

Ghana's Minerals Income Investment Fund to Invest ~US\$2.0M in Kambale Graphite Project

Proposed investment of ~US\$500,000 (~A\$750,000) in Castle at A\$0.0045 per share and US\$1.5 million (~A\$2.25 million) in subsidiary, Kambale Graphite Limited ("KGL").

- Indicative Term Sheet executed with Ghana's Minerals Income Investment Fund ("MIIF").
- A transformational transaction for Castle and a strong indication of Ghana government's support for Project.
- Will see Kambale Graphite Project funded through to Pre-Feasibility.
- MIIF to emerge as the largest equity shareholder in Castle.
- MIIF preferential production offtake and capex funding rights will considerably de-risk Project.
- Ghana Government actively pursuing the establishment of an in-country critical minerals supply chain and lithium-ion battery manufacturing utilising graphite (Castle) and lithium (Atlantic Lithium Ltd).
- Positions Kambale to participate in independent critical minerals supply chains being established by USA and European EV and energy storage unit manufacturers.
- Ghana Stock Exchange listing for either Castle Minerals Ltd or Kambale Graphite Ltd.

Castle Executive Chairman, Stephen Stone said "The proposed transformational funding arrangement with Ghana's sovereign wealth fund, the Mineral Income Investment Fund, will not only see the Project accelerated through to pre-feasibility but also establishes a de-risking platform for the offtake of a major proportion of graphite production and the provision of development capital.

With MIIF having already formed an alliance with Atlantic Lithium and its Ewoyaa lithium project, its Castle investment fully aligns with the country's aspiration to build Sub-Saharan's first lithium-ion battery manufacturing hub and to be a leader in the global energy transition.

An undertaking to list on the fast-growing Ghana Stock Exchange will open up access to additional in-country investment and capital.

Kambale's fine flake graphite is the form required for lithium-ion battery anode manufacture and extensive test work has demonstrated that it can be processed to achieve the stringent specifications required for use in anode manufacture. The high-grade 22.4 million tonne Mineral Resource will comfortably support a long term production facility.

We are looking forward to a very productive partnership with MIIF and the Ghana government."



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MIIF executive due diligence team listening to details of community engagements.



MIIF Chief Executive Officer, Edward Nana Yaw Koranteng added: *“The Minerals Income Investment Fund of Ghana is a minerals sovereign wealth fund whose underlying objective is to support the growth of mining in Ghana and provide a de-risking option for investors in the mining space.*

We are excited about the proposed USD2.0 million investment in Castle Minerals Limited and its subsidiary, Kambale Graphite Limited, which meets this objective. It also fully aligns with the Government of Ghana’s critical minerals policy and its aspiration to establish

sub-Saharan’s first lithium-ion battery manufacturing facility.

Combined with our investment in Atlantic Lithium Limited, Ghana is moving closer to firmly positioning itself in the global EV supply chain and playing its part in reducing harmful global emissions. Ghana’s status as one of the best mining investment destinations in Africa is considerably reinforced.”

Castle Minerals Limited (ASX: CDT) (“Castle” or the “Company”) advises that it has executed an indicative non-binding term sheet (“Term Sheet”) with Ghana’s Mineral Income Investment Fund (“MIIF”) for a combined investment of US\$2.0M (~A\$3.0M) to advance Castle’s Kambale Graphite Project (“Project”), Ghana.

This proposed transformational deal will fund the Project through to a pre-feasibility study that will evaluate the production of specialist natural graphite concentrates and value-added products used in the manufacture of lithium-ion battery anodes for electric vehicles and energy storage.

The Term Sheet, sets out a framework for:

1. A **Castle Share Investment Agreement** whereby MIIF will:
 - a) subscribe for US\$500,000 (~A\$750,000) of new ordinary shares in Castle at an issue price of A\$0.0045. The shares will be escrowed for 12 months;
 - b) be issued one new unlisted option for each two shares subscribed for. Each option shall have an exercise price of A\$0.0075 and may be exercised between 12 to 24 months from the date of issue; and
 - c) have the right to nominate a non-executive director to the Castle Board.
2. A **KGL Share Subscription & Shareholder Agreement** whereby MIIF will:
 - a) invest USD\$1.5 million for new shares in the capital of KGL for a contributing equity interest that is subject to independent valuation and negotiation;
 - b) have the right to nominate a non-executive director to the KGL board;
 - c) have a preferential right to commit additional funds during the pre-development and development stages to acquire up to a 50% total project interest; and
 - d) have a preferential right to purchase up to a maximum of 50% of the final graphite product processed in-country on industry standard terms and on an arms’ length industry competitive basis.

Conditions precedent for the investments include, amongst other things, completion of full form agreements, completion of due diligence to MIIF’s satisfaction (a site visit has already been undertaken), approvals by the Castle Board, FIRB and Castle shareholder approvals (if required) and the appointment of a suitably qualified and experienced Ghanaian CEO to KGL.

The Parties have also agreed to:

- actively pursue a listing of the Company or KGL on the Ghana Stock Exchange within two (2) years of commercial operations of the Kambale Graphite Project;
- implement strategies aimed at fostering the development and growth of local capacity and competence, including a minimum ninety per cent (90%) in-country management and technical team, plus where feasible, to maintain a one hundred per cent (100%) in-country procurement level.

About MIIF

The Minerals Income Investment Fund is a Ghanaian sovereign wealth fund established by an Act of Ghana’s Parliament to receive the royalties and dividends generated by mining companies operating in the country. These include Newmont, Goldfields, AngloGold Ashanti, Perseus, Asanko and Asante Gold. Its mandate is to invest these funds in a beneficial, accountable and sustainable manner and to monetise Ghana’s mineral wealth in a manner which would bring long term value to Ghana.”

MIIF presently has over US\$500 million of assets under management, with this having grown considerably since its inception. The progressive expansion of the revenue net to other minerals and types of mining operations will see this grow considerably.

About the Kambale Graphite Project

The 149km² Kambale Graphite Project licence is held by 100% owned Ghanaian subsidiary, Kambale Graphite Limited (“KGL”).

The Kambale Graphite Project is located 6km west of Ghana’s Upper West regional capital of Wa which is 640km north, via good sealed roads, of the capital Accra and the Port of Tema which provides direct access to global export markets.

Wa has an excellent infrastructure including a commercial airport only a few kilometres from the Project, numerous well maintained sealed and unsealed roads, plenty of potable water and reliable grid power largely fed with electricity generated by the 400MWh Bui hydroelectric dam. These will all combine to represent a large saving in Project establishment capital costs.

Mineral Resource Estimate

In October 2023, the Kambale MRE was increased to 22.4Mt grading 8.6% TGC containing 1.94Mt of graphite. This included 43% in the higher confidence Indicated Mineral Resource category (ASX Announcement 23 October 2023).

Classification	Tonnes (kt)	Contained TGC (kt)	TGC (%)
Indicated	9,556	843	8.8%
Inferred	12,872	1,096	8.5%
Total	22,438	1,939	8.6%

5% TGC Cut-Off. TGC = Total Graphitic Carbon

Test work

In September 2023, Castle reported that test work by Independent Metallurgical Operations Pty Ltd (IMO), Perth, yielded a commercial specification bulk fine flake concentrate grading 95.1% TGC with a recovery of 79% of the graphite to the concentrate (ASX Announcement 18 September 2023).

The bulk fine flake concentrate then successfully underwent micronisation, spheronisation and purification test work at ProGraphite GmbH, Germany. This produced a 99.97% LOI product with no impurities of concern. Subsequent electrochemical test work indicated that purified (uncoated) material

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meets a number of key charging and stability benchmark performance markers confirming its suitability to be used in the manufacture of precursor and Battery Anode Material (BAM) across a range of battery chemistries and battery formats (ASX Announcement 5 February 2024).

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WHY GRAPHITE, WHY KAMBALE?

- Electric vehicle (“EV”) lithium-ion batteries contain an anode (-ve) and a cathode (+ve).
- A typical EV battery pack which contains 35kg-75kg of graphite which is 10x - 15x more graphite (by weight) than lithium (in the cathode).
- Battery anode material (“BAM”) is made from natural fine flake graphite (-100 mesh) like that proposed to be produced at Kambale or from a synthetic graphite.
- Primary synthetic graphite is made from petroleum or coal refinery residue requiring high-energy and temperature processing and producing much higher levels of CO₂ emissions.
- Mined and concentrated natural graphite is micronised, spheronised, purified (“SPG”) and then coated to become BAM.
- In most cases <40% of the original graphite concentrate becomes BAM.
- A major supply deficit of natural fine flake natural graphite is expected as sales of EVs and energy storage units grow.
- China produces ~95% of the world’s BAM with non-China anode, Li-ion battery with EV manufacturers critically dependent upon China supplies.
- China has insufficient natural fine flake graphite to meet internal demand and is importing concentrates via offtake contracts with many of the world’s new or proposed graphite mines.
- China wants to grow and protect its battery and EV business and in December 2023 introduced ‘temporary’ export licence controls on graphite, anodes and EV batteries.
- The USA Inflation Reduction Act is a multi-billion dollar initiative to stimulate in-country manufacturing of batteries and EVs by establishing reliable, independent supply chains of quality, sustainable critical minerals, including graphite. Access to IRA funds is restricted to enterprises or product inputs not associated with “countries of concern”.
- The EU has introduced a similar supply chain stimulus initiative (“Critical Raw Materials Act”) with several other countries likely to follow suit.
- The Kambale Graphite Project is strategically located and well timed to participate as an uncommitted source of natural fine flake graphite in the new critical mineral supply chains being established.
- Ghana is a highly regarded, safe, politically stable and fast-growing jurisdiction with a long history of mining by international Tier-1 companies. It has a highly skilled workforce, excellent infrastructure, international ports and well established contracting and supply sectors. It has ambitions to establish West Africa’s first critical minerals hub.

ESG and Social licence

KGL's key management has some 17 years of successfully operating in Ghana and in particular its Upper West region. It has established a good reputation for its pro-active commitment to community engagements, local employment and training and aims to apply best practise ESG standards.

KGL has ensured that its activities meet the highest expectations in regard to environmental, social and governance ("ESG") standards. Resources have been directed to ensuring that all activities are undertaken with the prior, free and fully informed consent of impacted communities.

In parallel and critical to establishing any operation at Kambale, Castle has commissioned independent stakeholder engagement, identification and assessment studies that were conducted consistent with policies and guidelines of the World Bank, International Finance Corporation, International Labour Organisation and other relevant authorities.

Authorised for release to ASX by the Board of Castle Minerals Limited:

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PREVIOUSLY REPORTED INFORMATION RELATING TO THIS RELEASE

Additional details, where applicable, can be found in the releases referenced in this Report and/or in the following releases lodged by the Company with the ASX:

Headline	Date
Castle Raises funds to Advance Gold and Graphite Projects	19 June 2024
Successful Battery Anode Tests	12 March 2024
Outstanding Graphite Purification Results	5 February 2024
Castle Boost Kambale Graphite resource to 22.4Mt	23 October 2023
Kambale Graphite Project Delivers More High-Grade Drill Intercepts	21 September 2023
Commercial Grade Graphite Concentrate Produced at Kambale	18 September 2023
Castle Appoints International Mining Executive	6 September 2023
Additional High Grade Intercepts at Kambale Graphite project	14 August 2023
Additional Graphite Targets at Kambale	1 August 2023
Kambale Drilling, Geophysics and Metallurgical Test Work Update	27 June 2023
Castle Commences Geophysical Survey to Locate Additional Graphite Occurrences	22 May 2023
Castle Commences Resource Upgrade Drilling at Kambale	16 May 2023
Castle's Kambale Project Exceeds 1.4Mt Contained Graphite	12 April 2023
Excellent High-Grade Continuity Confirmed at Kambale Graphite Project	13 March 2023
Kambale Graphite Project RC Drilling Completed	4 January 2023
Kambale Graphite Diamond Core Drilling Completed (Amended)	23 December 2022
Kambale Graphite Diamond Core Drilling Completed	20 December 2022
Independent Exploration Target Estimate Highlights Kambale as a Large-Scale Graphite Deposit	28 November 2022
Kambale Core Drilling Underway	10 November 2022
Kambale Graphite Deposit Extended	3 November 2022
Encouraging Kambale Graphite project Interim Drill Results	29 September 2022
Kambale Graphite RC Drilling Programme Completed	24 August 2022

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Headline	Date
More Graphite Zones at Kambale	11 July 2022
Drilling Campaign Launched at Kambale Graphite Project	14 June 2022
Kambale Graphite EM Survey Increases Size Expectations	31 March 2022
EM Survey Commences at Kambale Graphite Project Ghana	14 March 2022
Encouraging Graphite Test Work Results	21 September 2021
Kambale Graphite Test Work Update	5 August 2021
Graphite Test Work Underway	3 June 2021
Castle to Reappraise Kambale Graphite Project, Ghana	15 March 2021
Drilling Doubles Strike length of Kambale Graphite Deposit	17 September 2012
Metallurgy Test Work Confirms Commercial Potential of Kambale Graphite Deposit	3 September 2012
High Grade Graphite intercepts Extend Kambale Deposit	24 August 2012
Maiden Resource Confirms Kambale as One of World's Largest Graphite Deposits	24 July 2012
Large High Grade Deposit Confirmed at Kambale	6 July 2012
Extensive Zones of High Grade Graphite Intersected	9 May 2012

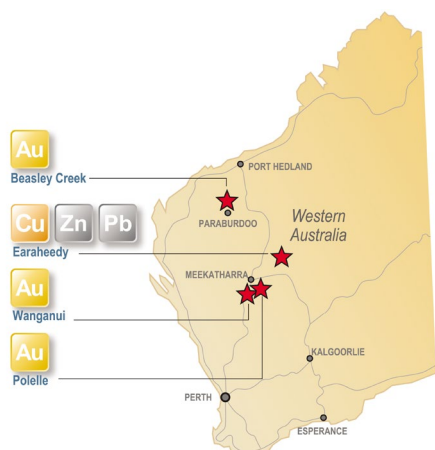
ABOUT CASTLE MINERALS

Castle Minerals Limited is an Australian Securities Exchange (ASX: CDT) listed and Perth, Western Australia headquartered company with interests in several projects in Ghana and Western Australia that are prospective for Battery Metals (graphite and lithium), base metals (zinc, lead and copper) and gold.

In Ghana, West Africa, Castle's 100% owned Ghanaian subsidiary, Carlie Mining Ltd, holds a 2,686km² tenure position in the Upper West Region – the **Wa Gold Project**. This encompasses large tracts of highly prospective Birimian geological terrane, the host to many of West Africa's and Ghana's multi-million-ounce gold mines. It has delineated several advanced gold exploration targets including at **Kpali, Bundi and Kandia**.

Carlie holds a 4% gross royalty on any gold mined and sold from the Julie West Licence within the Black Volta Gold Project owned by Azumah Resources Limited.

The Company's **Kambale Graphite Project** is also located in Ghana's Upper West Region and is owned by 100% Ghanaian subsidiary, Kambale Graphite Limited. It is being progressed through technical and commercial evaluation for the production of battery grade material to be used in lithium-ion battery manufacture.



In Western Australia Castle continues to seek the farm-out or sale of its retained Western Australia legacy projects:

Wanganui-Polelle (Gold): ASX listed Great Boulder Resources Limited (ASX: GBR) has been granted an option to explore and acquire a 75% interest in these two projects, east of the Meekatharra mining centre. Castle retains a 1% gross revenue royalty over any production each of the Wanganui and Polelle projects.

Earaheedy (Base Metals): This base metals project has similar geology and prospectivity to, and is closely aligned with, the nearby Tier-1 Earaheedy base metals discovery of Rumble Resources Limited (ASX: RTR).

Beasley Creek (Gold and lithium): Situated on the northern flanks of the Rocklea Dome in the southern Pilbara, this project (80% interest) is prospective for gold and lithium.

STATEMENTS

Cautionary Statement

All of Castle's projects in Australia are considered to be of grass roots or of relatively early-stage exploration status. There has been insufficient exploration to define a Mineral Resource. No Competent Person has done sufficient work in accordance with JORC Code 2012 to conclusively determine or to estimate in what quantities gold or other minerals are present. It is possible that following further evaluation and/or exploration work that the confidence in the information used to identify areas of interest may be reduced when reported under JORC Code (2012).

Exploration Results & Mineral Resource Estimate – No New Information or Data

This announcement contains references to exploration results and Mineral Resource estimates, all of which have been cross-referenced to previous market announcements by the Company. Castle confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and in the case of the Kambale Graphite Project's Mineral Resource estimate that all material assumptions and technical parameters underpinning the estimates in the original announcement made on 23 October 2023 continue to apply and have not materially changed.

Furthermore the Company confirms that the form and context of the Competent Person's findings in relation to those Mineral Resources estimates have not been materially modified from the original market announcements.

Forward Looking Statement

Statements regarding Castle's plans, forecasts and projections with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that Castle's plans for development of its mineral properties will proceed. There can be no assurance that Castle will be able to confirm the presence of Mineral Resources or Ore Reserves, that any mineralisation will prove to be economic or that a mine will be successfully developed on any of Castle's mineral properties. The performance of Castle may be influenced by a number of factors which are outside the control of the Company, its Directors, staff or contractors.

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