

ASX Announcement

Wide Zones of Bedrock Gold Mineralisation Intersected at Koda Hill

- ❖ **RC drilling intersects wide zones of primary gold mineralisation at the Koda Hill prospect including;**
 - **50m @ 0.5g/t gold from surface**
 - **incl. 15m @ 1.01g/t gold from 35m**
 - **56m @ 0.30g/t gold from 10m**
 - **incl. 16m @ 0.56g/t gold from 50m**
 - **20m @ 0.43g/t gold from surface**

- ❖ **Mineralisation open down dip and along strike**

- ❖ **Felsic intrusive hosted mineralisation with carbonate-silica-pyrite alteration represents a new host lithology along the Julie-Jang Trend**

- ❖ **Extensional and deeper RC drilling proposed to commence next week**

Castle Minerals Limited (ASX: CDT) is pleased to announce that the first drill testing of the Koda Hill soil geochemical anomaly has intersected wide zones of gold mineralisation* hosted by a pyrite-carbonate altered felsic intrusive lithology that represents a new host for gold mineralisation along the Julie-Jang corridor.

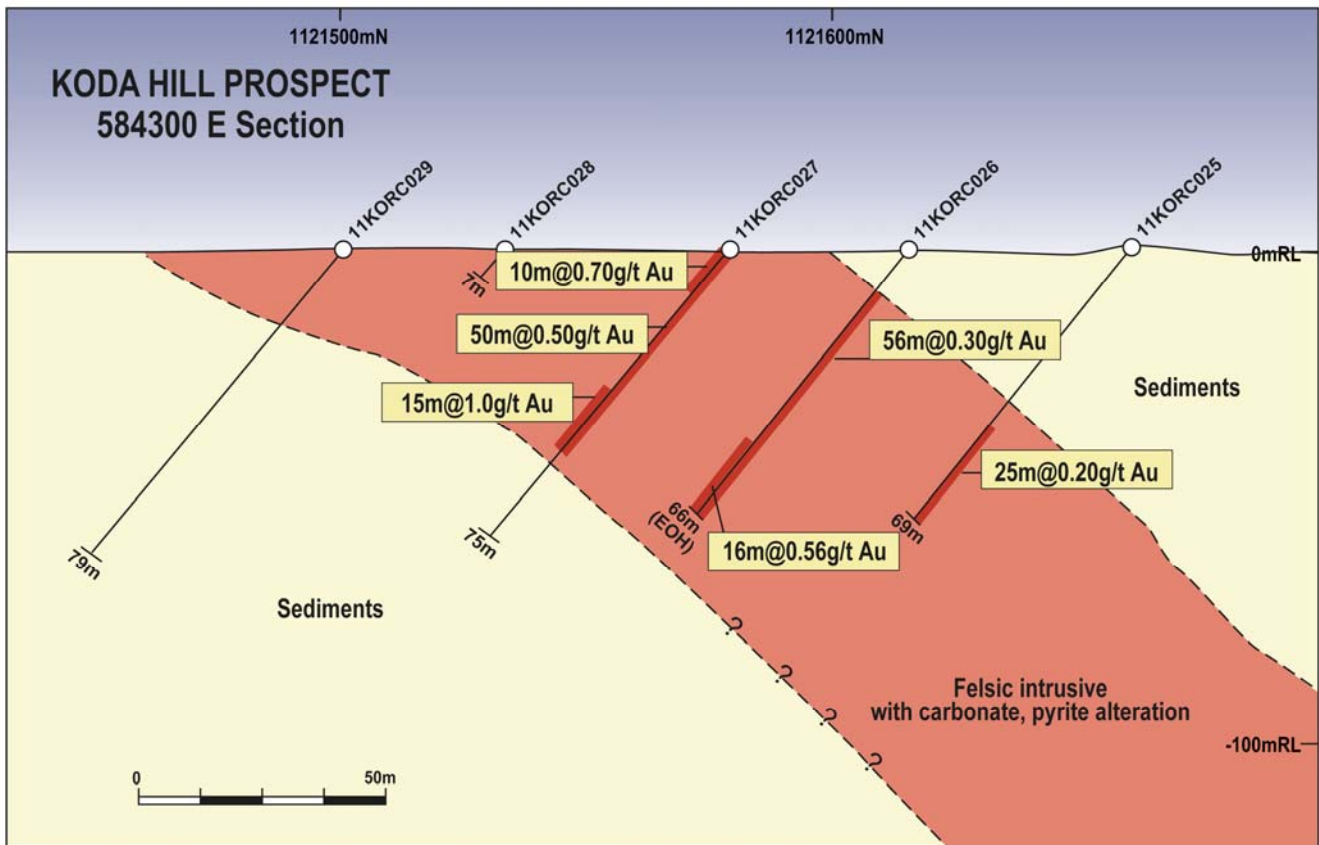
Castle's Managing Director, Mr Mike Ivey, said "This is a good result for our first drill program at Koda Hill and confirms the potential of the Julie-Jang Trend as being prospective for bulk tonnage style gold deposits. The results are early stage, but the wide intersections are certainly encouraging for a large mineralised system and provide confidence that we are in the right geological setting."

RC drilling is proposed to recommence next week and in addition Castle has a large number of other gold targets still to be tested along this corridor.

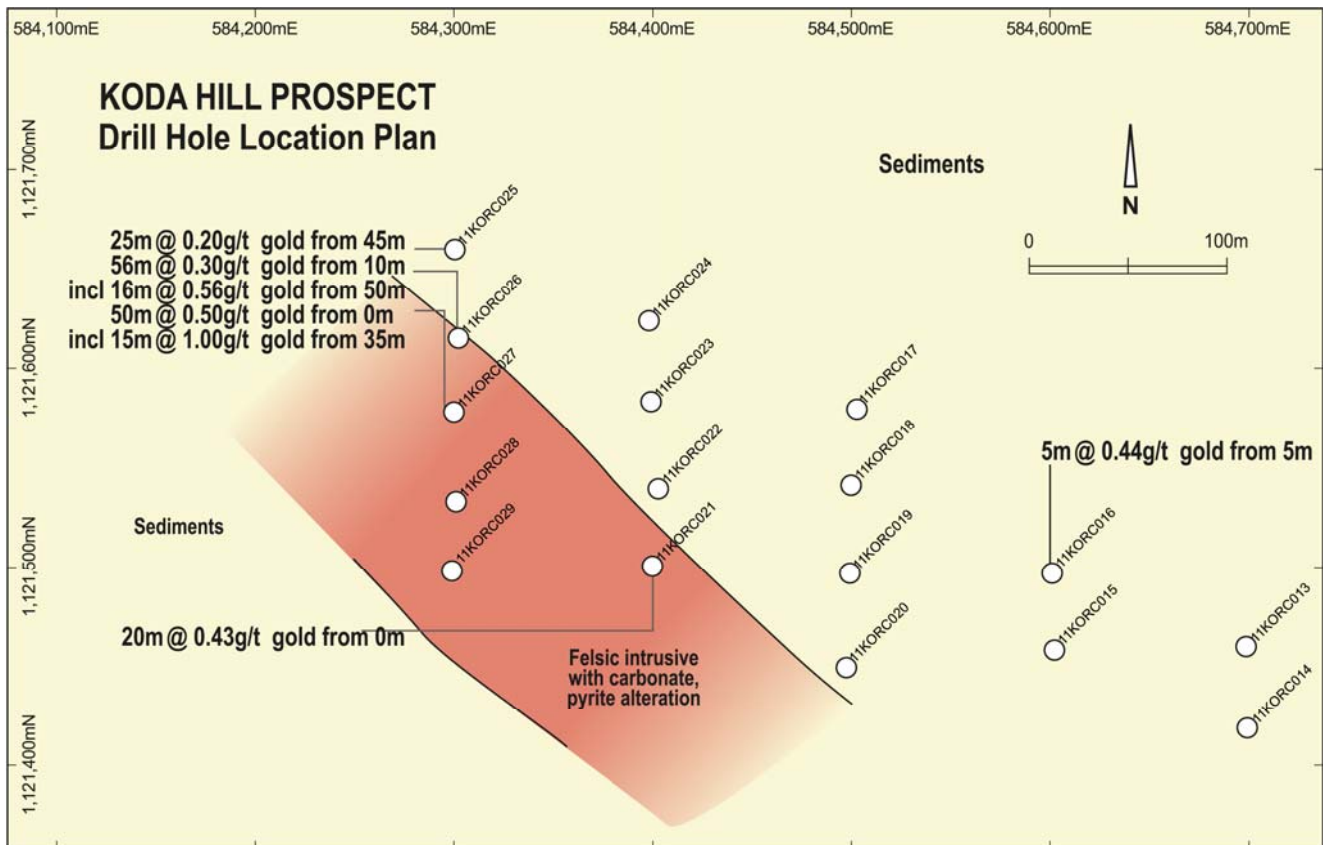
Koda Hill forms part of the 50km long Julie - Jang Trend in north-west Ghana within the larger Wa Gold Project where little or no previous exploration has been undertaken. Castle is currently undertaking a large drilling program (~80,000m) on its Wa Project with three drilling rigs currently operating, testing over 40 separate gold targets.

Several thousand assay results for auger drilling at Batie West extension target, RC drilling at Kandia and Julie West and regional geochemical surveys are currently awaited from the laboratory.

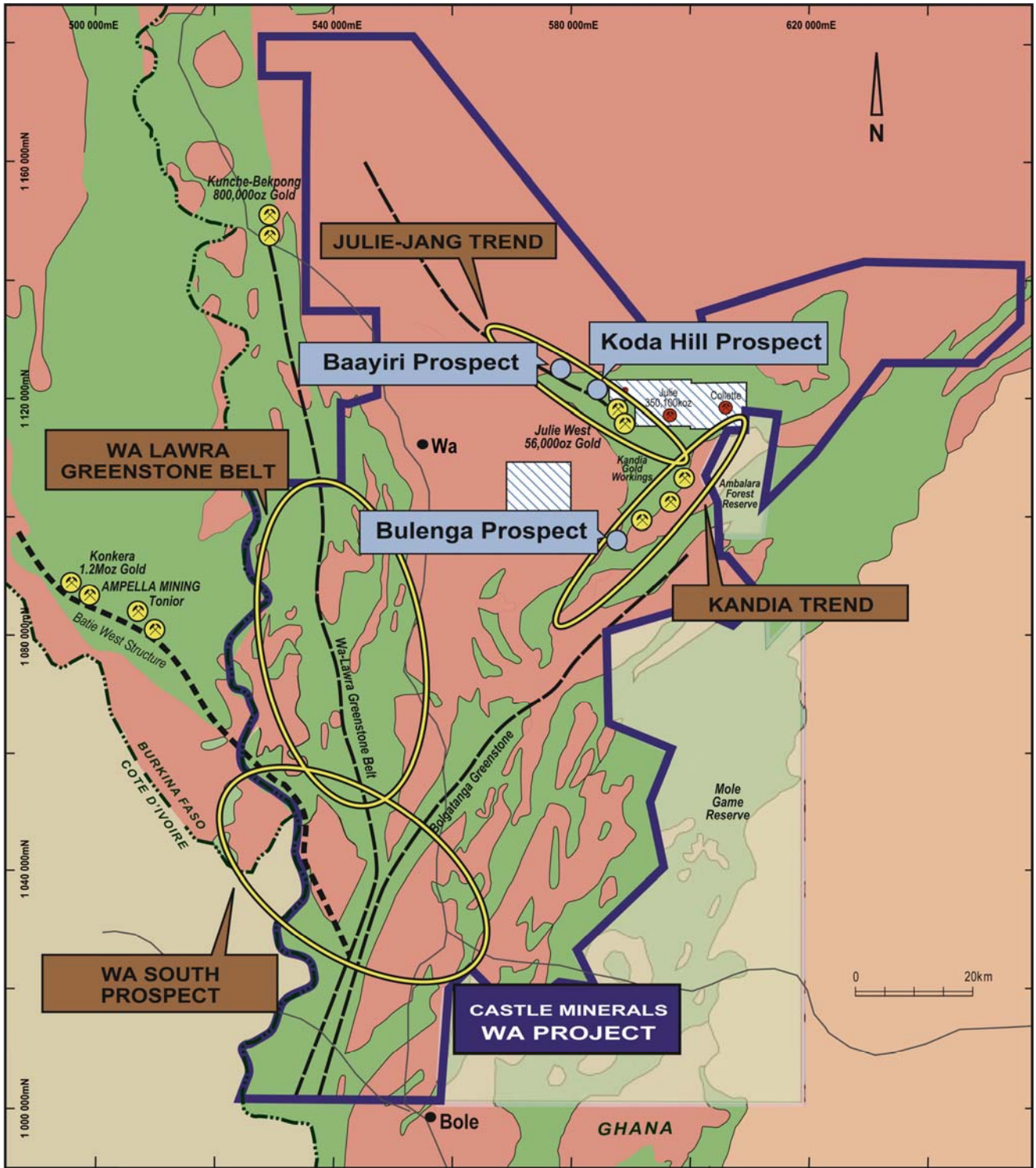
*Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples will be submitted for analysis.



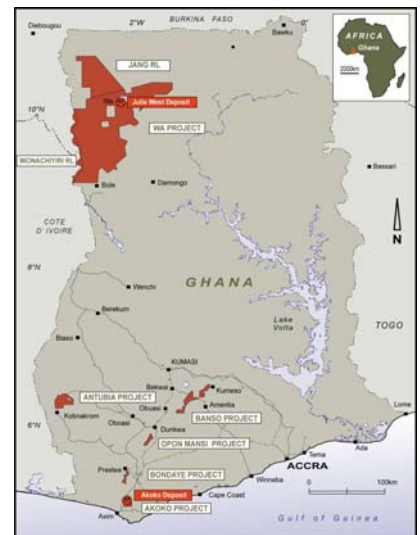
Cross section of Koda Hill drilling showing wide zones of intrusive hosted gold mineralisation

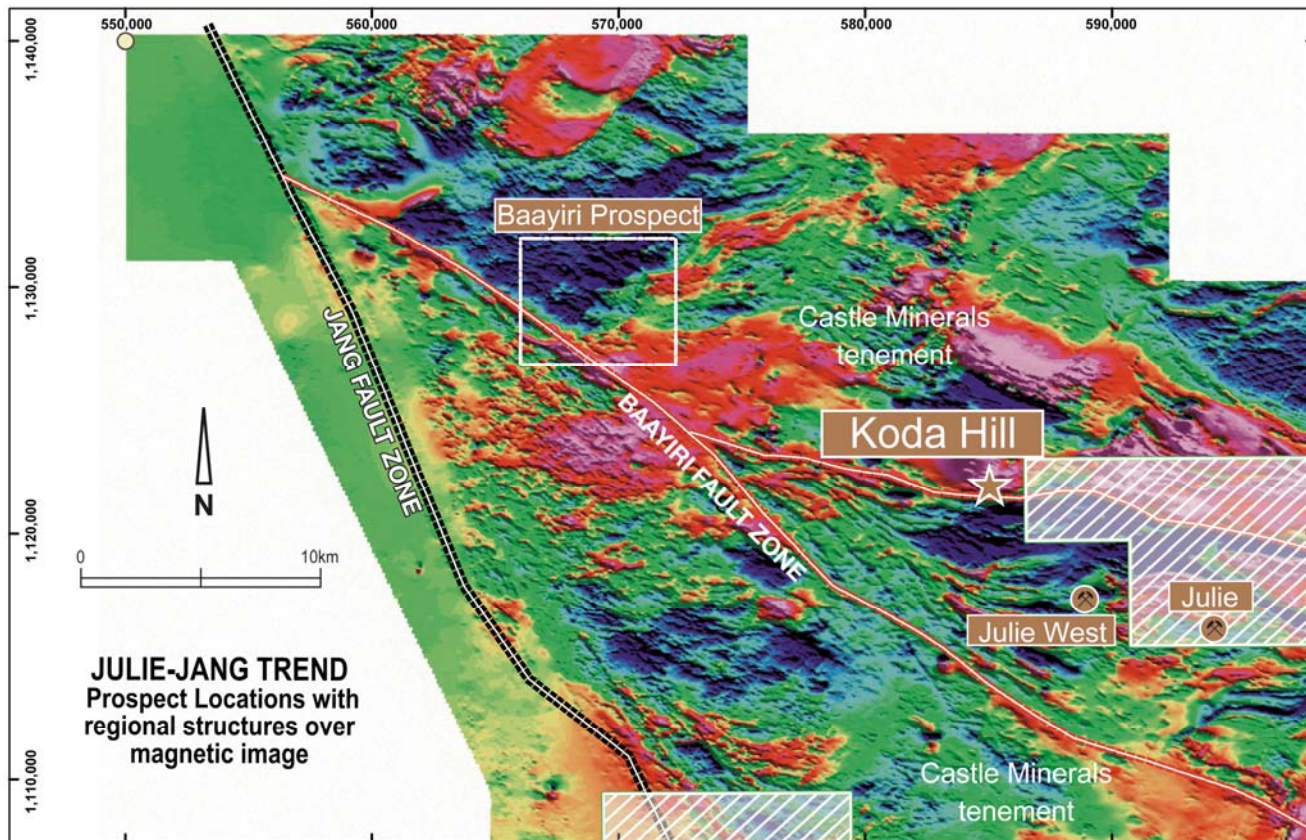


Drill hole plan of western area of RC drilling at Koda Hill. The wide zone of gold mineralisation intersected remains open along strike and further RC drilling will commence shortly



Castles Wa Project in north-west Ghana covers over 12,000km² where exploration is focussing on four regional scale prospect corridors. An 80,000m drilling program commenced in December 2010 testing a large number of gold prospects within each of the prospect corridors.





Aeromagnetic image showing prospect locations and major structures along the Julie Jang Trend.

Background

The **Koda Hill prospect** (within the Julie – Jang Trend) forms part of Castle’s 12,000km² Wa Project in north west Ghana where exploration is focussing on four regional scale prospect corridors:

- | | |
|--------------------------------|--|
| 1. Julie-Jang Trend | 50km long trend |
| 2. Kandia | new 30km corridor of anomalous gold in soils |
| 3. Wa South (Batie West trend) | 60km long corridor |
| 4. Wa-Lawra Greenstone Belt | 80km of untested greenstone |

80,000m of drilling is currently underway on the Wa Project utilising 3 drill rigs completing the following exploration activity;

- 40,000 metres RC drilling testing Kandia, Julie West and South Wa prospects. Drilling commenced December 2010.
- 20,000 meters auger drilling testing Wa South (Batie West extension) and Wa Lawra Greenstone belt targets. Drilling commenced January 2011.
- 20,000 metres RAB drilling testing Wa South (Batie West extension) and Wa Lawra Greenstone belt targets. Drilling expected to commence March 2011.

Bulenga Prospect

Soil sampling defined a coherent NNW trending gold anomaly over ~3km of strike west of Bulenga village. The anomaly is of modest tenor with respect to other geochemical responses in the district however it did report values up to 1030ppb gold. A trenching program was undertaken in January 2011 to test this trend and reported the very encouraging bedrock intercept of 19m @ 1.14g/t gold from 10m.

Kandia Prospect

The Kandia prospect was discovered in May 2010 during reconnaissance field mapping. During this program a large area of previously unknown artisanal gold workings was discovered over approximately 600m of strike. Subsequent soil sampling defined nine strong gold anomalies over 12km of strike and a ~15,000m RC drill program commenced in December 2010 to undertake the first ever test of these anomalies. Gold mineralisation at Kandia is developed within quartz-biotite rich metasediments. On a regional scale the artisanal workings and soil anomalies occur on a major granite/sediment contact that can be traced within Castle’s licences for about 25km.

Wa- Lawra Greenstone Belt

Regional auger and RAB drilling is proposed to test the Wa-Lawra greenstone belt that hosts the Kunche-Bepkong gold deposits to the north. Auger drilling has intersected 3-16m of transported cover indicating that the very limited historic soil sampling completed in this area is likely to have been largely ineffective. This is the first known drilling on this prospect which covers a highly prospective, unexplored 100km portion of the Wa-Lawra greenstone belt.

South Wa (Batie West Extension)

Auger drilling has commenced testing a large and highly anomalous gold in soil response along the interpreted extension of the Batie West structure. The Batie West structure is interpreted to be a major shear zone that hosts Ampella’s (ASX:AMX) 2.2 Moz Konkera gold resource to the north-west. The first auger samples were dispatched to the assay laboratory last week.

For further information please contact:

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Koda Hill Significant RC drill Results

Hole No.	Northing	Easting	RL	EOH (m)	Azmith	Dip	Intercept	
11KORC016	1121498	584,601	275	73	180	-50	5m @ 0.44 g/t Au from 5m	
11KORC021	1121501	584400	284	75	180	-50	20m @ 0.43 g/t Au from 0m	
11KORC025	1121650	584300	281	69	180	-50	24m @ 0.20 g/t Au from 45m	end of hole
11KORC026	1121615	584302	276	66	180	-50	56m @ 0.30 g/t Au from 10m	end of hole
					including		16m @ 0.56 g/t Au from 50m	
11KORC027	1121578	584300	283	73	180	-50	50m @ 0.50 g/t Au from 35m	
					including		15m @ 1.00 g/t Au from 0m	

Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples will be submitted for analysis.

Minimum Intersection Length = 5m, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.10 ppm Au,

Gold analysis performed by Intertek Laboratories Tarkwa Ghana on 5m RC drill samples using 50gm fire assay technique with AAS finish

Assays for a total of 27 RC holes have been received - holes not mentioned above did not report significant results

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.