

17th December 2012



ASX Announcement

Exploration Update – RC Drilling Commences

Castle Minerals Limited (ASX:**CDT**) is pleased to announce that exploration drilling testing eight pipe like geophysical targets has been completed and that its rig is now testing gold targets at the Julie West prospect in northern Ghana as part of the 40,000m of RAB drilling planned for 2012/13.

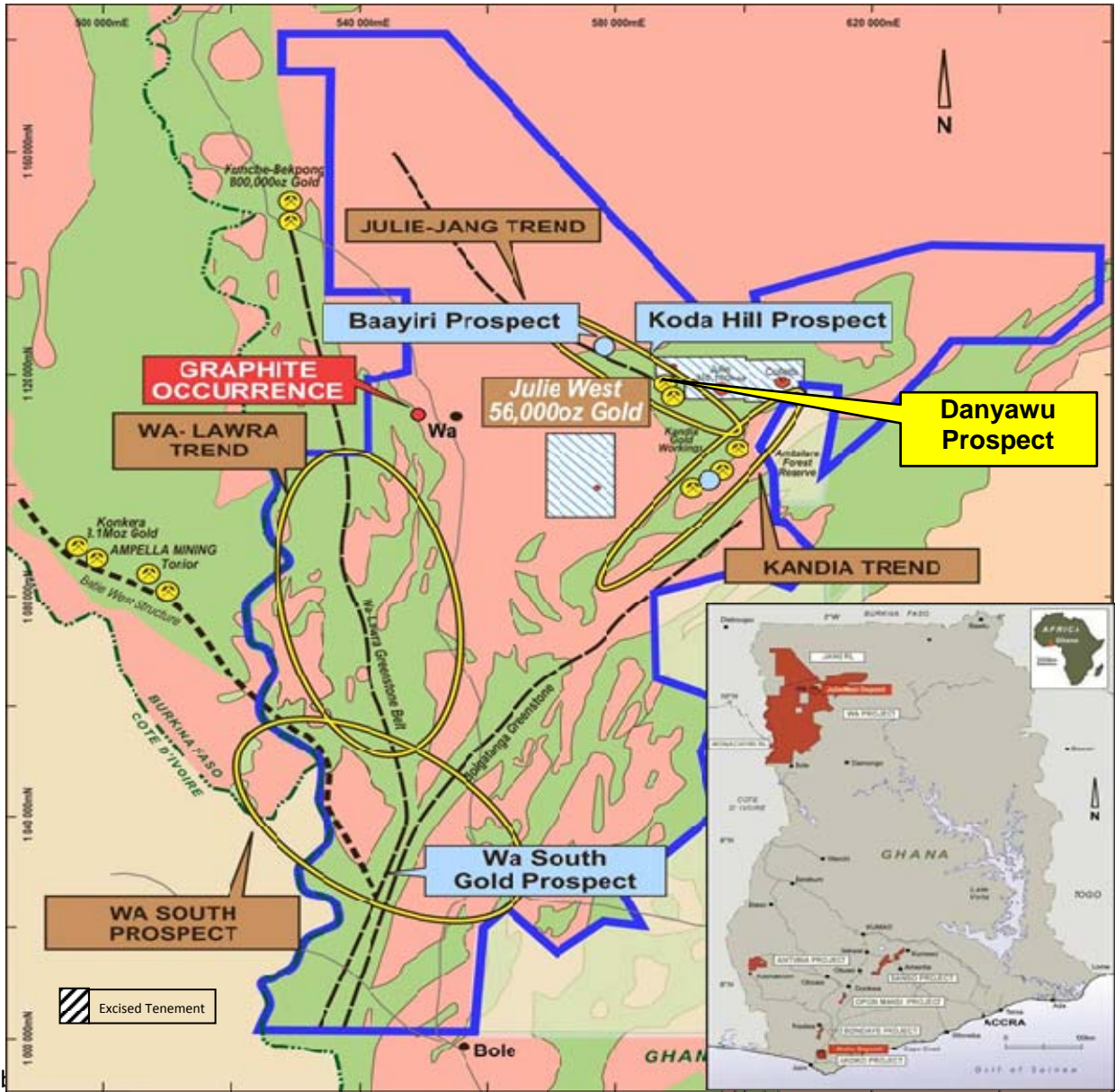
A second rig has arrived on site and commenced RC drill testing a number of high grade gold targets including the Danyawu prospect that has reported drill intercepts of **9m@22g/t and 16m@14.7 g/t gold¹** (as announced 25 June 2012). On completion of this drilling a maiden gold resource will be estimated for Danyawu.

Drilling of the pipe like geophysical targets intersected discrete coarse grained mafic rich rocks that are interpreted as the source of the magnetic anomalies. Samples are being sent to Perth for multi element geochemistry to determine if the rocks have a kimberlite affinity.

Samples for gold analysis will be submitted before year end with the first results expected in January 2013.

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Castle Minerals listed on the Australian Stock Exchange in May 2006 (ASX code 'CDT') and has since acquired the rights to six mineral projects in Ghana, West Africa including Akoko, Antubia, Banso, Bondaye, Opon Mansi (application) and Wa covering more than 11,000km².

All granted projects are 100% owned by Castle Minerals (subject to Ghanaian Government right to a free-carried 10% interest). Castle's corporate objectives are exploration and development of its six projects in Ghana and the acquisition and exploration of other mineral resource opportunities, particularly in West Africa. The country of Ghana has a long history of gold mining and exploration and is Africa's second largest gold producer behind South Africa.

¹ CDT ASX release 25/6/2012

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