

10th December 2009

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ASX Announcement

US Resource Funds Invest in Castle

Castle Minerals Limited (ASX:CDT) is pleased to announce that two US based resource funds, Seamans Capital Management LLC and Walnut Street Capital Management LLC will join the Castle register via a placement of 7 million ordinary shares in Castle at a price of \$0.25 per share raising \$1.75 million.

Seamans Capital Management was started in 1986 by Richard Seamans to provide research on US and global interest rates, currencies, commodities and long-term investment strategies to institutional investors and operating companies worldwide. The firm began managing global bond accounts in 1987 and resource equities accounts in 1993. The company has more than \$500 million in assets under management for endowments, foundations, pensions and individuals.

The funds will be used to immediately accelerate exploration on Castle's extensive Ghanaian land holdings that cover more than 11,000km². Exploration is underway at the Company's Wa Project along the previously unrecognised Batie West structure that is interpreted to extend for at least 40 kilometres into the Wa Project tenure.

Castle's Managing Director, Mr Mike Ivey, said the Company was very pleased by the addition of two quality resource funds to its already strong register. "The funds will allow us to double our exploration efforts and to this end we have already employed two new Ghanaian geologists and booked additional drilling capacity for 2010. This raising gives us over \$4 million in cash and provides us with the funding to undertake a major exploration program on our largely unexplored Wa Project that represents one of the most prospective unexplored gold belts in West Africa" Ivey said.

Drilling at Akoko North has just been completed and results of this work are expected in early January. RC drilling at the Akoko South and Akoko West gold targets is expected to commence immediately after Christmas.

The placement was managed by Sydney based stockbroking group, Southern Cross Equities and will be completed using Castle's ability to issue up to 15% of its capital within a 12 month period without the need for shareholder approval. Seamans Capital Management LLC and Walnut Street Capital Management LLC will also receive one unlisted \$0.35 option for every 2 shares issued in the placement. The options have a term of two years.

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