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## ASX Announcement

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## Drilling Confirms Widespread Gold Mineralisation at Kandia Prospect

Castle Minerals Limited (ASX: CDT) is pleased to announce that the first RC drilling program to test the Kandia artisanal gold workings in north west Ghana has outlined a number of strike extensive zones of sediment hosted gold mineralisation.

Significant results from 5m metre composite sampling of the drilling program include;

<b>KARC016</b>	<b>5m @ 1.43 g/t Au from 25m</b>
	<b>5m @ 0.89 g/t Au from 45m</b>
<b>KARC017</b>	<b>5m @ 0.70 g/t Au from 30m</b>
<b>KARC018</b>	<b>10m @ 1.19 g/t Au from 0m</b>
<b>KARC019</b>	<b>10m @ 1.44 g/t Au from 35m</b>
<b>KARC021</b>	<b>6m @ 1.15 g/t Au from 60m</b>
<b>KARC027</b>	<b>16m @ 1.09 g/t Au from 50m</b>

19 of the 28 holes drilled reported gold mineralisation defining at least two parallel zones of sediment hosted gold mineralisation over a 500m strike length that remains open along strike.

Castle's Managing Director, Mr Mike Ivey, said "These results are very encouraging and confirm to us that the Kandia trend (granite/sediment contact) is capable of hosting bulk tonnage sediment hosted gold mineralisation. We have strong gold in soil anomalism over at least 15km of strike that requires infill sampling and drill testing.

The 6km long zone south of the Kandia artisanal workings actually reported a stronger geochemical response than the site of artisanal gold workings and represents a priority target for further work. We only discovered Kandia eight weeks ago and it is quickly developing into a key prospect for Castle and again demonstrates the unexplored and highly prospective nature of our large landholdings in Ghana"

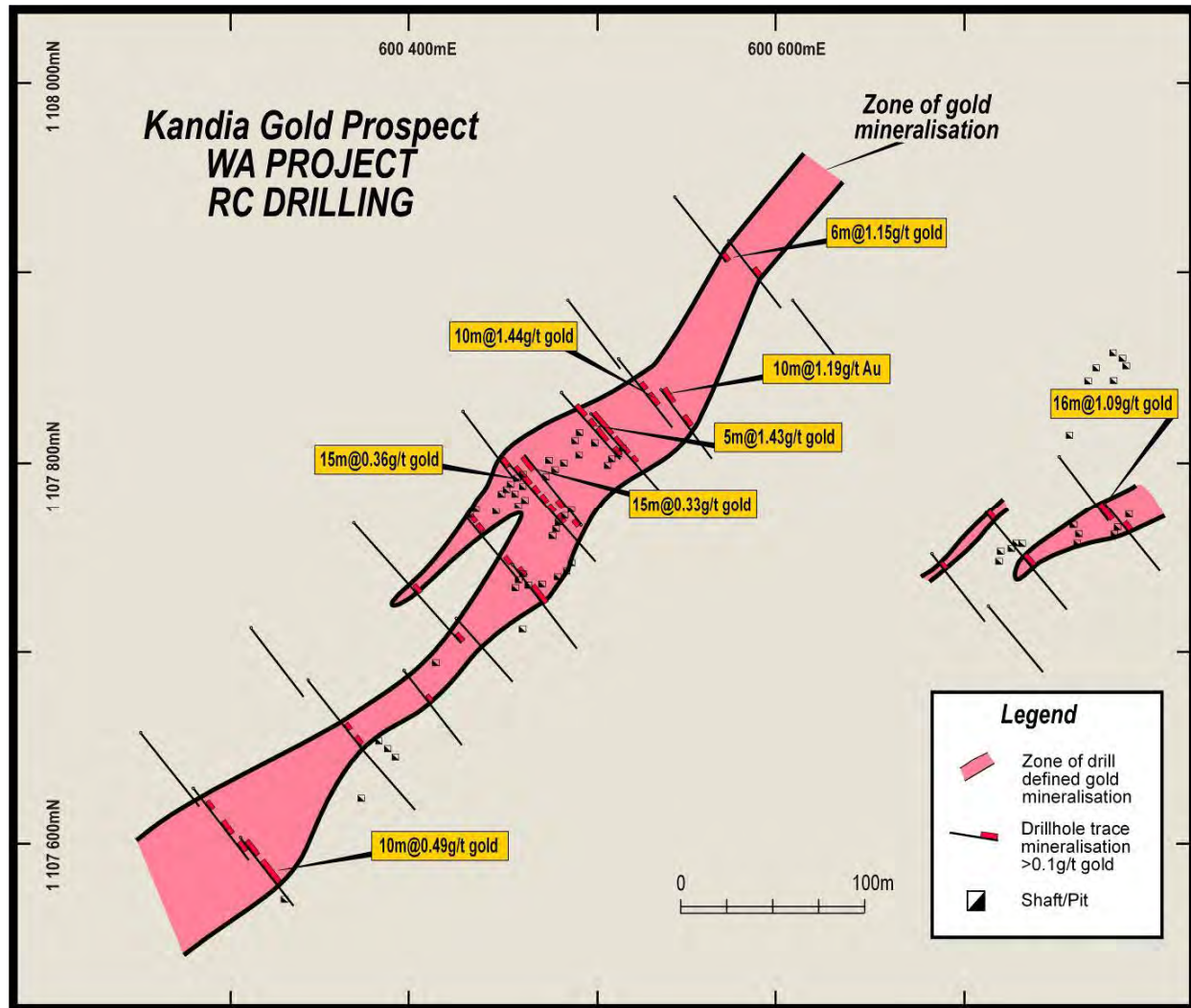
### Background

The Kandia prospect was discovered in April 2010 during reconnaissance field mapping. During this program a large area of previously unknown artisanal gold workings was discovered that comprise three main groups developed over approximately 600m of strike.

The largest single group of workings (Kandia West) is developed over a 400m strike length with mineralisation exposed in workings up to 80m width. This area produced the strongest gold results from rock chip sampling. The workings are situated on the eastern side of Castle's large Wa Project in an area that has yet to be explored and no historic references to this gold mineralisation or prior exploration are known.

The gold workings at Kandia are developed within quartz-biotite rich metasediments. On a regional scale the workings occur on a major granite/sediment contact that can be traced within Castle's licences for about 25km.

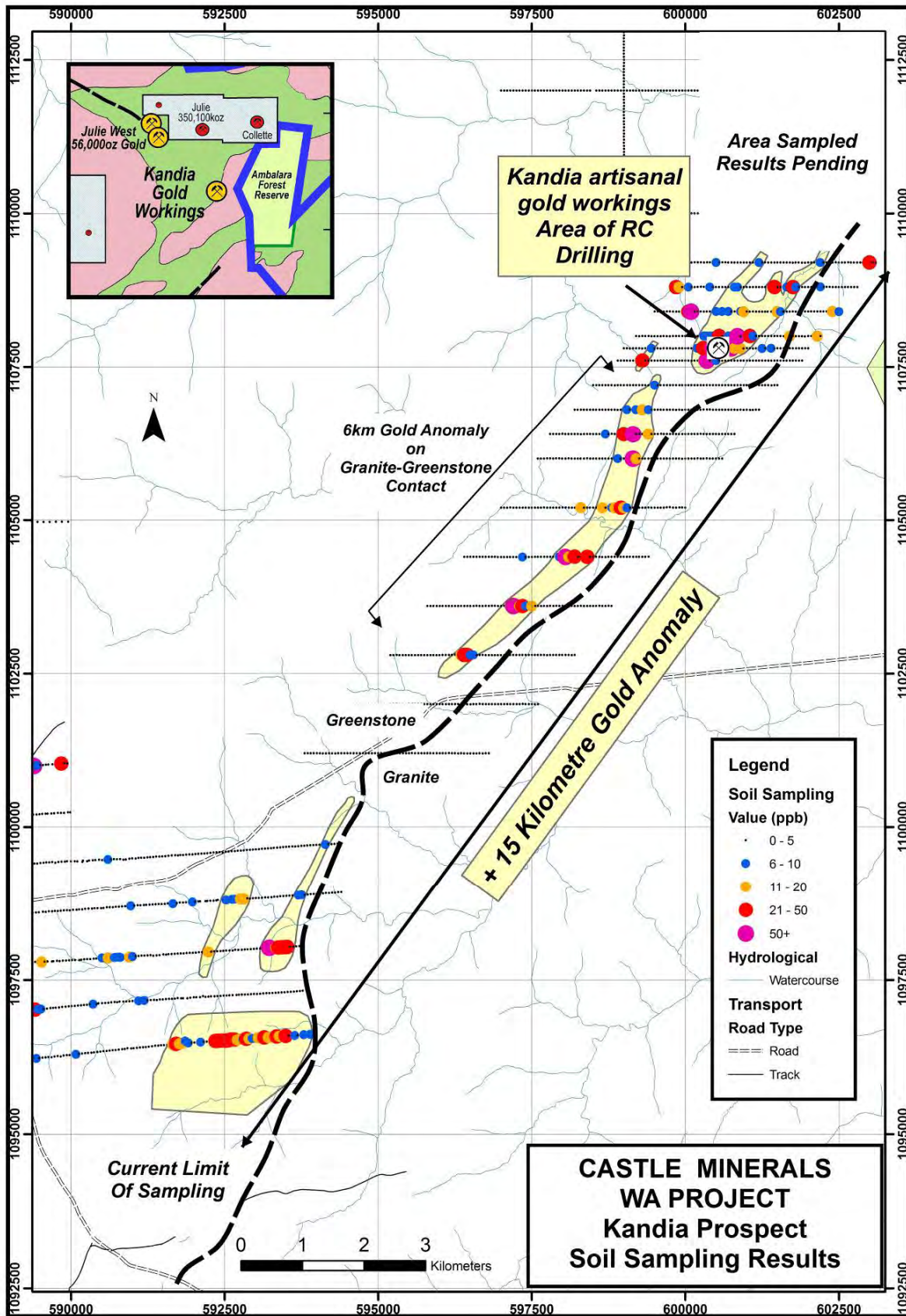
It is considered that the metasedimentary unit at Kandia is capable of hosting medium to high grade gold mineralisation and offers a bulk tonnage exploration target more typical of the Birimian aged sedimentary hosted gold deposits seen in Ghana and West Africa.



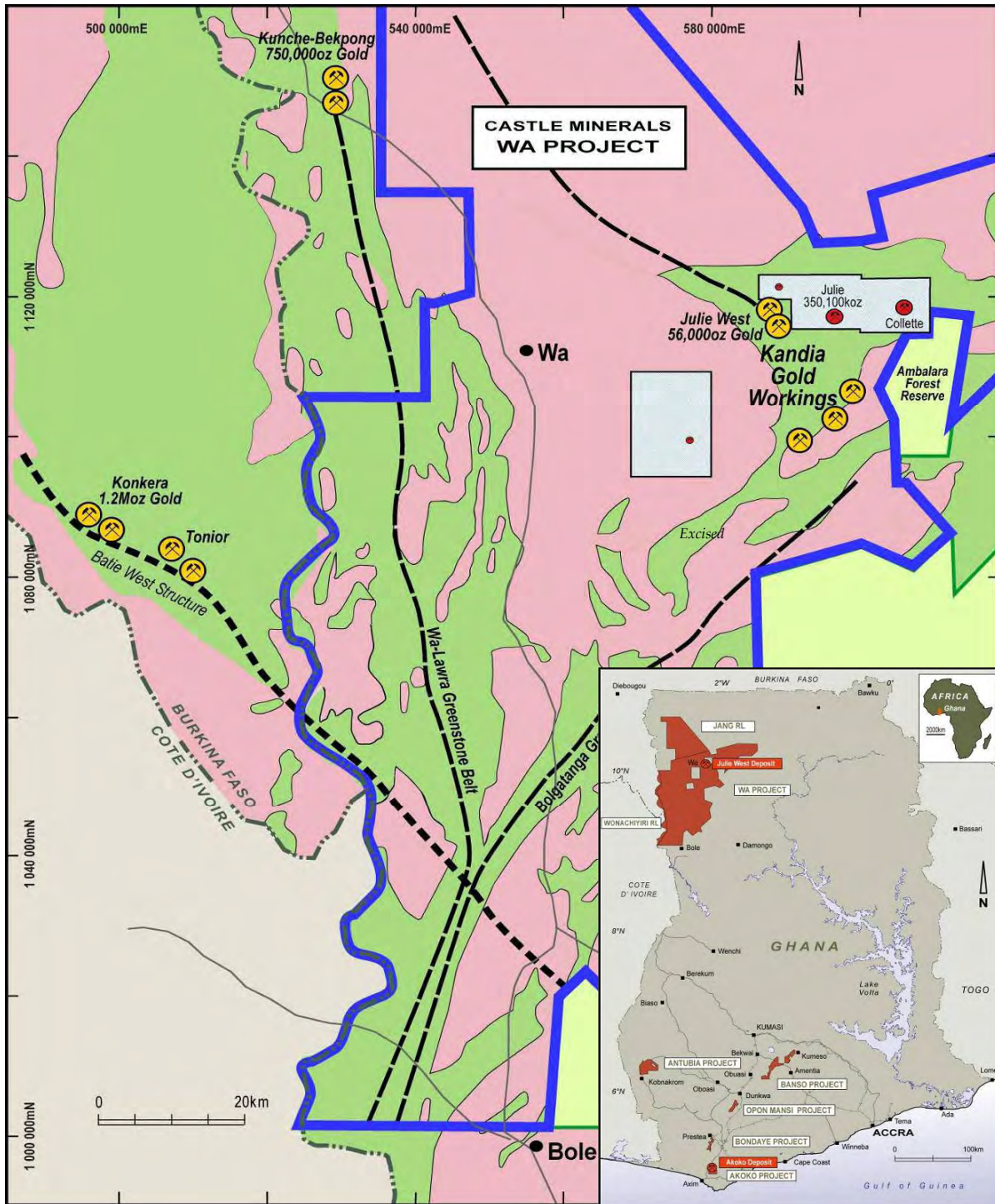
*Kandia prospect showing RC drill hole traces and the drill defined gold mineralised corridor over 500m long.*

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Information in this announcement that relates to Exploration Results is based on information compiled by Michael Fowler, Castle Minerals Limited Exploration Manager, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Fowler is a permanent employee of Castle Minerals Limited and 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 report of the matters based on his information in the form and context in which it appears.



Kandia Trend - soil geochemistry results for area south of Kandia workings



Castle's 12,000km<sup>2</sup> Wa Project hosts three Birimian age greenstone belts – the new Kandia prospect is located on the eastern side of the project approximately 10km south east of the Julie West gold deposit and within the Bolgatanga Greenstone belt.

<b>Significant Drilling Intercepts</b>						
<b>Grid:</b>	<b>UTM</b>					
<b>Prospect:</b>	<b>Kandia</b>					
<b>Project:</b>	<b>Wa</b>					
<b>Hole Number</b>	<b>Northing</b>	<b>Easting</b>	<b>Grid Az.</b>	<b>Dip</b>	<b>Hole Depth</b>	<b>Intercept</b>
10KARC001	1107768	600489	321	-48	72	5m @ 0.12 ppm Au from 0m 10m @ 0.29 ppm Au from 60m
10KARC002	1107799	600451	138	-47	100	15m @ 0.36 ppm Au from 5m 5m @ 0.65 ppm Au from 35m 5m @ 0.12 ppm Au from 45m 5m @ 0.17 ppm Au from 55m
10KARC003	1107826	600428	142	-48	66	15m @ 0.33 ppm Au from 45m
10KARC004	1107745	600453	140	-46	80	5m @ 0.12 ppm Au from 5m 15m @ 0.14 ppm Au from 20m
10KARC005	1107771	600430	140	-51	66	5m @ 0.35 ppm Au from 0m 5m @ 0.32 ppm Au from 10m 5m @ 0.11 ppm Au from 45m
10KARC007	1107739	600396	138	-48	66	5m @ 0.19 ppm Au from 10m 6m @ 0.15 ppm Au from 60m
10KARC009	1107689	600396	140	-49	72	5m @ 0.14 ppm Au from 25m
10KARC011	1107685	600345	142	-48	66	5m @ 0.25 ppm Au from 45m
10KARC013	1107602	600310	142	-49	66	10m @ 0.19 ppm Au from 5m 10m @ 0.49 ppm Au from 25m 5m @ 0.13 ppm Au from 40m
10KARC014	1107628	600285	142	-48	66	5m @ 0.61 ppm Au from 15m 10m @ 0.18 ppm Au from 35m 5m @ 0.11 ppm Au from 55m
10KARC016	1107825	600495	137	-48	100	20m @ 0.16 ppm Au from 0m 5m @ 1.43 ppm Au from 25m 5m @ 0.29 ppm Au from 35m 5m @ 0.89 ppm Au from 45m
10KARC017	1107837	600479	137	-48	66	10m @ 0.26 ppm Au from 15m 5m @ 0.70 ppm Au from 30m 5m @ 0.11 ppm Au from 45m 6m @ 0.13 ppm Au from 60m
10KARC018	1107838	600532	143	-48	66	10m @ 1.19 ppm Au from 0m 10m @ 0.35 ppm Au from 25m
10KARC019	1107854	600510	142	-49	66	5m @ 0.21 ppm Au from 25m 10m @ 1.44 ppm Au from 35m
10KARC021	1107940	600539	142	-49	66	6m @ 1.15 ppm Au from 60m
10KARC022	1107917	600568	141	-49	66	5m @ 0.21 ppm Au from 30m
10KARC026	1107773	600704	140	-49	100	5m @ 0.22 ppm Au from 0m
10KARC027	1107803	600742	140	-49	66	16m @ 1.09 ppm Au from 50m
10KARC028	1107778	600766	139	-52	72	5m @ 0.15 ppm Au from 25m

*Notes: Minimum Intersection Length = 1m, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.10 ppm Au, Maximum Interval Dilution = 2m, Reporting Individual Assays Greater than 10.00 ppm Au  
Gold analysis by Intertek Laboratories Ghana using 50gm Fire Assay with AAS finish  
Sample intervals represent 5m composites of 1m individual drill samples*