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ASX Announcement

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Castle Acquires Option Over Sapelliga Gold Project

Castle Minerals Limited (ASX:CDT) is pleased to announce that it has entered into an option agreement over the Sapelliga gold project in Ghana.

The 183km² Sapelliga project is situated in the north eastern corner of Ghana along the border with Burkina Faso. Canadian company Etruscan Resources is developing the 580,000 ounce (6.6 million tonnes @ 2.7g/t gold) Youga Gold deposit just 2.5km west of the project boundary and 5km west of the Sapelliga prospect.

The main area of interest at Sapelliga was defined by Ashanti Exploration in the late 1990's and occurs in Tarkwaian and Birimian metasedimentary rocks adjacent and along strike from the Youga Project. Shallow artisanal mining has occurred around the prospect area.

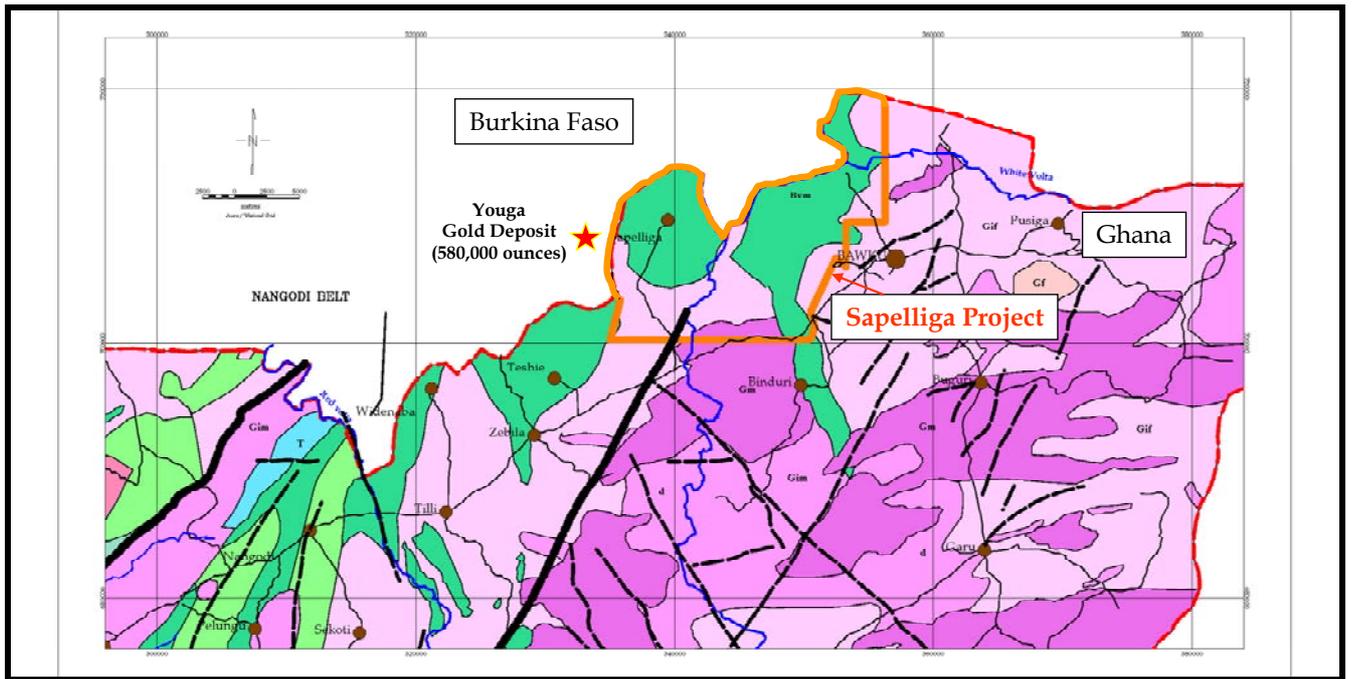
Trenching by Ashanti has exposed quartz veined metasedimentary rocks over an approximately 800m strike. Trench results reported by Ashanti include:

- **14m @ 7.72 g/t gold;**
- **11m @ 2.8 g/t gold,**
- **3m @ 3.73 g/t gold and**
- **3m @ 2.63 g/t gold.**

The option agreement provides Castle with the opportunity to acquire a 100% interest in the project over a three year period subject to staged payments being made to the vendors. The option payments are heavily weighted towards the end of the 3 year option period.

Background

The Sapelliga Reconnaissance Licence covers 183.5 km² and is located 650km north of Accra in the Upper East Region of Northern Ghana adjacent to the Burkina Faso border. The licence was granted on the 20 January, 2006.



Regional geology map of Sapelliga Project area



CASTLE MINERALS LIMITED
GHANA
PROJECT LOCATIONS

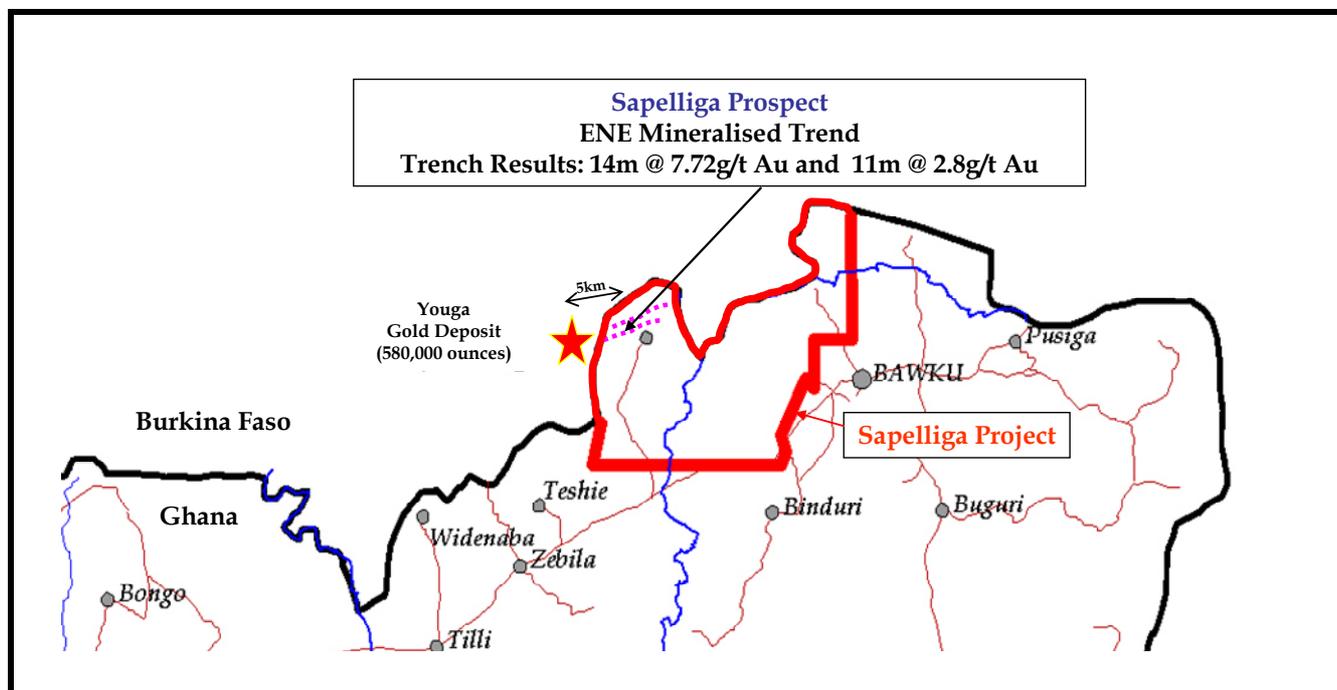
Castle now has six project areas covering more than 1,200km² in Ghana

Sapelliga Geology and Mineralisation

The project area is underlain by ENE trending Birimian metavolcanics with belt granite intrusions and includes 6 strike kilometres of Birimian/Tarkwaian contact. This very prospective contact zone is 3km along strike from the Youga Project (Etruscan Resources Ltd) across the border in Burkina Faso.

The Sapelliga Prospect defined by Ashanti Exploration in the late 1990's is centred on a NE trending soil anomaly (200 x 50m spaced sampling) with artisanal mining in Tarkwaian metasediments adjacent and along strike from the Youga Project. Etruscan's Youga Project in neighbouring Burkina Faso has Proven and Probable Reserves of about 6.6Mt @ 2.7g/t for 580,000 ounces of gold. The main Youga pit is 5km WSW along strike from the Sapelliga prospect with Etruscan's closest known mineralisation about 2.5km. Trenching by Ashanti exposed quartz veined metasedimentary rocks over an 800m strike. Trench results include: 14m @ 7.72g/t gold; 11m @ 2.8g/t gold, 3m @ 3.73g/t gold and 3m @ 2.63g/t gold.

The workings at Sapelliga occur in strongly foliated, steeply dipping Birimian metasedimentary rocks striking east north east. The metasedimentary rocks are argillaceous phyllites, dark green and chloritic becoming sericitic close to the veins in the workings. Minor black carbonaceous shale/phyllite is noted.



Sapelliga Project area (red border)



Sapelliga artisanal gold workings

Castle Proposed Program

Proposed exploration by Castle in the first year of the option is proposed to involve:

- Converting the Reconnaissance Licence to a Prospecting Licence
- Drill testing the Sapelliga Trenches
- Field checking, mapping and infill sampling on other prospects.

Castle Managing Director Michael Ivey said “the opportunity to test the Sapelliga prospect was too good to refuse considering the historic trench results and their location being just a few kilometres along strike from the 580,000 ounce Youga gold deposit”. The Youga Project is currently under construction and is on schedule to commence production in the second quarter of 2007.



Michael Ivey
Managing Director & CEO

Information in this announcement was compiled by Michael Fowler, Castle Minerals Limited Exploration Manager, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Fowler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code. Michael Fowler consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

Statements regarding Castle Minerals' plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Castle Minerals' plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Castle Minerals will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Castle Minerals' mineral properties.