

Summary

Julie West project:

Castle consented to an assignment by Bunda Resources Pty Ltd to Azumah Resources Limited of Bunda's September 2015 Put Option and Sale Deed to acquire the Julie West project. The assignment is more likely to see the Julie West prospecting licence formally transferred to the purchaser and therefore the payment to Castle of the \$250,000 cash second payment. The incorporation of the Julie West resources into Azumah's Wa Gold Project development plans is also more likely to see higher overall receipts from the royalty.

Akoko project:

Castle commenced a renegotiation of the Akoko sale agreement as purchaser, Goldcrest plc, has not yet met and is unlikely to meet within the required time frame a key condition precedent being its listing on the UK AIM trading exchange.

Kpali project:

A field visit was undertaken to familiarise new technical management with the project. The Information Memorandum was circulated to several interested parties with a view to securing a farm-out arrangement.

Exploration:

Management commenced a review of the extensive Castle project datasets to enable a rationalisation of its large Ghana licence holdings around key target areas and to minimise holding costs.

New Opportunities:

Management reviewed a number of project opportunities it generated or has been offered with the objective of securing a new focus for the Company.

Corporate:

End of Quarter cash was \$0.15M and issued shares was 139M.

Castle retains 1.0M shares in ASX listed Minquest (ASX: MNQ)(~\$20,000) formerly Merah Resources Limited.

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Capital Structure
Quoted Shares: 139 million
Unlisted Options: 1.05m @ 40c

Board
Michael Atkins
Director

Stephen Stone
Director

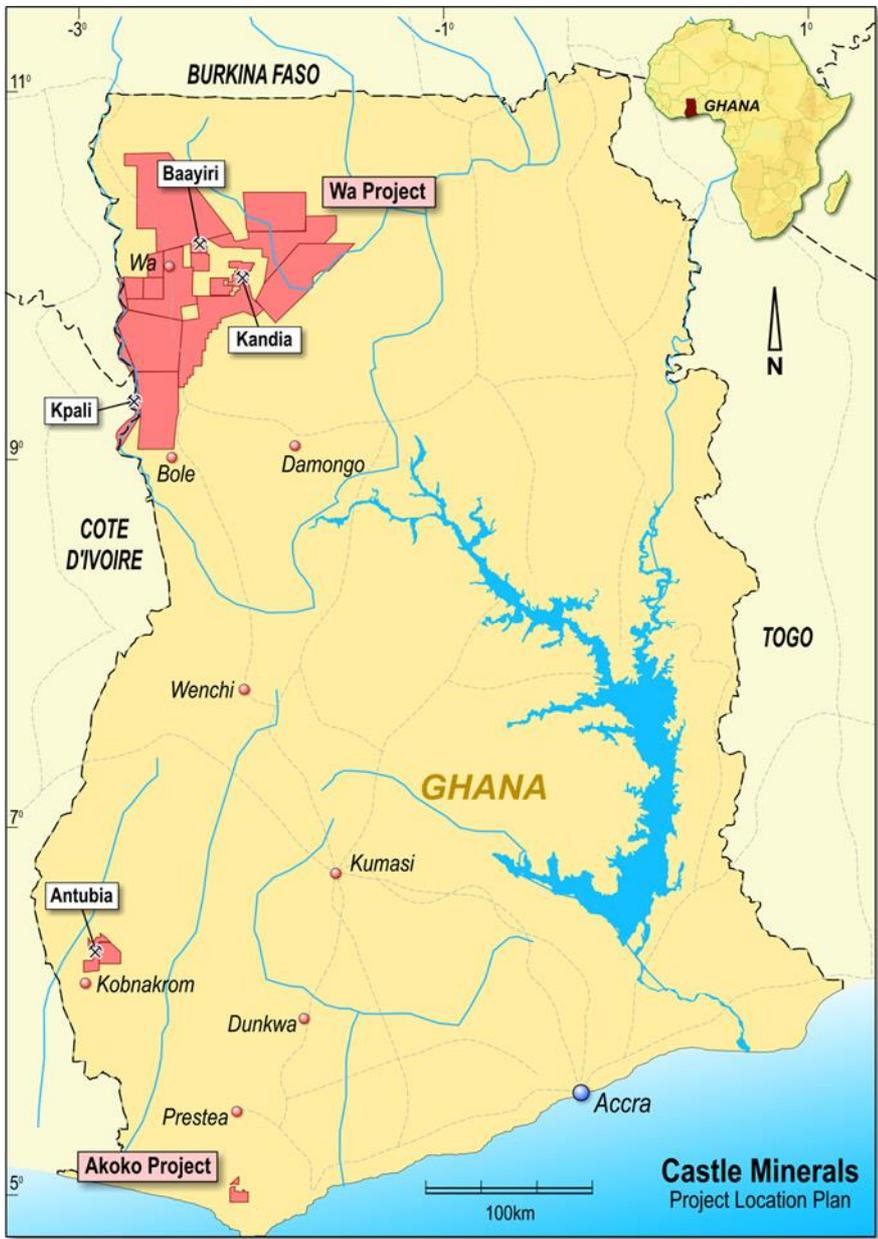
Ian Hobson
Director &
Company Secretary

About Castle:

Castle Minerals listed on the Australian Stock Exchange in May 2006 (ASX code 'CDT'). It is one of the largest tenure holders in Ghana, West Africa, a country with a long history of gold mining and exploration. It's ~11,000km² licence holdings host several projects including Julie West and Kpali in Ghana's Upper West region and Akoko close to Takoradi in Ghana's southern and prolific gold mining region. The Akoko Project is subject to a sale agreement with London based Goldcrest Resources plc. All projects are highly prospective for gold and, whilst resources have been delineated, all are considered at an early stage of evaluation.

Castle has three directors all of whom were appointed in January 2016 following nominations by 19.9% shareholder, Azumah Resources Limited. The Company's new management is intent on adding value to its existing project holdings and to evaluating and, if warranted, acquiring new opportunities that will provide existing shareholders with multiple returns on the present market value of their investments.

Castle Minerals Ghana Tenure and Key Prospects



Licence	Name	Interest beginning of Quarter	Interest end of Quarter
TOPAGO MINING LIMITED			
PL. 2/398	Antubia	100%	100%
PL. 2/400	Boizan	100%	100%
PL. 2/399	Akoko	100%#	100%#
PL. 2/425	Akoko West	100%	100%
-	Opon Mansi	Application	Relinquished

CARLIE MINING LIMITED

RLA	Chache	Application	Application
RLA	Jewoyeli	Application	Application
RLA	Takariyili	Application	Application
RLA	Tuole	Application	Application
RL. 10/23	Jang	100%	100%
RL. 10/13	Wa	100%	100%
PL. 10/13	Julie West	0%^	0%^
ML. 10/13	Julie West	Application	Application
PL. 10/26	Degbiwu	100%	100%
PL. 10/23	Bulenga	100%	100%
PL. 10/25	Charingu	100%	100%
PLA	Kandia	Application	Application
PL. 10/24	Baayiri	100%	100%
RL. 8/27	Gbinyiri	100%	100%
RL. 8/28	Gurungu	100%	100%
RL. 8/31	Jumo	100%	100%
RL. 8/30	Chasia	100%	100%
RL. 8/29	Perisi	100%	100%
RLA	Funsi	Application	Application
PL. 10/47	Kambale	100%	100%

Government of Ghana has the right to acquire a 10% free carried interest in all licences and is entitled to a 5% Gross Royalty on production. All licences are held in 100% owned Ghana based subsidiaries, Carlie Mining Limited and Topago Mining Limited. Where required Castle has lodged applications for extension of the licences and in those cases may be awaiting renewal or extension of the licences.

#A sale agreement has been executed with Goldcrest Resources where Goldcrest may acquire a 100% interest in the Akoko Project.

^ Put Option to sell the Julie West PL to Bunda Resources Limited was exercised in October 2015. Bunda's rights were assigned to Phoenix Resources Limited (Azumah Resources Limited) in April 2016.

COMPETENT PERSONS STATEMENT

The scientific and technical information in this Report that relates to the geology of the deposits and exploration results is based on information compiled by **Mr Stephen Stone**, who is a Director of Castle Minerals Limited. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which 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 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone is the Qualified Person overseeing Castle's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration results.