	-
Other corporate and administration	**(377,646)**	(316,713)
Profit/(loss) before tax	**(1,082,979)**	(1,169,750)

	31 December 2021	30 June 2021
	$	**$**
Segment operating assets – Australia	**-**	-
Segment operating assets – Ghana	**-**	-
Segment operating assets – Total	**-**	-
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	**2,624,048**	1,866,151
Total assets	**2,624,048**	1,866,151
Segment operating liabilities – Australia	**78,040**	58,039
Segment operating liabilities – Ghana	**8,122**	87,682
Segment operating liabilities – Total	**86,162**	145,721
Reconciliation of Ghana segment operating liabilities to total liabilities:		
Other corporate and administration liabilities	**100,522**	52,449
Total liabilities	**186,684**	198,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 3: TRADE AND OTHER PAYABLES

	31 December 2021 $	30 June 2021 $
Trade payables	**66,548**	40,501
Other payables and accruals	**94,175**	134,697
	160,723	175,198

NOTE 4: MOVEMENTS OF EQUITY SECURITIES

Ordinary Share Capital	**2021 Shares**	**2021 $**	2020 Shares	2020 $
As at 1 July	**732,500,818**	**30,009,956**	389,231,273	26,809,646
Issued during the half-year				
Issued for cash at $0.012 per share	**126,843,833**	**1,522,126**	-	-
Issued for cash at $0.01 per share	**-**	**-**	343,269,545	3,432,695
Issued for cash upon exercise of $0.02 options	**20,000,000**	**400,000**	-	-
Transaction costs	**-**	**(173,739)**	-	(232,385)
As at 31 December	**879,344,651**	**31,758,343**	732,500,818	30,009,956

Options	**Number of options 2021**	**Number of options 2020**
As at 1 July	**35,500,000**	15,500,000
Issued, unlisted, exercisable at $0.022 on or before 30 June 2023	**4,000,000**	-
Issued, listed, exercisable at $0.022 on or before 31 December 2023	**52,281,277**	-
Issued, unlisted, exercisable at $0.02 on or before 30 June 2022	**-**	20,000,000
Exercised at $0.02, expiring 30 June 2022	**(20,000,000)**	-
As at 31 December	**71,781,277**	35,500,000

During the 2021 half-year, 10,000,000 listed options with an exercise price of 2.2 cents and expiring on 31 December 2023 and 4,000,000 unlisted options with an exercise price of 2.2 cents and expiring 30 June 2023 were issued to corporate advisors and consultants. The listed options vested on the date of issue. The fair value of the listed options issued was determined by reference to the closing price of 0.7 cents on the grant date of 8 October 2021.

The unlisted options vested on 31 December 2021. The fair value of the unlisted options granted during the half-year was 0.8 cents. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2021
Weighted average exercise price (cents)	2.2
Weighted average life of the options (years)	2.0
Weighted average underlying share price (cents)	1.4
Weighted average expected share price volatility	140.95%
Weighted average risk-free interest rate	0.03%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 5: CONTINGENCIES

Contingent Liabilities

Wanganui and Polelle tenement acquisitions

In accordance with tenement acquisition agreements entered during the 2021 financial year for the Wanganui and Polelle projects, the following deferred consideration may become payable in future periods:

- 1% gross royalty is payable on any gold produced from both projects; and
- A once only milestone payment of $50,000 is payable when either a decision is made to mine ore or an ore reserve of at least 30,000oz gold has been declared on one of the projects.

Beasley Creek tenement acquisition

In accordance with a tenement acquisition agreement entered during the 2018 financial year, the following deferred consideration may become payable in future periods:

- 2,000,000 performance rights to vest into fully paid ordinary shares of Castle on the date that Castle submits a Form 5 (in the form specified in the Mining Act) stating that Castle has expended $500,000 on the tenement.

Ghana

The mineral licences held in Ghana by the Company through its wholly owned Ghanaian subsidiary, Carlie Mining Limited, are subject to compliance with the Minerals and Mining Act 2006 (Act 703) and various other laws and regulations governing their application, granting, extension, renewal and general operation. Failure to comply with these conditions may render the licences liable for forfeiture. The Company has applied for extensions of term or renewal and/or a reduction in licence area for a majority of its licences and is awaiting approval from the Ghana MINCOM and the Ghana Minister of Lands and Natural Resources for these. Such approvals will be subject to the payment of various fees which the Company will consider and pay on an individual licence basis as-and-when such fees have been determined and presented. There is no guarantee that the obligations and terms pertaining to individual or all of the Company's licences can or will be economically complied with.

Contingent Assets

Topago sale

Under the terms of the sale agreement for the disposal of the Group's former subsidiary Topago Mining Ltd ("Topago") the sale consideration includes a cash payment of US$100,000 upon commencement of mining at the Akoko Gold Project, a gross royalty of US$25 per ounce on the first 50,000 ounces of gold produced, and a 1% gross royalty on any additional production over 50,000 ounces of gold. The amounts (in AUD) and the timing of receipt are not able to be determined at the period end and accordingly, no asset has been recognised for the contingent asset.

NOTE 6: DIVIDENDS

No dividends were paid during the half-year. No recommendation for payment of dividends has been made.

NOTE 7: RELATED PARTY TRANSACTIONS

There has been no material change to related party transactions in the half-year ended 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE 8: SUBSEQUENT EVENTS

On 17 January 2022 the Company completed a placement to sophisticated and professional investors of 120,000,000 ordinary shares at an issue price of $0.03 per share to raise $3,600,000 before costs. Each new share was allotted, on a 1:3 basis, attaching listed options exercisable at $0.055, expiring on 31 December 2024.

On 7 February 2022 the Company announced that the Martigallup licence (E70/5963) hosting the historical Martigallup workings in the north of the tenement was granted.

On 11 January 2022 the Kendenup licence (E70/5514) hosting the historical Kendenup workings was transferred to Castle in accordance with the Tenement Sale Agreement.

Other than those matters set out above, no matter or circumstance has arisen since 31 December 2021, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 9 to 17 are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Castle Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Stephen Stone
Managing Director

Perth, 25 February 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Castle Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Castle Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 25 February 2022