

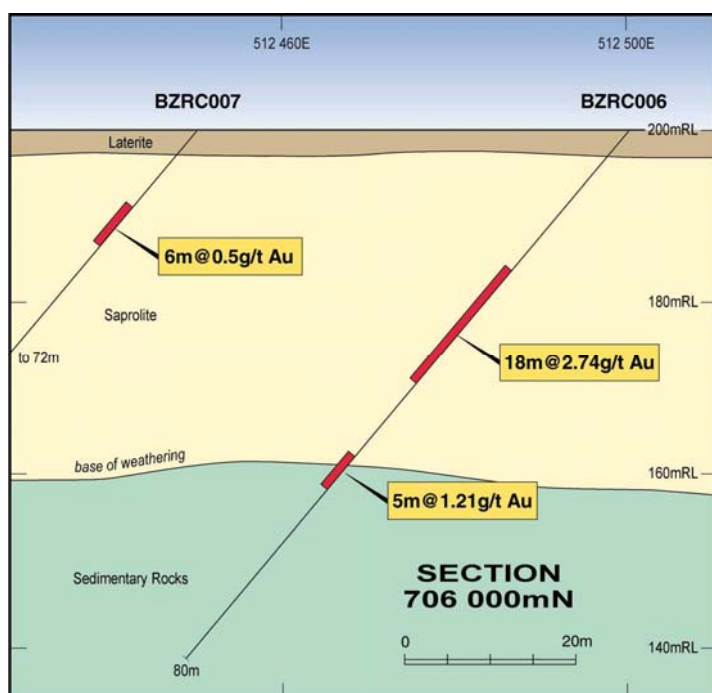
## SUMMARY

### Gold Mineralisation Intersected at Boizan

Shallow oxide gold mineralisation has been intersected in the first ever drilling program at the Boizan prospect in Ghana.

Reverse circulation drill hole **BZRC 06** reported an intercept of **18m @ 2.74g/t gold from 24m** down hole. This was the eastern most hole on the drill fence and the intercept remains completely open (refer cross section).

At **Sumiakrom Hill** (2.5km south of Boizan) two drill fences were completed with broad zones of shallow oxide mineralisation reported including **14m @ 0.47g/t** from 17m and **27m @ 0.50g/t** gold from 9m.



Boizan drill section 706 000mN

- Option acquired over Sapelliga Gold Project.
- Option Acquired over Ducie Gold Project
- Akoko Licence to be granted.

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Capital Structure  
Quoted: 15.3 million  
Unquoted: 23 million  
Total: 38.3 million  
Unlisted 35c Options  
6.9 million

ASX Code: CDT

Board Members  
Michael Ivey  
Chairman, MD & CEO  
Campbell Ansell  
Non Executive Director  
Michael Ashforth  
Non Executive Director  
Dennis Wilkins  
Company Secretary

## Castle Minerals Limited

Castle Minerals Limited (ASX code 'CDT') is a gold exploration Company with seven 100% owned\* projects in Ghana West Africa.

Castle is one of the largest land holders in Ghana with mineral licences covering more than 2,000km<sup>2</sup>. Ghana is the worlds tenth and Africa's second largest producer of gold.



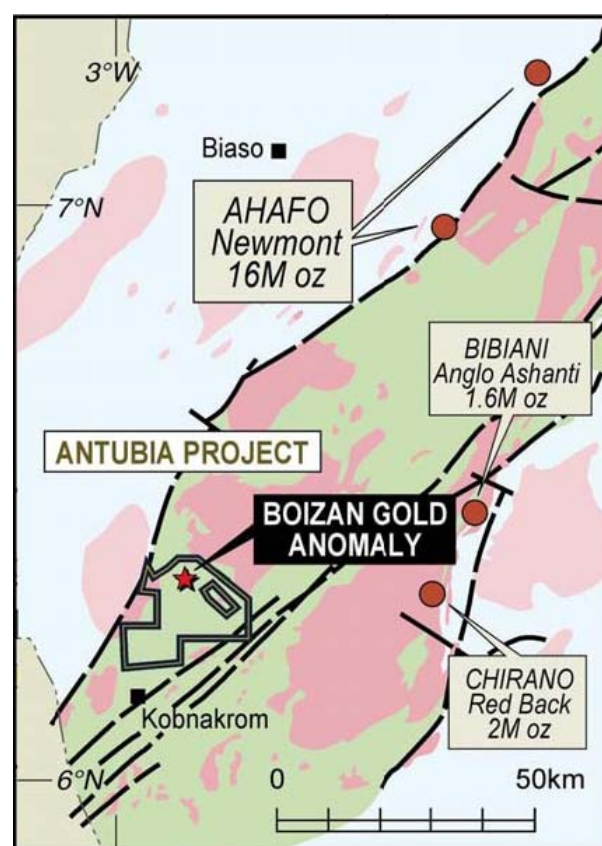
**CASTLE MINERALS LIMITED  
GHANA  
PROJECT LOCATIONS**

## EXPLORATION ACTIVITIES

### ANTUBIA PROJECT (100% Castle Minerals)

Antubia is located approximately 370km west-northwest of Accra, in the Sefwi gold belt and is ~90km southwest of the 16Moz Ahafo gold mine operated by Newmont

Previous work by Castle confirmed an anomalous gold corridor oriented approximately north - south 4.5 kilometres long.



Within this corridor two areas stood out as being of particular importance, named Boizan and Sumiakrom Hill. These two prospects were RC drilled during the quarter.

Thirteen RC holes were drilled at Boizan and nine RC holes were drilled at Sumiakrom Hill.

At the **Boizan** prospect **BZRC 06 reported an intercept of 18m @ 2.74g/t gold from 24m down hole**. This was the eastern most hole on the drill fence and the intercept remains completely open. Interestingly the eastern most hole on the drill fence completed 100m

\* CDT has the right to acquire a 100% interest in the Ducie and Sapelliga projects

to the north ended in 7g/t gold mineralisation and approximately 100m south (no drilling) a 3m deep pit reported a 12.7g/t gold bedrock assay.

Mineralisation is hosted within metasedimentary rocks that include narrow black shale horizons. The better zones of mineralisation are associated with quartz veining and oxidised sulphide.

At **Sumiakrom Hill** (2.5km south of Boizan) two drill fences were completed with broad zones of shallow oxide mineralisation reported including **14m @ 0.47g/t** from 17m and **27m @ 0.50g/t** gold from 9m. The Sumiakrom Hill mineralisation appears to form an extensive horizontal blanket. Deep weathering (+70m) is present and the primary source of the gold is yet to be established.



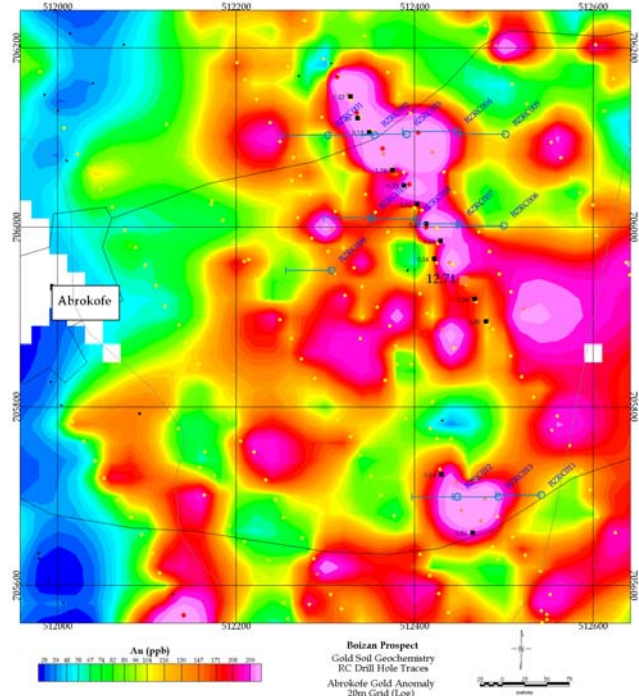
Boizan RC Drilling

The results for both prospects are considered very encouraging and further drilling has been planned for March 2007. In addition, numerous other soil anomalies are present at Antubia. These form part of the larger (4.5 kilometres long) Antubia gold corridor and are yet to be tested by drilling

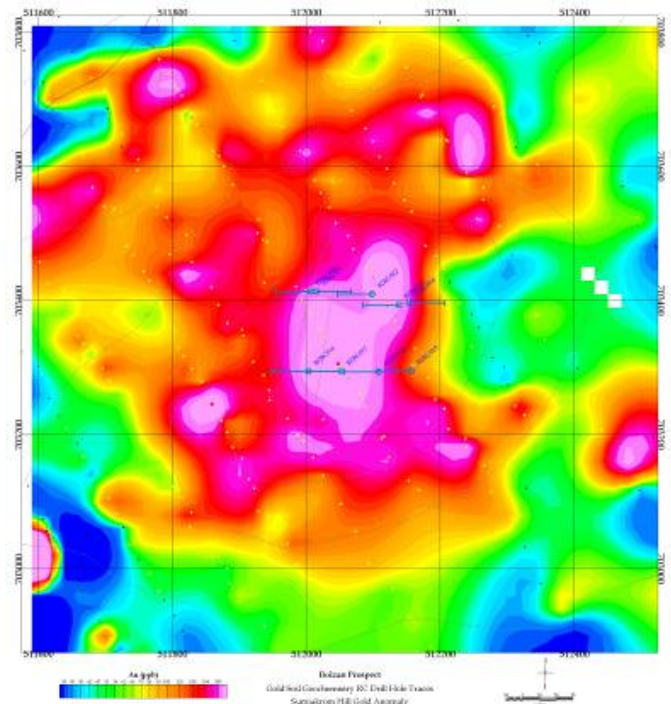
All drill results are presented on the attached table.

A program of pitting (28 pits) was also completed over these areas during the quarter. This work was primarily designed to obtain structural information towards defining the best drill orientation. All pits were sampled with some significant intercepts

reported including 1.7m @ 1.34g/t gold (BZPT01), 0.4m @ 12.7g/t gold (BZPT007) from the Boizan area and 1.5m @ 6.9g/t gold (BZPT019) from the Sumiakrom Hill area.



Boizan RC drilling locations and soil anomaly



Sumiakrom Hill RC drilling locations and soil anomaly

## EXPLORATION ACTIVITIES

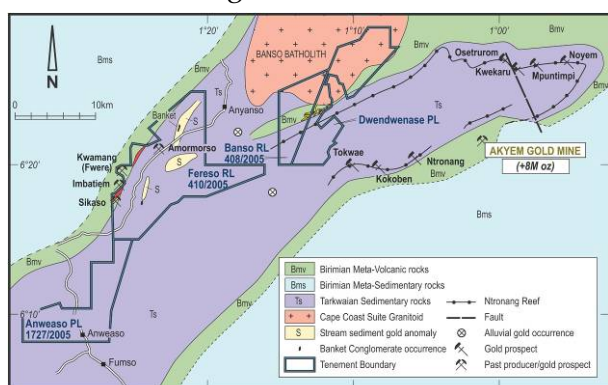
### BANSO PROJECT (100% Castle Minerals)

Banso is located approximately 180km northwest of Accra, in the Ashanti gold belt. It is ~20km west of Newmont's 8Moz Akyem gold mine and ~10km east of AngloGold Ashanti's 50Moz Obuasi gold mine.

During the quarter a 5 hole, 570 metre reverse circulation drilling program was successfully completed designed to follow up on results reported in September.

Hole BNRC044 returned a 5m composite result from 25m of 3.75g/t gold. Individual assays for the 1m sample intervals are awaited.

A soil sampling program is currently underway on the Anweaso Licence testing the south western area of the project close to the Ashanti belt margin.



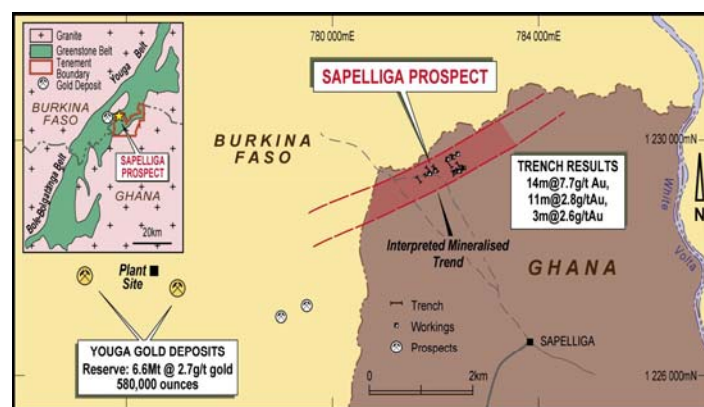
Banso Project Tenements

### SAPPELLIGA PROJECT (Castle Minerals right to earn 100%)

The Sapelliga Project consists of one granted Reconnaissance Licence situated in NE Ghana near the border with Burkina Faso. Castle has an option to acquire a 100% interest in the project from a local Ghanaian Company. The 580,000 ounce Youga Gold Deposit is being developed about 2.5km west of Sapelliga.

In December Castle executed a formal option agreement over the Sapelliga Project with a

local Ghanaian company. The 183km<sup>2</sup> 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 2.5km west of the project boundary and 5km west of the Sapelliga prospect.



CASTLE MINERALS LIMITED  
GHANA  
Sapelliga Prospect  
TRENCHES AND WORKINGS

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

**14m @ 7.72 g/t gold;**  
**11m @ 2.80 g/t gold,**  
**3m @ 3.73 g/t gold and**  
**3m @ 2.63 g/t gold.**

A site visit was completed in December 2006 and confirmed strong prospectivity evidenced by numerous old workings, active artisanal mining and outcropping quartz veins and sulphide stringers.

The main area of interest at Sapelliga was defined 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.

Soil sampling and drilling is proposed to be conducted in the first quarter of 2007.



Artisanal miners at Sapelliga

## DUCIE PROJECT (Castle Minerals right to earn 100%)

The Ducie Project consists of one large Reconnaissance Licence application situated in NW Ghana. Castle has an option to acquire a 100% interest in the project from a local Ghanaian Company.

The 1,126km<sup>2</sup> Ducie project is situated in the north eastern corner of Ghana within the Bolgatanga Belt.

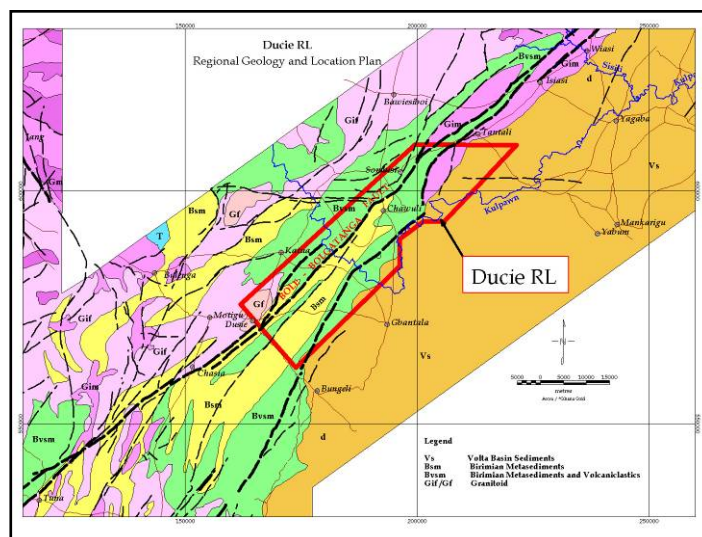
The project covers 60 kilometres of strike of Birimian metasediments and volcanics along the NE trending Bole-Bolgatanga Fault.

It is one of the few areas that seem to have been bypassed by modern exploration. Though limited sections have been covered by licences in the past it is not believed that any work was done. No recorded mineralisation is known on the licence. The Bole- Bolgatanga Fault which the Licence straddles is host to significant gold mineralisation at Bolgatanga and Youga approximately 150km to the NE. Gold mineralisation was indicated by a Russian mapping project in the 1960's at Ducie and Chasia immediately SW of the licence.

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.

Regional spaced soil and rock chip sampling is proposed to commence upon grant of the Licence.



The Ducie project covers 60 kilometres of strike of the NE trending Bole-Bolgatanga Fault. It is one of the few areas that seem to have been bypassed by modern exploration.

## AKOKO PROJECT (100% Castle Minerals)

The Akoko Project consists of one Prospecting Licence application located ~10 km east of Adamus Resources' Salman gold project and 40km south of the 6Moz Prestea gold mine. Adamus has reported a resource of 22mt @ 2.1g/t for 1.5Moz for their combined Salman/Anwia resource.

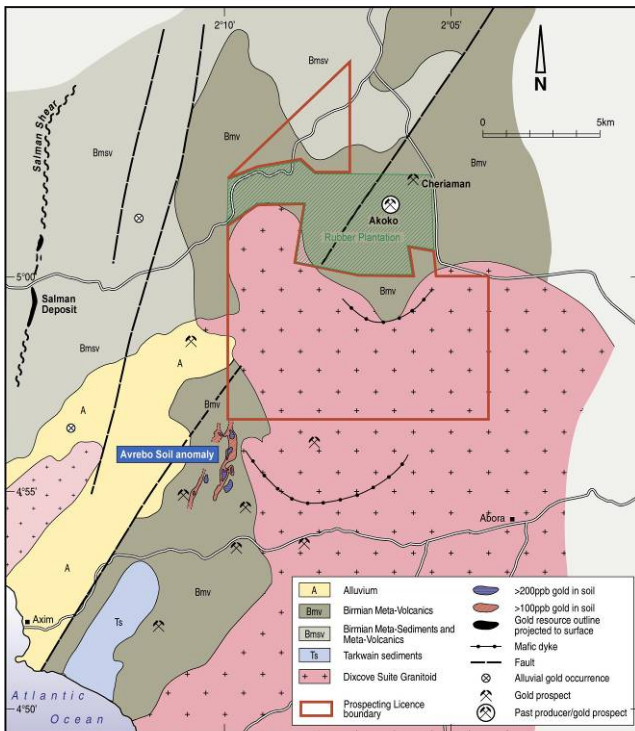
The Ghana Minerals Commission has advised of their intent to grant the Akoko Prospecting Licence to Castle.

The area considered of highest prospectivity is in the south west corner of the Licence being directly along strike from the Avrebo soil anomaly (Adamus Resources). A soil program to test for possible extensions to this anomaly is planned for the first quarter of 2007.

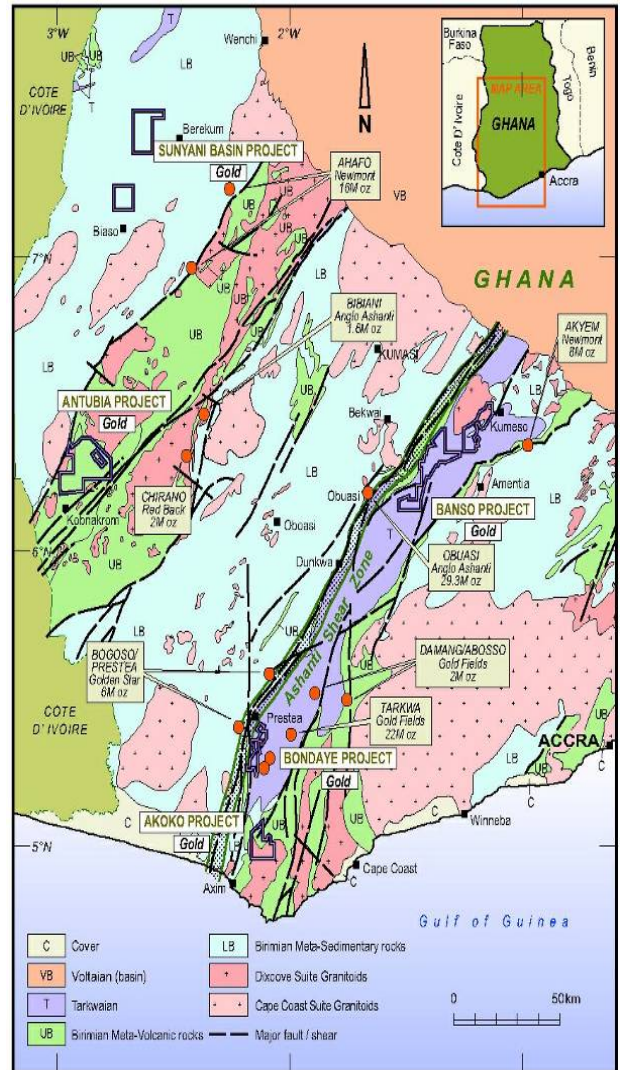
The old Akoko mine is located only 1.5km north of the project boundary. Between 1912 and 1928 the Akoko mine produced about

29,000 ounces of gold from 35,600 tonnes of quartz vein hosted ore; representing an average grade of 25.3g/t gold

An area covering a commercial rubber plantation has been excluded from the original application area by the Minerals Commission.



**CASTLE MINERALS LIMITED  
AKOKO PROJECT  
REGIONAL GEOLOGY**



**Castle Properties in South West Ghana**

**Michael Ivey**  
Managing Director & CEO

Information in this announcement pertaining to exploration results 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.

## Antubia Project Significant Reverse Circulation Drill Results BZRC001 - 022

Hole ID	UTM North	UTM East	Depth (m)	Dip	Azimuth UTM	Intersection	Area
BZRC001	706,103	512,303	80	-50	270	1m @ 0.83g/t gold from 15m 1m @ 0.74g/t gold from 50m 1m @ 0.83g/t gold from 66m	Boizan
BZRC002	706,103	512,355	80	-50	270	3m @ 0.89 g/t gold from 16m 1m @ 0.98g/t gold from 45m 1m @ 1.02g/t gold from 48m 1m @ 0.59g/t gold from 71m	Boizan
BZRC003	706,104	512,391	78	-50	270	13m @ 0.71g/t gold from 2m	Boizan
BZRC004	706,107	512,448	96	-50	270	1m @ 0.60g/t gold from 45m	Boizan
BZRC005	706,104	512,502	80	-50	270	1m @ 1.18g/t gold from 50m 1m @ 0.63g/t gold from 64m 1m @ 0.89g/t gold from 70m 1m @ 7.77g/t gold from 79m	Boizan
BZRC006	706,002	512,500	80	-50	270	18m @ 2.74g/t gold from 24m <i>including 1m @ 30.72 g/t gold from 25m</i> 1m @ 1.25g/t gold from 47m 5m @ 1.21g/t gold from 52m	Boizan
BZRC007	706,004	512,450	72	-50	270	6m @ 0.55g/t gold from 13m 1m @ 1.61g/t gold from 33m 2m @ 1.01g/t gold from 51m	Boizan
BZRC008	706,009	512,402	80	-50	270	1m @ 3.52g/t gold from 49m	Boizan
BZRC009	705,952	512,307	80	-50	270	1m @ 1.78g/t gold from 58m 2m @ 2.21g/t gold from 70m	Boizan
BZRC010	706,011	512,352	84	-50	270	1m @ 0.74g/t gold from 49m 5m @ 0.50g/t gold from 13m	Boizan
BZRC011	705,701	512,542	80	-50	270	2m @ 2.21g/t gold from 24m	Boizan
BZRC013	705,699	512,494	80	-50	270	2m @ 1.87g/t gold from 63m	Sumiakrom Hill
BZRC014	703,397	512,153	83	-50	90	14m @ 0.47g/t gold from 17m	Sumiakrom Hill
BZRC016	703,295	512,003	88	-50	270	2m @ 0.95 g/t gold from 20m 2m @ 1.40 g/t gold from 27m	Sumiakrom Hill
BZRC017	703,295	512,052	82	-50	270	27m @ 0.5g/t gold from 9m	Sumiakrom Hill
BZRC018	703,294	512,108	80	-50	270	15m @ 0.30g/t gold from 18m	Sumiakrom Hill

### Notes :

- Final assay results from reverse circulation drilling 1m riffle splits.
- 3m maximum internal dilution, 0.5 g/t Au lower cut, no upper cut - Boizan Intercepts
- 3m maximum internal dilution, 0.2 g/t Au lower cut, no upper cut - Sumiakrom Intercepts
- Gold analyses performed using BLEG Leachwell Method/ AAS finish (Fire Assay of Tail) by SGS Laboratories, Tarkwa, Ghana. Reference standards, duplicate and blank samples were routinely submitted and were within acceptable limits.
- All drill holes picked up by GPS with accuracy of +-5m.
- All drill holes were down hole surveyed for dip and azimuth at approximately 40m intervals down hole.

# APPENDIX 5B

## MINING EXPLORATION ENTITY QUARTERLY REPORT

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Castle Minerals Limited**

ACN

116 095 802

Quarter ended ("current quarter")

31 December 2006

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(652) - - (67)	(997) - - (173)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	37	96
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(16)	(16)
<b>Net Operating Cash Flows</b>	<b>(698)</b>	<b>(1,090)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (27)	- - (42)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(27)</b>	<b>(42)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(725)</b>	<b>(1,132)</b>



1.13	Total operating and investing cash flows (brought forward)	(725)	(1,132)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
<b>Net financing cash flows</b>		-	-
<b>Net increase (decrease) in cash held</b>		(725)	(1,132)
1.20	Cash at beginning of quarter/year to date	2,934	3,341
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,209	2,209

**PAYMENTS TO DIRECTORS OF THE ENTITY AND ASSOCIATES OF THE DIRECTORS**

**PAYMENTS TO RELATED ENTITIES OF THE ENTITY AND ASSOCIATES OF THE RELATED ENTITIES**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
<p>Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.</p>		

**NON-CASH FINANCING AND INVESTING ACTIVITIES**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

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## FINANCING FACILITIES AVAILABLE

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400,000
4.2 Development	-
<b>Total</b>	<b>400,000</b>

## RECONCILIATION OF CASH

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	350	384
5.2 Deposits at call	1,859	2,550
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,209</b>	<b>2,934</b>

## CHANGES IN INTERESTS IN MINING TENEMENTS

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	Sapelliga RL Ducie RL (application)	Nil Nil	* *

\* Option to acquire 100%

## ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

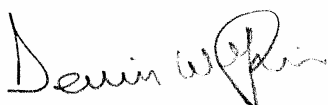
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	38,335,005	15,334,645		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	6,490,000	-	Exercise price 35 cents	Expiry date 31 March 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

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## COMPLIANCE STATEMENT

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).

2 This statement does ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

. Date: **30 January 2007**

(Director/Company secretary)

Print name: **Dennis Wilkins**

## NOTES

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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