

SUMMARY

- Castle Minerals Limited (ASX code 'CDT') successfully listed on the ASX on 2nd May 2006 raising \$3.75 million.
- Michael Fowler appointed as Exploration Manager.
- Ghana exploration base established.
- 481 km of line clearing and gridding completed.
- 9,404 soil samples collected and 98 exploration pits were dug on Castle projects.
- The **Banso gold anomaly** confirmed to be continuous over 3,700 metres and up to 1,000 metres wide with values up to 809ppb gold reported. Previously unrecognised old workings were identified during a field visit in June, their location consistent with the central high grade trend of the soil anomaly.
- RC drilling of the Banso anomaly planned for August 2006.
- Strongly anomalous gold in soils over a 2 x 4.5 kilometre area identified on the **Antubia Project**. At least five distinct and consistent high grade trends reporting values above 200ppb gold have been defined.
- Soil values above 1g/t reported from the Koraso prospect (Sunyani Basin Project).
- Two additional tenement applications lodged.
- Field programs at Banso and Sunyani Basin Projects currently underway.

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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

About Castle Minerals Limited

Castle Minerals Limited (ASX code 'CDT') is a gold exploration Company with five project areas covering 1,029 km² in Ghana West Africa.

Castle successfully listed on the ASX on 2nd May 2006. At the time of listing the Company had a total of 38.33 million ordinary fully paid shares on issue to 456 shareholders.

The IPO raised \$3,750,000 through the issue of 15,000,000 shares. Listing was achieved three weeks from the IPO being open for acceptance. The IPO was well supported with the targeted \$3.75 million raised in just over one week.

Castle's corporate objectives are:

1. exploration and development of the five projects in Ghana; and
2. acquisition and exploration of other mineral resource opportunities, particularly in West Africa

Castle has acquired the rights to mineral projects in Ghana known as Bansa, Antubia, Sunyani Basin, Bondaye and Akoko. All projects are 100% owned by Castle (subject to Ghanaian Government right to a free-carried 10% interest).

The country of Ghana, formerly known as the Gold Coast, has a long history of gold mining and exploration and is Africa's second largest gold producer behind South Africa.

A number of the world's largest gold companies are either producing or exploring within the country and several new multi million ounce goldmines are currently planned for development ensuring Ghana's ongoing role as one of Africa's leading gold producers.

The projects acquired by Castle have only had limited exploration activity conducted

on them in the past. Geological mapping and soil sampling is known to have been undertaken at the Bansa, Antubia and Sunyani Basin projects (where, collectively, eight individual soil anomalies have been defined). No drill testing of these anomalies is known to have occurred. The first priority is to commence trenching and drill testing as soon as practicable.

The Bondaye and Akoko projects have only had limited exploration for gold but both are situated near to current or past producing goldmines. Castle has identified conceptual gold exploration targets on both these projects.



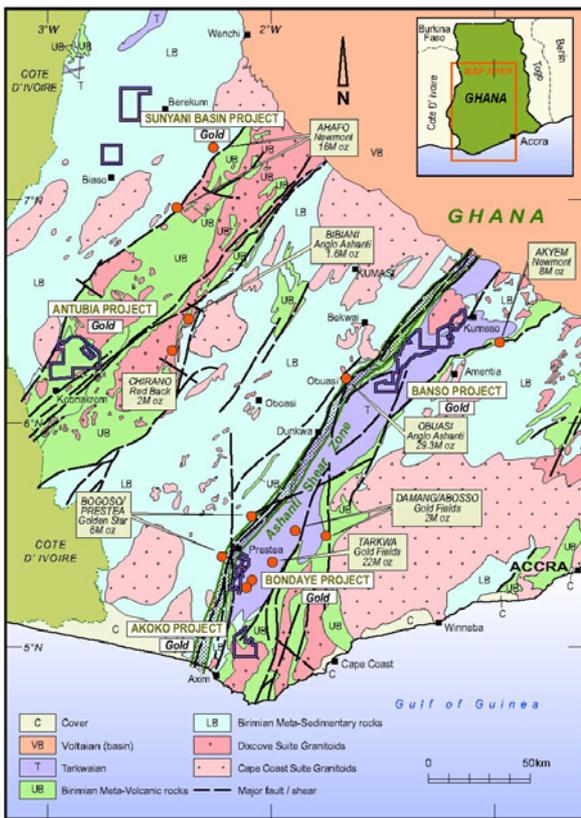
CASTLE MINERALS LIMITED

The Castle board and management have extensive experience in gold mining and exploration and public company operation.

The directors of Castle believe that the quality of the exploration interests Castle has acquired and the focussed exploration

program to be undertaken in the next two years has the potential to deliver significant value to investors.

Whilst the risks with gold exploration are always high, the directors of Castle are convinced that the potential rewards justify the implementation of these plans.



Castle Project Areas in South West Ghana

Appointment of Exploration Manager

Michael Fowler was appointed Exploration Manager for a four year term effective 8th May 2006.

Mr Fowler (38) has had extensive industry experience in Western Australia and in his previous roles has overseen the discovery of over one million ounces of gold (ore reserves).

Appointment of Ghanaian Representative and Exploration Base

Mr Paul Amoako-Atta was engaged to act for and represent Castle Minerals Limited

and Castle's wholly owned Ghanaian subsidiary companies.

Mr Amoako-Atta formerly worked for the Ghana Geological Survey and since 1991 has operated a geological consultancy business based in Accra, Ghana.



Paul Amoako-Atta and Michael Fowler with the Chief of Koraso village.



Dwendwenase village chief (second from right) with village elders and linguist (with gold staff). Village Chiefs speak only through their linguists.

EXPLORATION ACTIVITIES

BANSO PROJECT

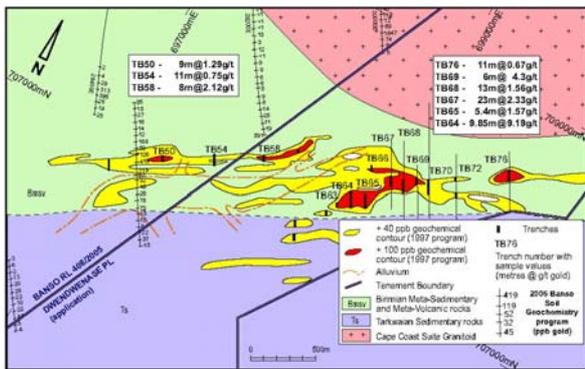
Banso is located approximately 180km northwest of Accra, in the Ashanti gold belt. It is ~20km west of the 8Moz Akyem gold mine (Newmont), and ~10km east of the 50Moz Obuasi gold mine (Anglogold Ashanti).

Soil sampling on 400m x 50m spacing was completed over the western and eastern areas of the Banso Project. A total of 809 samples were collected.

The main Banso gold anomaly has been extended and confirmed to be continuous over 3,700 metres and up to 1,000 metres wide with values up to 809ppb gold reported.

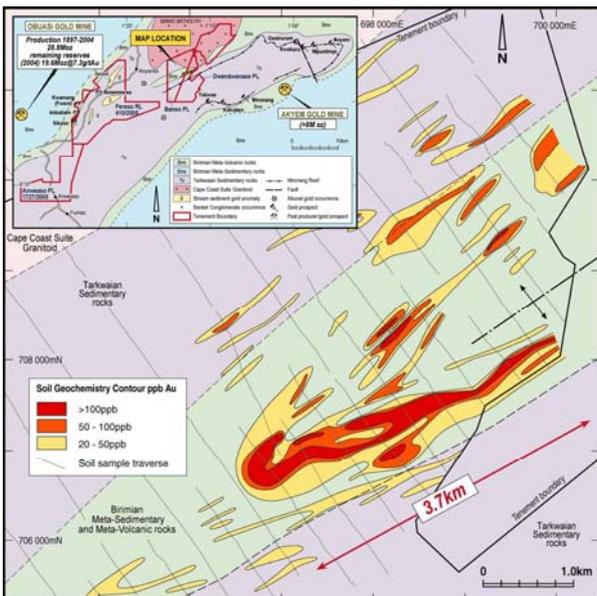
This anomaly has never been drilled but very limited trenching in 1997 returned results including;

- 23m @ 2.33g/t gold,
- 9.8m @ 9.2g/t gold,
- 8m @ 4.3 g/t gold and
- 13m @ 1.6 g/t gold.



1997 soil sampling data and trench results

The sampling has also identified three new significant sub parallel anomalies north of the main anomaly that require follow up sampling.



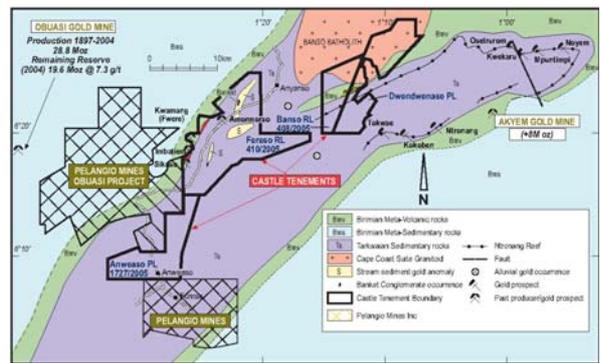
Soil sampling has extended and confirmed the Bansa anomaly and identified multiple parallel anomalies

Geological interpretation of the Bansa anomaly suggests a fold closure or major structure occurring at the widest and highest grade portion of the soil anomaly which, if correct, supports a very substantial drill target. Previously unrecognised old workings were identified during a field visit in June, their location consistent with the central high grade trend of the soil anomaly.



A pitting program is currently underway on the Bansa soil anomaly. Alteration and quartz veining (above) was observed in several pits along the trend of high grade soil results

Four mineral concessions bordering the Bansa project have recently been acquired by the Canadian Company Pelangio Mines. The deal values the Pelangio tenements at over A\$20m. No gold resources are known on these tenements but they are considered highly prospective.

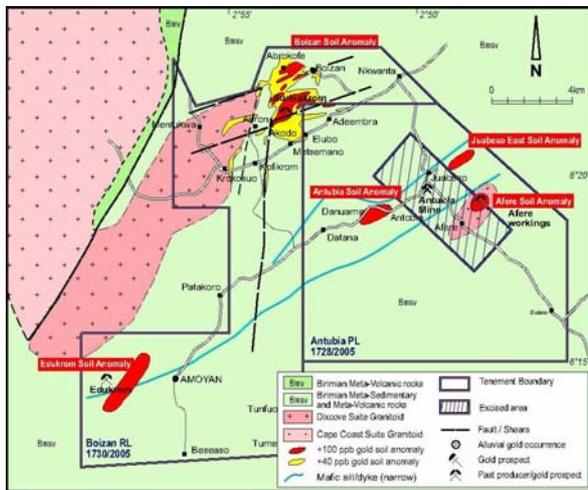


Relationship between Castle and Pelangio tenements

ANTUBIA PROJECT

Antubia is located approximately 370km west-northwest of Accra, in the Sefwi gold belt and is ~65km southwest of the 16Moz Ahafo gold mine (Newmont).

The project comprises two contiguous licenses – Antubia and Boizan with five untested gold soil anomalies.



Antubia Project tenements with soil anomalies

Soil sampling on 200m x 50m spacing was completed over the northern areas of the Antubia Project.

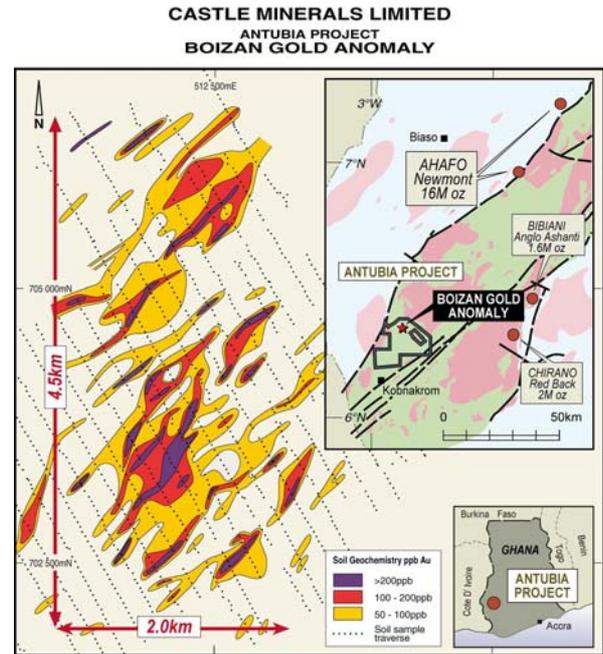
A total of 7,288 samples were collected during the quarter.

This work has defined strongly anomalous gold in soils over a 2 x 4.5 kilometre area at the Boizan prospect coincident with the intersection of major regional structures. At least five distinct and consistent high grade trends reporting values above 200ppb gold have been defined.

No drilling is known on the project area.

Next steps include a pitting and trenching program prior to drill testing. Approvals are being sought to commence this work.

Field inspection of the anomalies in June 2006 confirmed the presence of old workings at the Sumiakrom and Edukrom anomalies.



The Boizan anomaly is approximately 90km south of Newmont’s 16 million ounce Ahafo gold deposit and is interpreted to occur in a similar stratigraphic setting near the margin of the Sefwi greenstone belt.

SUNYANI BASIN PROJECT

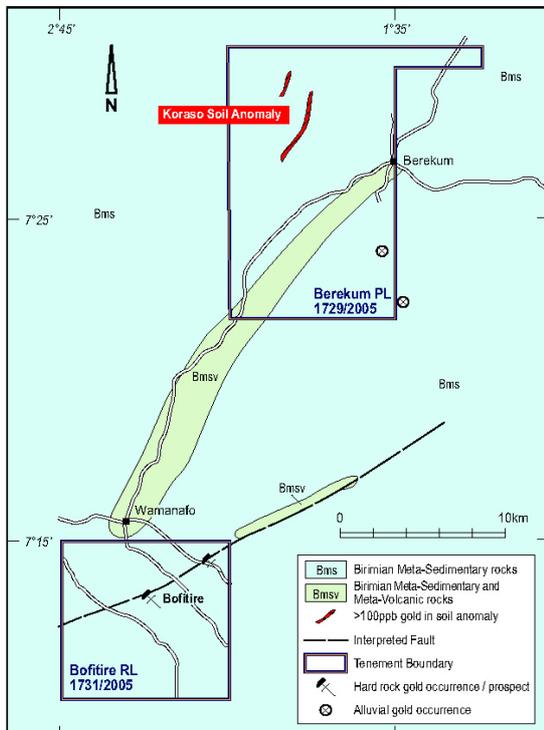
The Sunyani Basin Project consists of two separate granted tenements; Berekum and Bofitire. The project is located approximately 400km northwest of Accra, in the Sefwi gold belt and approximately 40km west of the Newmont’s 16Moz Ahafo mine.

Very limited, mostly colonial and ancient artisanal mining activity has occurred at the project. Limited modern exploration (soil sampling) was completed in the late 1990’s.

During the quarter soil sampling was completed over part of the Berekum tenement near the village of Koraso where previous exploration work by another Company in the 1990’s had reported highly anomalous soil values up to 43g/t gold. The sampling by Castle did not reproduce these very high grade values but did report a strong anomaly north of Koraso village including two soil values above 1g/t gold.



Field inspection of this area revealed extensive widths (+20m) of quartz veining in this area. A program of infill sampling is planned.



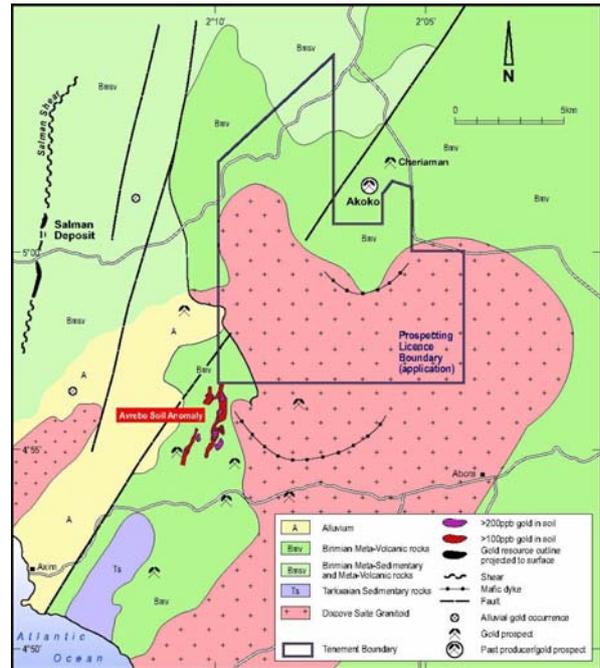
Sunyani Basin tenements

A soil sampling program is currently underway on the Bofitire Reconnaissance Licence.

AKOKO PROJECT

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

Castle proposes to test interpreted extensions to Adamus's Avrebo soil anomaly over 12km of potential strike subject to grant of the Licence. It is expected that the Prospecting licence will be granted in the next quarter.



Castle Minerals Akoko PL application

TENEMENT APPLICATIONS

One Prospecting Licence application was lodged with the Ghana Minerals Commission covering an area of prospective ground that abuts the Banso project.

An application to convert the Boizan Reconnaissance Licence to a Prospecting Licence was submitted.

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.