

28 September 2015



ASX Announcement

JULIE WEST PUT OPTION/SALE AGREEMENT

Castle Minerals Limited (ASX:**CDT**) is pleased to announce that it has executed a put option/sale agreement with private Australian company, Bunda Resources Pty Ltd (Bunda) over Castle's Julie West Project in north west Ghana.

Under the terms of the agreement Castle has a 14 day option to sell the Julie West Project to Bunda in consideration for a cash payment of A\$500,000 plus a four percent net smelter gold royalty (the Put Option). The cash component of the purchase price is payable in two tranches.

The first tranche comprises a non refundable A\$250,000 deposit which has been paid to Castle to be held in escrow pending exercise of the Put Option. The remaining A\$250,000 component is payable to Castle upon Ministerial approval for the transfer of the Julie West Prospecting Licence to Bunda. If Castle elects to not exercise the Put Option then a fee of A\$40,000 would be payable to Bunda and the deposit would be refunded.

Apart from securing Ministerial consent in Ghana to the transfer of the Julie West Prospecting Licence to Bunda, there are no other conditions that need to be satisfied before completion can take place.

The parties have agreed a "drop dead date" of 2 years in which to secure the Minister's approval. In the unlikely event that Ministerial approval is not obtained by that date, then the agreement would come to an end, Castle would continue to hold all rights in the Julie West Prospecting Licence and Bunda would be released from the obligation to pay the second tranche of the purchase price. Castle would not be required to refund any part of the first tranche non refundable deposit.

The agreement with Bunda has been structured as a Put Option to ensure that if Castle receives a higher competing offer for the project in the next 14 days, it will be able to accept that offer. In this regard, prior to entering into the agreement with Bunda, Castle held discussions with Azumah Resources Limited to test whether Azumah wished to acquire the project. Azumah expressed interest in doing so but was not able to table terms which were as attractive as those offered by Bunda.

Castle does not have any reason to believe that it will receive a higher offer from Azumah or any other third party and currently expects to exercise the Put Option and complete the transaction with Bunda.

Castle's Managing Director, Mr Mike Ivey, said; "this deal provides immediate funding for Castle plus potential future royalty payments that could be in the order of several million dollars, depending upon ultimate gold production. We are now in a position to continue with exploration and evaluation of our gold and graphite targets in Ghana."

The Julie West Project forms part of Castle's Wa Gold Project in NW Ghana and is located about 720 km northwest of Accra.

It consists of one prospecting licence and one mining lease application where Castle has discovered two high grade gold deposits; the Julie West deposit hosts a defined gold resource of 56,200 ounces (415,000t @4.2g/t gold) and the Danyawu deposit has a gold resource of 72,100 tonnes @ 5.5 g/t gold for 12,800 ounces. These high grade shallow resources total 487,100t @ 4.4 g/t gold for 69,000 ounces.

Under the terms of the agreement Bunda is responsible for the Julie West Project tenure including paying all fees, rents, rates and other charges levied or assessed under the Mining Act and to comply with the requirements of the Mining Act and Mining Regulations.

This Announcement refers to and now ends the Trading Halt requested on the 25 September 2015.

For further information please contact:

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About Castle:

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

All granted projects are 100% owned by Castle Minerals (subject to periodic tenure renewal and Ghanaian Government right to a free-carried 10% interest). Castle's corporate objectives are exploration and development of its 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.

Castle has so far, discovered seven green fields gold deposits in Ghana with six of those having a formal Mineral Resource completed for an aggregate total of 362,000 ounces. In addition Castle has defined an Inferred Mineral Resource at the Kambale graphite deposit in NW Ghana that contains 14.5 million tonnes @ 7.2% graphitic carbon. Castle owns and operates its own RAB drill rig in Ghana completing over 100,000m of low cost drilling to date.

Information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Michael Ivey, Castle Minerals Limited Managing Director, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Ivey is a permanent consultant to 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 2012 JORC Code. Michael Ivey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.