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Dear Fellow Shareholder

I am pleased to inform you about a very exciting new gold discovery we have made on our Baayiri Prospect in Northern Ghana. As you can see from the attached announcement released to the stock exchange today, this is a very significant discovery. The nature and size of the mineralisation we have intersected (**55m at 1.82g/t from 15m**) suggests to us that we have discovered an area strongly endowed with gold and to report an intersection of this magnitude in reconnaissance RC drilling is very promising.

It is too early to say exactly what we have discovered but I am pleased to tell you that we have been able to arrange for a drill rig to return to the project to commence the next phase of drilling. The drilling should commence this week and will test the area immediately around the discovery hole. We believe we have just scratched the surface of what we hope will be a major new gold discovery on ground that has never previously been explored. I look forward to sharing future drill results with you in the very near future.

In addition to our work on Baayiri, we are continuing to systematically drill a number of the targets we have across our tenement holding, which is now the largest of any company in Ghana. We are currently awaiting on approximately 5,000 assay results representing about 8,000 metres of drilling and a number of ongoing soil sampling programs. Again, we will release these results as they come to hand.

Azumah Resources

On 10 June, Azumah Resources announced that it had acquired a shareholding of around 15% in Castle Minerals. As many of you will know, Azumah's Julie Project is surrounded by Castle's Wa Project that includes our high-grade Julie West gold deposit.

We are not aware of Azumah's corporate intentions at this stage but we understand that Azumah approached a number of our shareholders seeking to acquire their shares in Castle in exchange for Azumah shares.

It would seem that Azumah recognised the inherent value in Castle shares even before the exciting Baayiri discovery was made and persuaded a number of our shareholders to sell their Castle shares shortly before we made this important discovery.

As mentioned above, there is a lot of activity underway and I am personally more optimistic about Castle's future than I have been at any time over the five years since we first floated the Company.

For this reason, should you be approached by Azumah or its advisers about selling your Castle shares, your directors urge you to think very carefully before doing so and to contact me directly should you wish to discuss the matter.

Your directors look forward to gaining a better understanding of the Baayiri discovery and to sharing those results with you in the coming months, along with the results of our other exploration activities.

In the meantime, we appreciate your continuing support and look forward to sharing future successes.

Yours sincerely

A handwritten signature in black ink, appearing to be "Mike Ivey", with a long horizontal line extending to the right.

Mike Ivey
Executive Chairman