

## SUMMARY

### ▪ Widespread Gold Intercepts at Boizan Prospect

Further drilling on 100m spaced sections to follow up the intercept in BZRC 06 (18m @ 2.74g/t from 24m) has reported 11m @ 2.70 g/t, 7m @ 1.26g/t, 2m @ 5.53g/t, 1m @ 9.1g/t, 10m@ 0.60g/t and 10m @ 0.80g/t gold and confirmed a five kilometre long zone, largely untested by drilling, that represents a high priority target capable of hosting a substantial gold deposit.

Better geological understanding has evolved from this drilling with a ~100m wide black shale rich unit identified as a marker horizon. Gold mineralisation is best developed on the footwall (west) side of this unit. Importantly this black shale unit is interpreted to join up with the Sumiakrom Hill prospect 3km to the south. This entire 5km long footwall zone of the black shale unit has a coincident soil anomaly and is considered a highly prospective target. This target zone is open to the south and currently extends to the limit of sampling.

Infill sampling, pitting, trenching and geophysical interpretation has commenced, with further drilling to be done following this work.

### ▪ Gold Mineralisation Intersected at Sapelliga

Gold mineralisation has been intersected in the first ever drilling program at the Sapelliga prospect in Northern Ghana.

Best intercepts of 6m@ 4.85g/t from 20m, 4m@ 2.1 g/t gold from 43m and 10m@ 5.23g/t from 62m were reported. Drill spacing was nominally on 100m sections. Only three of five target areas (T1 -T5) were tested with T1 and T2 to be tested, initially by trenching, as soon as practicable.

### ▪ Sampling Commences at Akoko

Soil sampling on the Akoko Licence commenced late in the quarter. Akoko lies close to Adamus Resources 1.2Moz Salman gold project and directly along strike from the Avrebo prospect.

### ▪ Ducie Licence Granted

The Ghana Minerals Commission advised of the formal grant of the highly prospective Ducie Reconnaissance Licence. Field work is scheduled to commence in May.

Castle Minerals Limited  
Level 3, 10 Outram St  
West Perth WA 6005  
ACN 116 095 80

PO BOX 437, West Perth WA 6872  
Tel: +618 9322 7018  
Fax: +618 9481 2335

[www.castleminerals.com](http://www.castleminerals.com)  
Email: [info@castleminerals.com](mailto:info@castleminerals.com)

Registered Office  
46 Ord St  
West Perth WA 6005

Ghana Office  
PO Box CT9 East Cantonments,  
Near NAFTI  
Accra, Ghana  
Tel: +233 21 771 889

Share Registry Enquiries  
Security Transfer Registrars Pty  
PO Box 535  
Applecross WA 6953  
Tel: (08) 9315 2333  
Fax: (08) 9315 2233  
[www.securitytransfer.com.au](http://www.securitytransfer.com.au)

Capital Structure  
Quoted: 21.14 million  
Unquoted: 17.19 million  
Total: 38.33 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

**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

Fourteen RC holes were drilled in February to follow previous encouraging results from the Boizan Prospect and have intersected widespread gold mineralisation.

This new drilling reported

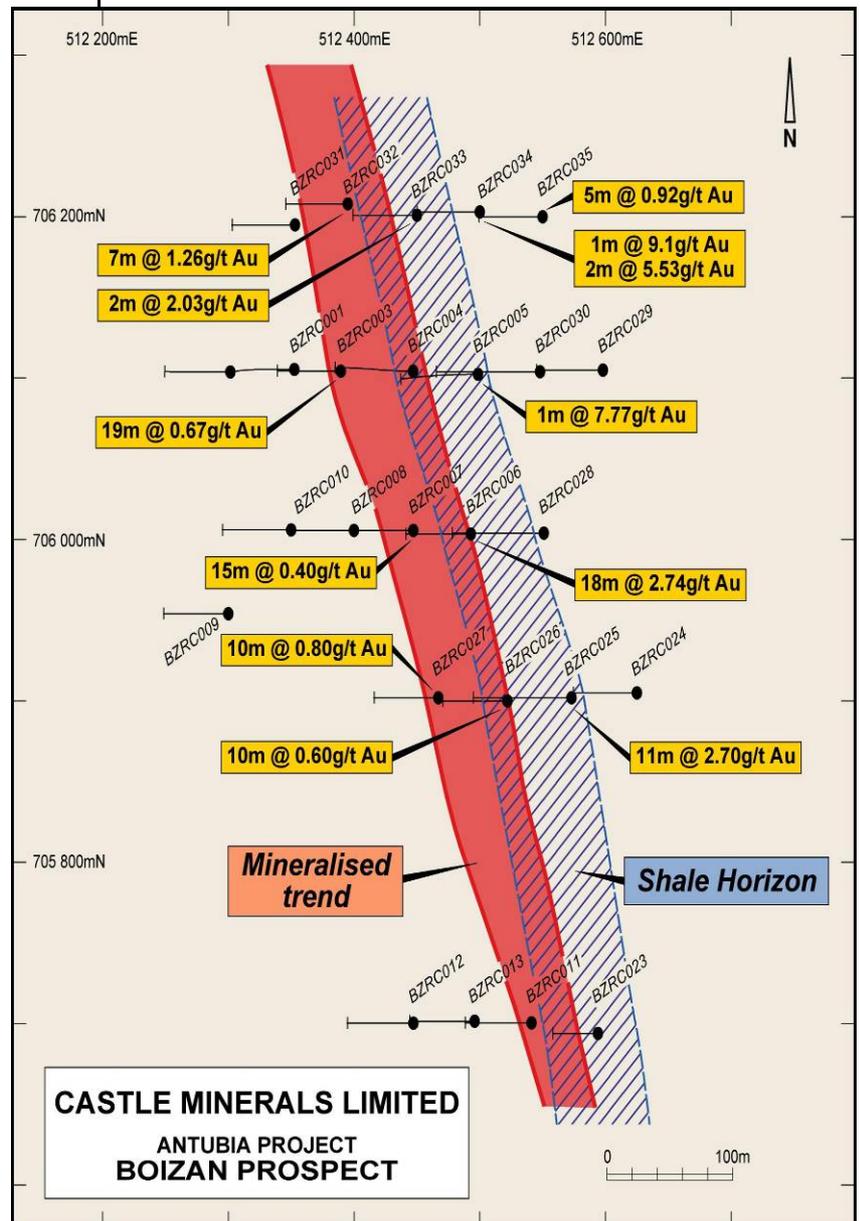
- 11m @ 2.70 g/t,
- 7m @ 1.26g/t,
- 2m @ 5.53g/t,
- 1m @ 9.1g/t,
- 10m @ 0.60g/t and
- 10m @ 0.80g/t gold

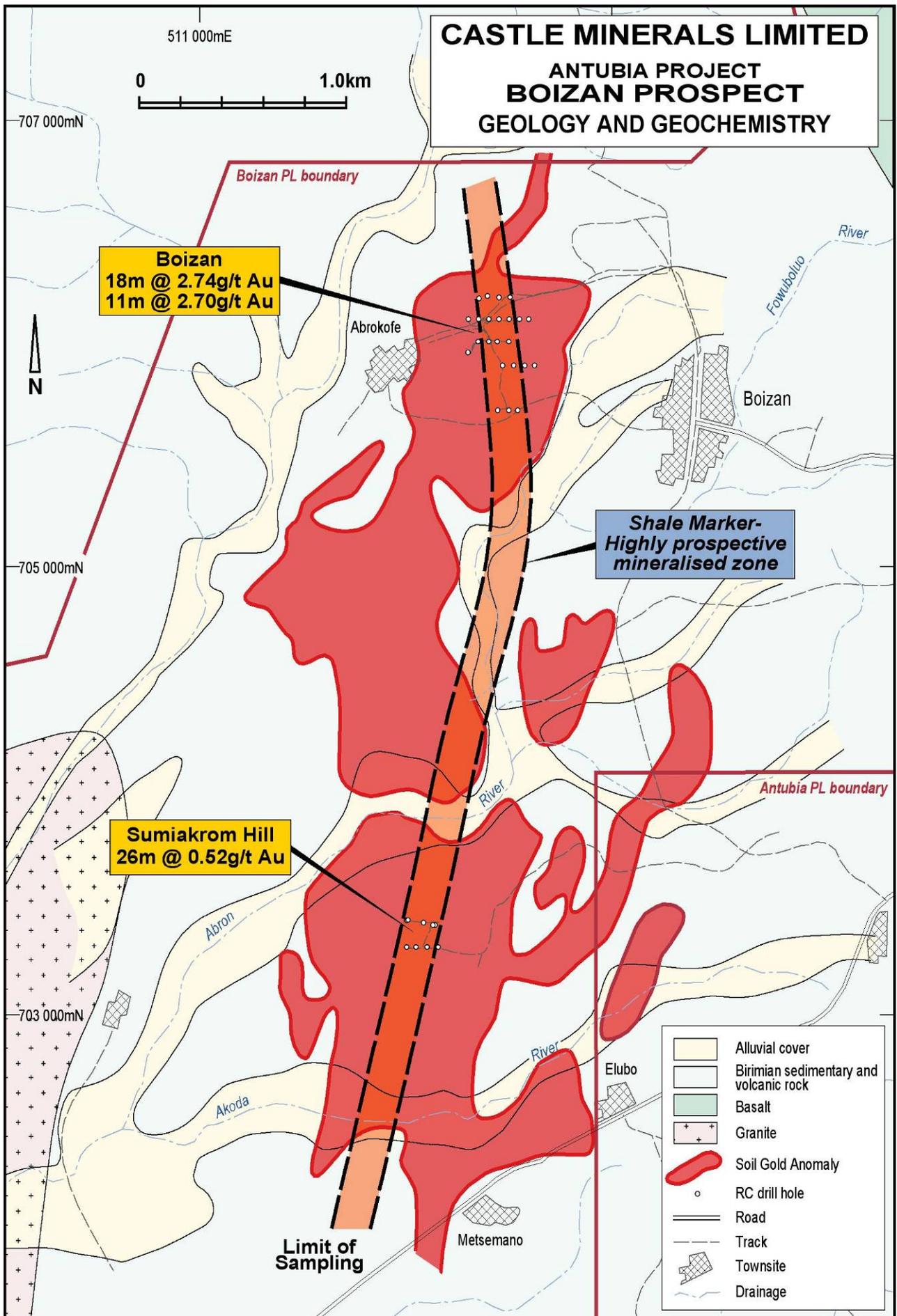
from shallow depths and confirmed a five kilometre long zone, untested by drilling, that represents a high priority target capable of hosting a substantial gold deposit.



This extra drilling has also refined the geological understanding of the area and identified a 100m wide black shale rich unit as a marker horizon and a possible control on gold mineralisation. Mineralisation is best developed on the footwall (west) side of this unit. Importantly this black shale unit is interpreted to join up to the Sumiakrom Hill prospect to the south. This footwall contact zone has a coincident soil anomaly (except where obscured by transported cover) and is considered a highly prospective target over at least 5 kilometres of strike.

Infill sampling, pitting, trenching and geophysical interpretation has commenced.



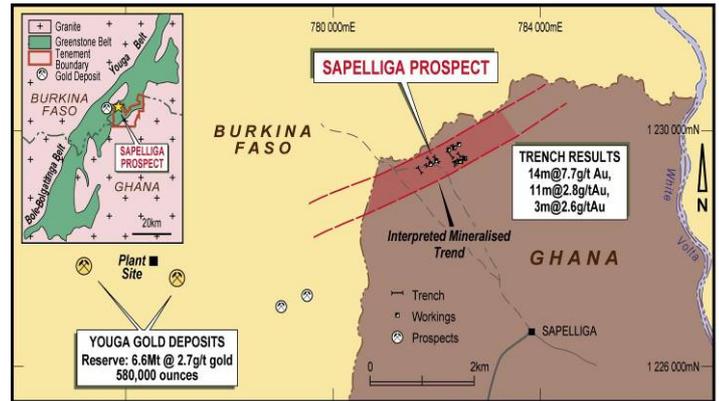


**SAPELLIGA PROJECT**  
**(Castle Minerals right to earn 100%)**

The Sapelliga Project consists of one granted Reconnaissance Licence and One Prospecting 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 1.2Moz Youga Gold Deposit is being developed about 2.5km west of Sapelliga.

During the quarter soil sampling and the first ever RC drilling at Sapelliga was completed. Drilling intersected encouraging gold intercepts 4km along strike from the Youga gold deposit.

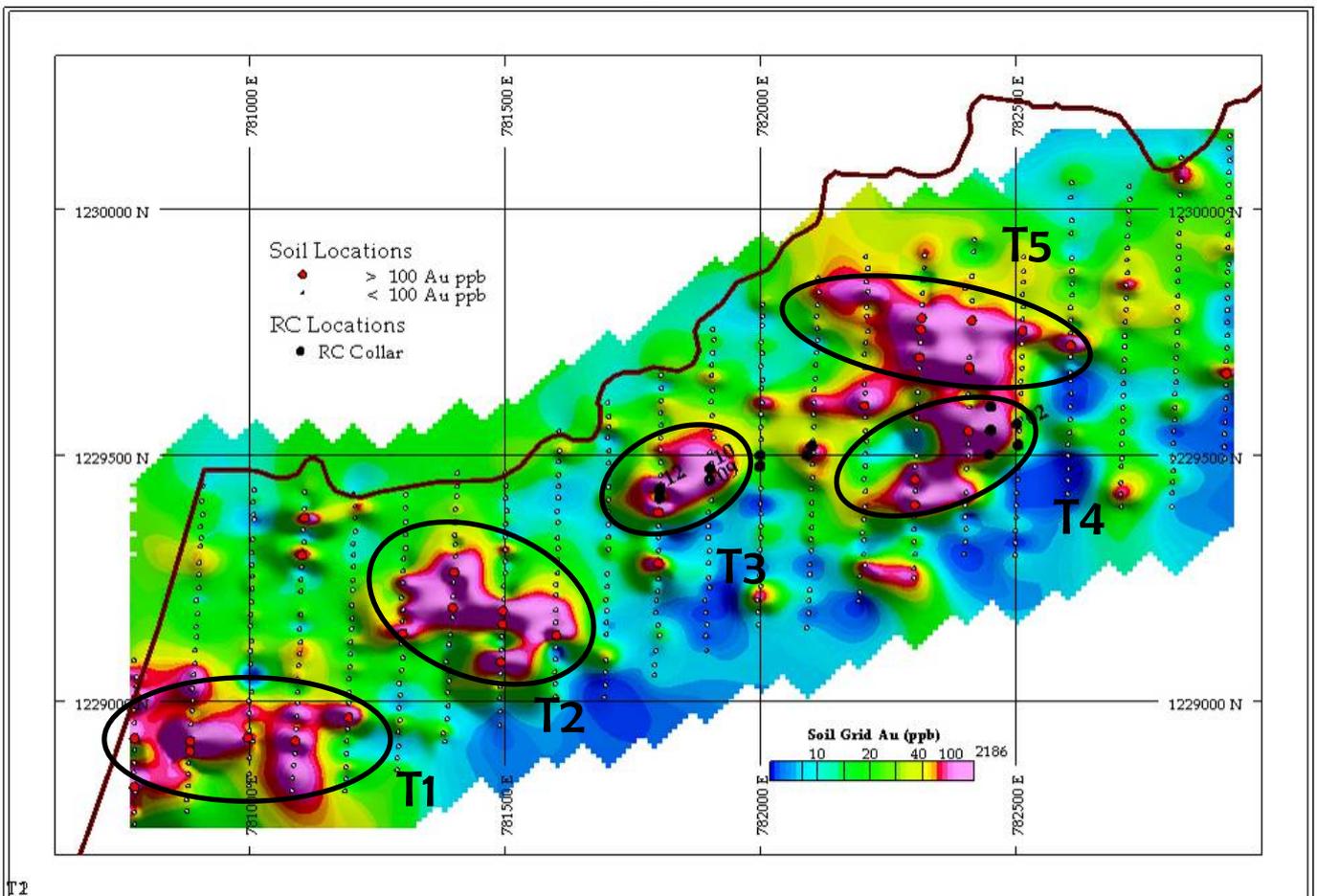
This first drill program consisted of 13 holes and tested only two of five target areas (T1 – T5 see attached plan). T3 was tested with six holes over a 300m strike and reported the most encouraging results with best intercepts of 6m@ 4.85g/t from 20m (SPRC 09), 4m@ 2.1 g/t gold from 43m (SPRC 10) and 10m@ 5.23g/t from 62m (SPRC 12). Drill hole SPRC 13 was drilled up dip from the intercept in



**CASTLE MINERALS LIMITED**  
**GHANA**  
**Sapelliga Prospect**  
**TRENCHES AND WORKINGS**

SPRC 12 (10m @ 5.23g/t) but failed to reach target depth leaving the intercept in SPRC 12 completely open. Drill spacing was nominally on 100m sections.

The T3 mineralisation outcrops at surface and remains completely open to the south west (towards Youga) and at depth. Two untested targets T1 and T2, in aggregate over 1,000m long, and defined by strongly anomalous soil



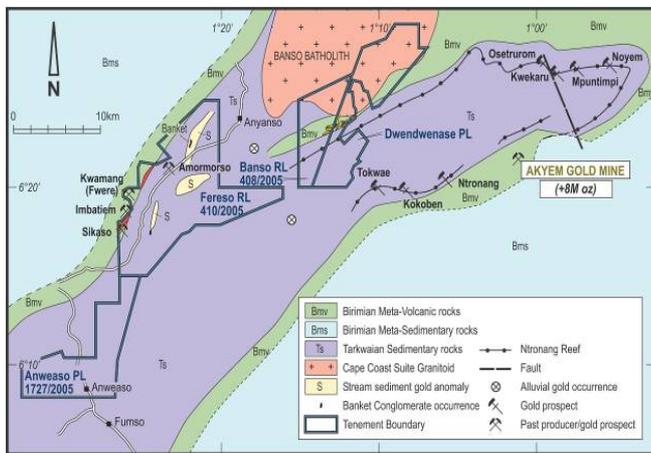
results with values to 2.1g/t gold, are present immediately south west of T3 and lie along the interpreted strike of the mineralisation. In addition the largest soil anomaly defined (T5) remains to be tested.

Further work is being planned to quickly follow up these results and to test targets T1 and T2.

**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.

A soil sampling program has been completed on the Anweaso and Fereso Licences testing the south western area of the project close to the Ashanti belt margin. A total of 1,202 soil samples were collected and submitted for analysis. Results are expected shortly.



Banso Project Tenements

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

The Ducie Project consists of one large granted Reconnaissance Licence 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 Licence was granted by the Ghanaian Minerals Commission in February 2007. The project covers 60



Road cutting at the Ducie Project in the approximate position of the Bolgatanga Fault

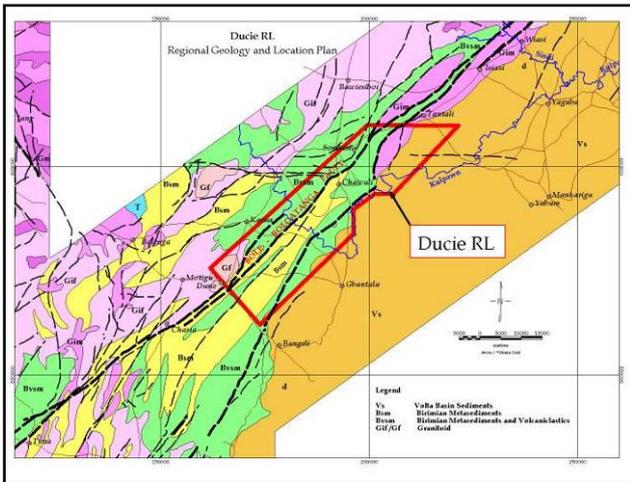
kilometres of strike of Birimian metasediments and volcanoclastics along the NE trending Bole-Bolgatanga Fault.

A field visit was undertaken to determine the most effective means of exploration. The property was found to be generally flat and covered by thin soil and laterite and is deemed to be well suited for conventional soil sampling. Sampling is scheduled to commence in May 2007.

Ducie is one of the few areas that seem to have been bypassed by modern exploration in Ghana. 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.



Typical grey soil cover found at the Ducie Project



Ducie Reconnaissance Licence

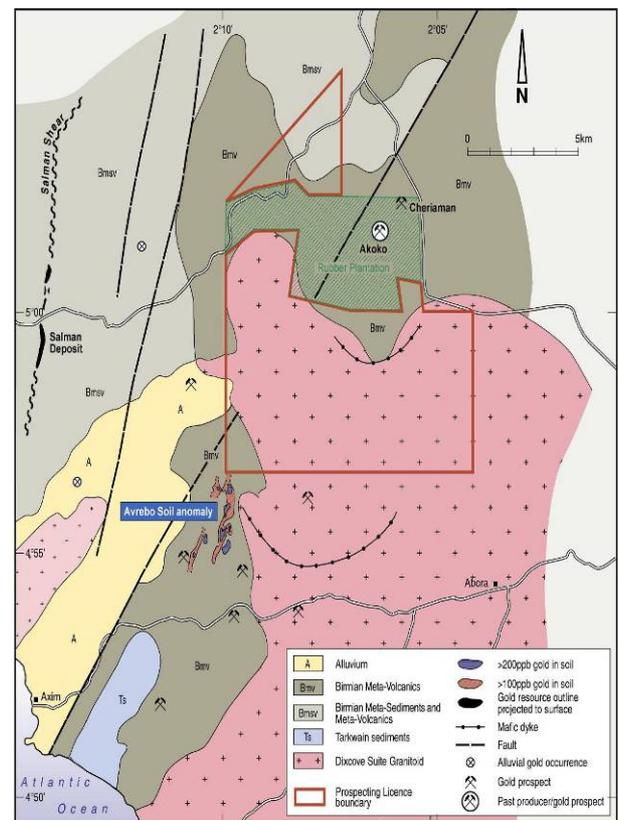
### AKOKO PROJECT (100% Castle Minerals)

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.

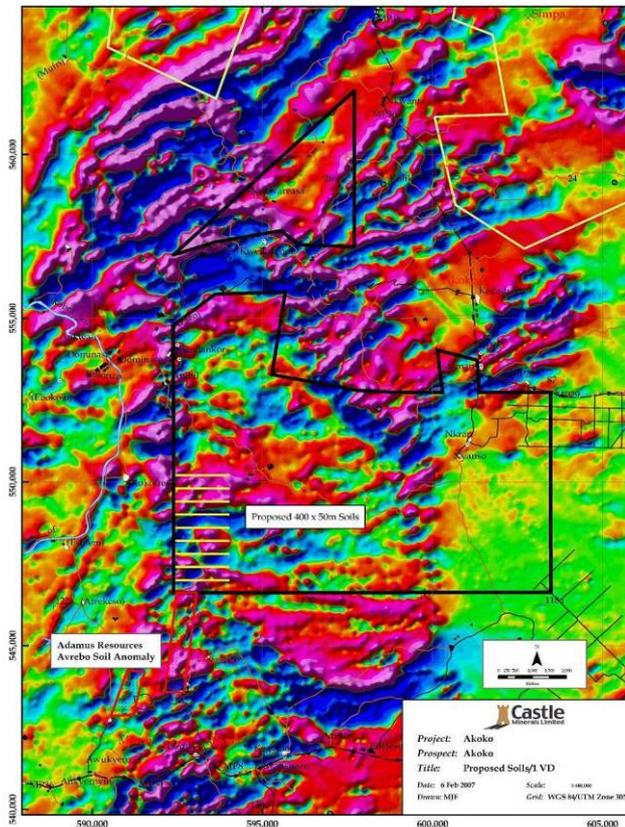
The Akoko Prospecting Licence was granted during the quarter. A site visit was undertaken and soil sampling commenced in

the south west corner of the Licence adjacent to the Avrebo soil anomaly of Adamus Resources.

Interpretation of aeromagnetic data suggests that the Avrebo soil anomaly will extend north along the western margin of a granite body that is crosscut by north east trending structures. The intersection of these NE structures, the granite contact and the interpreted northern extension of the Avrebo soil anomaly represents an excellent gold target.



Akoko project geology



### Castle Minerals - Background

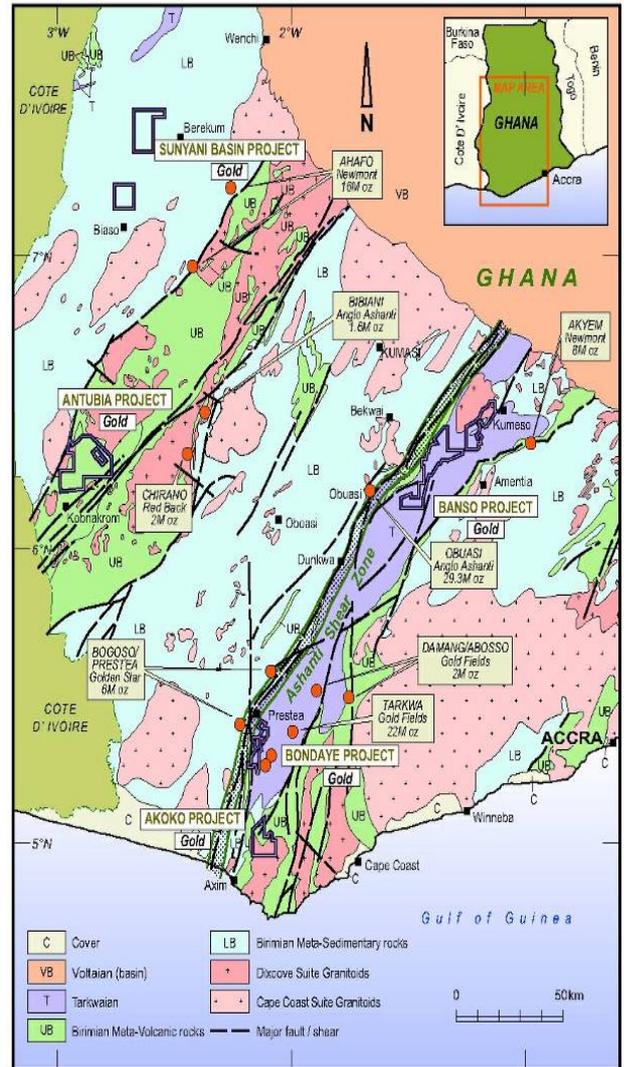
Castle Minerals Limited (ASX code 'CDT') is a gold exploration Company with seven 100% owned\* projects in Ghana West Africa.

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.

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



**CASTLE MINERALS LIMITED  
GHANA  
PROJECT LOCATIONS**



**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.

**Boizan RC Drilling February 2007 - Significant Intercepts**

Hole ID	UTM North	UTM East	mRL	Depth (m)	Dip	Azimuth UTM	Intercept
BZRC023	705,694	512,594	220	56	-50	270	No significant intercept
BZRC024	705,905	512,625	226	80	-50	270	3m @ 0.83g/t gold from 8m
BZRC025	705,902	512,573	228	123	-50	270	<b>11m @ 2.70g/t gold from 77m</b> 1m @ 1.04g/t gold from 96m 1m @ 1.48g/t gold from 105m
BZRC026	705,900	512,522	230	80	-50	270	10m @ 0.60g/t gold from 7m
BZRC027	705,902	512,467	232	80	-50	270	10m @ 0.80g/t gold from 2m
BZRC028	706,004	512,551	232	120	-50	270	No significant intercept
BZRC029	706,105	512,598	230	84	-50	270	No significant intercept
BZRC030	706,104	512,548	232	130	-50	270	No significant intercept
BZRC031	706,195	512,353	236	80	-50	270	No significant intercept
BZRC032	706,208	512,395	237	80	-50	270	7m @ 1.26g/t gold from 9m
BZRC033	706,201	512,450	237	80	-50	270	2m @ 2.03g/t gold from 63m
BZRC034	706,203	512,500	236	80	-50	270	1m @ 9.10g/t gold from 12m 2m @ 5.53g/t gold from 47m
BZRC035	706,200	512,550	234	80	-50	270	5m @ 0.92g/t gold from 50m

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.
- 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 March 2007

### 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	(660)	(1,657)
(b) development	-	-
(c) production	-	-
(d) administration	(100)	(273)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	29	125
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	(16)
<b>Net Operating Cash Flows</b>	<b>(731)</b>	<b>(1,821)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(46)
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>(4)</b>	<b>(46)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(735)</b>	<b>(1,867)</b>

1.13	Total operating and investing cash flows (brought forward)	(735)	(1,867)
<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>		(735)	(1,867)
1.20	Cash at beginning of quarter/year to date	2,209	3,341
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,474	1,474

**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	
<div style="border: 1px solid black; padding: 5px;"> <p>Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.</p> </div>		

**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.

- 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.

## 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	274	350
5.2 Deposits at call	1,200	1,859
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,474</b>	<b>2,209</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			* *

\* 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.*

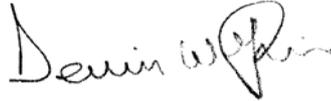
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	38,335,005	21,144,725		
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 ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

. Date: **30 April 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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