



Maiden Kandia Gold Resource of 107,500 Ounces

- **Mineral Resource estimate for the Kandia prospect totals 3.3mt @ 1.0g/t gold for 107,500 ounces**
- **Resource outcrops at surface with 77% of resource ounces above 100m**
- **Mineralisation open down dip and new gold targets identified south along strike**
- **Kandia Trend extends for at least 20km and will form a key component of Castle's recently commenced 2011/12 field season**
- **Total Gold Resources in Ghana increased by 68% to 267,000 ounces**

Castle Minerals Limited (ASX:CDT) is pleased to announce a total Mineral Resource Estimate for its Kandia gold prospect of **3.3Mt @ 1.0g/t gold for 107,500 ounces**.

The Kandia prospect is located in north-west Ghana and forms part of Castle's large Wa Project.

Gold mineralisation was first discovered on this greenfields prospect by Castle in 2010 with the first resource drilling being undertaken in 2011. Since that time Castle has completed extensive soil sampling, airborne geophysical surveys and completed 264 RC drill holes for 19,541m.

The Resource estimate for Kandia was completed for two mineralised zones named the "4000 Zone" and "8000 Zone" that are situated along a regionally mineralised granite/sediment contact termed the Kandia Trend that can be traced for over 20km.

Kandia Deposit
November 2011 ID2 Mineral Resource Estimate

Type	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces
Oxide	131,300	1.0	4,100	51,000	1.3	2,100	183,000	1.1	6,200
Fresh	1,841,500	1.0	58,700	1,327,200	1.0	42,500	3,169,000	1.0	101,200
Total	1,973,000	1.0	62,900	1,379,000	1.0	44,600	3,351,000	1.0	107,500

See Appendix 1 and Table 2 for full details of the resource estimation and parameters used

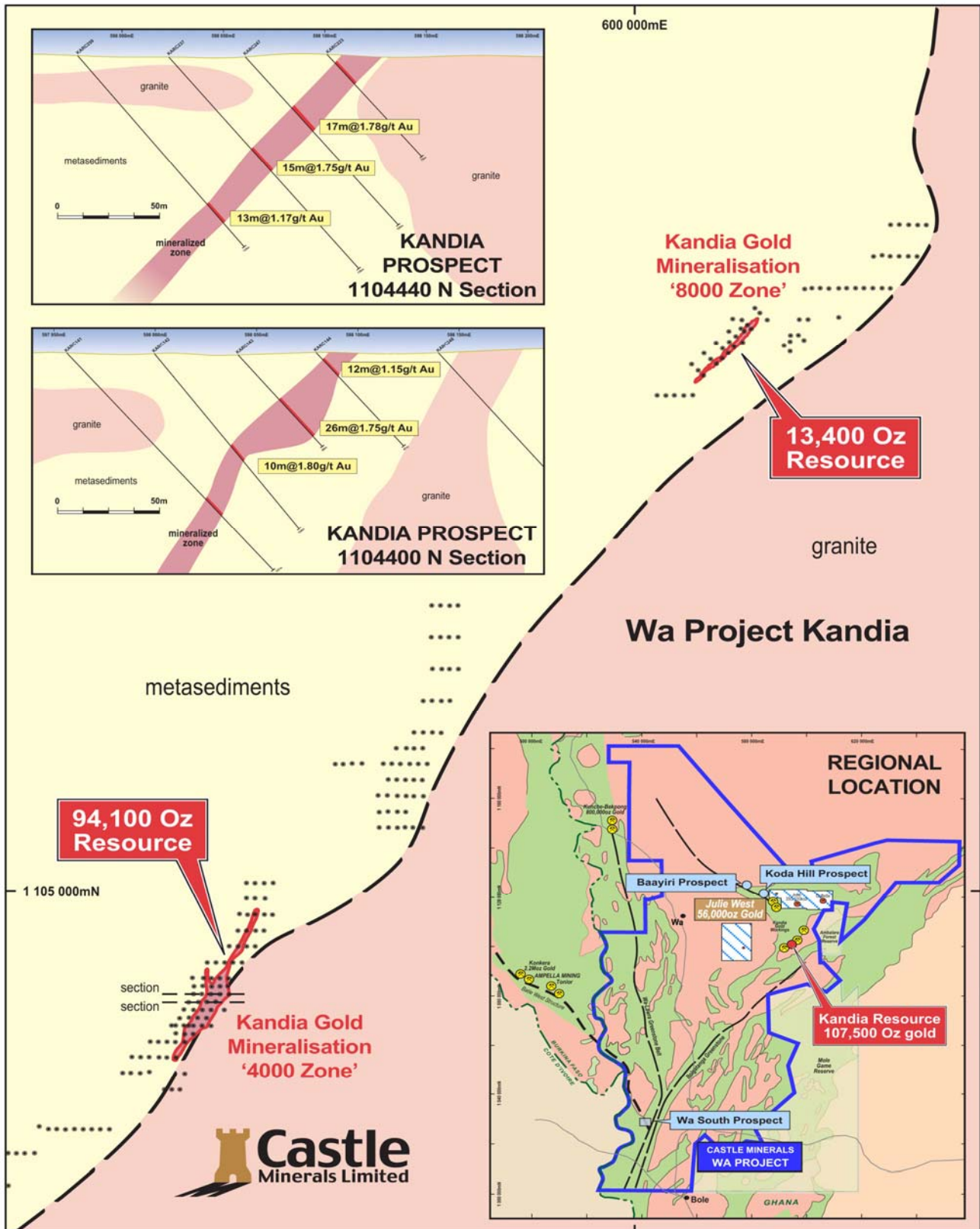
Table 1: Mineral Resource Summary for the Kandia Gold Prospect

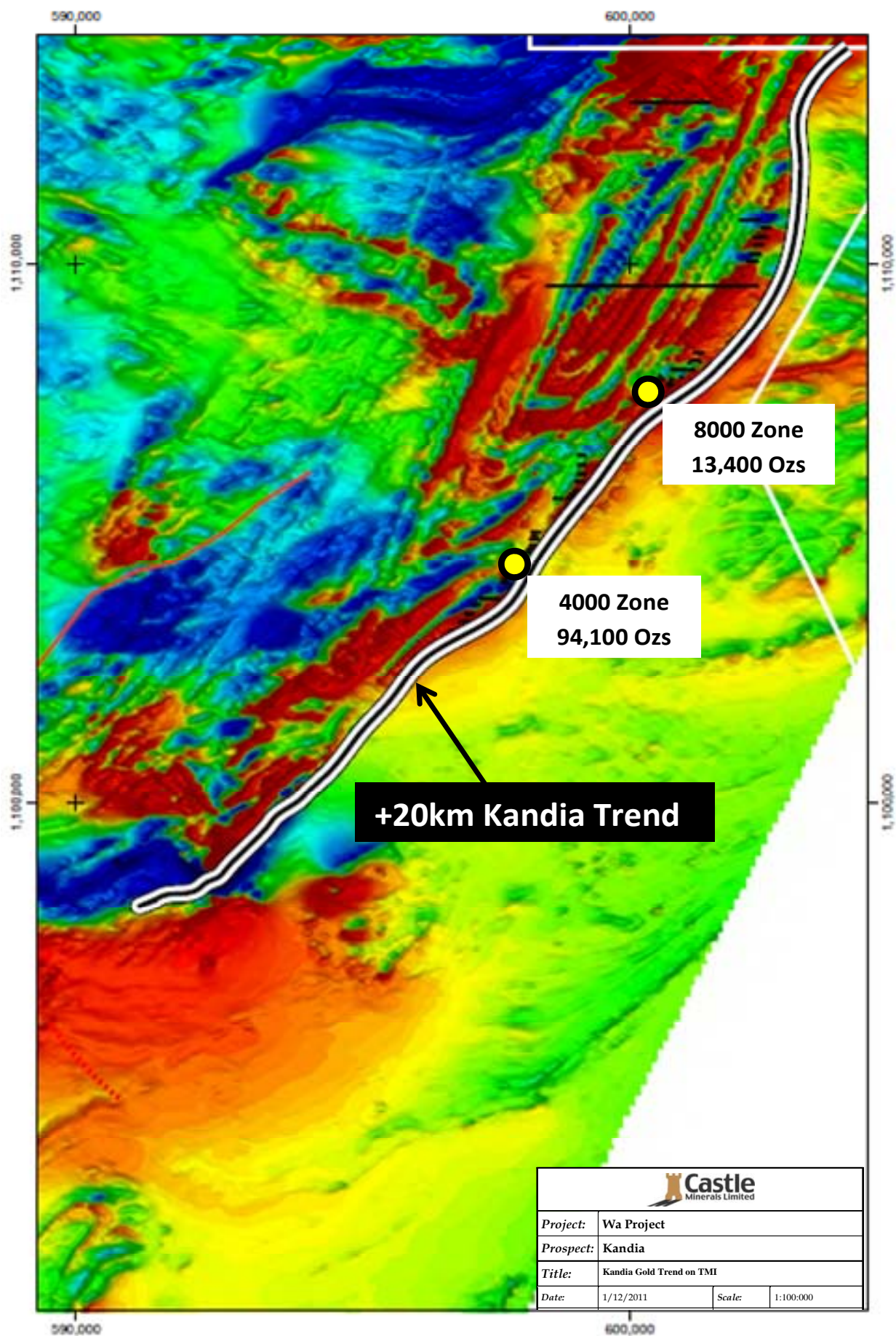
Castle managing director Mike Ivey said "the definition of a shallow gold resource at Kandia is an excellent outcome being achieved less than 10 months since our RC drilling first commenced in this area and clearly demonstrates that outcropping gold deposits are still capable of being discovered in Ghana. Our exploration program has recommenced and we look forward to defining more gold resources in 2012".

It is the fourth greenfields gold occurrence to be discovered by Castle since 2008 within the Wa Project - these deposits are spaced over 40km in different stratigraphic sequences confirming that the Wa Project has been subject to a variety of gold mineralising episodes and styles.

The total gold resource for the Wa Project now totals 163,700 ounces and total gold resources for Castle in Ghana total 267,000 ounces (Table 2). All gold resources have been discovered by Castle after completing geochemical soil programs and following up anomalous areas with RC and/or diamond drilling.

Gold mineralisation at Kandia is hosted within silicified and weakly pyritic sediments (shales and siltstones) and generally forms a regular west dipping zone within a broader sediment package bounded to the east by granite.





Kandia Trend on TMI Magnetic Image

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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 six mineral projects in Ghana, West Africa including Akoko, Antubia, Bansa, 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.

Wa Project	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces
Julie West	383,000	4.2	52,100	32,000	4.0	4,100	415,000	4.2	56,200
Kandia 4000 Zone	1,973,000	1.0	62,900	1,150,000	0.8	31,200	3,123,000	0.9	94,100
Kandia 8000 Zone				229,000	1.8	13,400	229,000	1.8	13,400
Total	2,356,000	1.5	115,000	1,411,000	1.1	48,700	3,767,000	1.4	163,700

Note: A 0.5g/t Au cut-off has been used for the 4000 Zone, and a 1.0g/t Au cut-off has been used for the 8000 Zone

Akoko Project	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces
Akoko South				610,300	1.3	25,900	610,300	1.3	25,900
Akoko North	525,000	1.6	27,007	578,000	2.7	50,174	1,103,000	2.2	77,400
Total	525,000	1.6	27,007	1,188,300	2.0	76,074	1,713,300	1.9	103,300

Total	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces
Wa Project	2,356,000	1.5	115,000	1,411,000	1.1	48,700	3,767,000	1.4	163,700
Akoko Project	525,000	1.6	27,007	1,188,300	2.0	76,074	1,713,300	1.9	103,300
Total	2,881,000	1.5	142,007	2,599,300	1.5	124,774	5,480,300	1.5	267,000

Table 2: Castle Minerals Ghana Mineral Resource Estimate

Appendix 1: Kandia - Resource Statement and Parameters

The resource estimate was completed using the following parameters:

- The Mineral Resource estimate for the Kandia Gold Prospect in north-west Ghana was completed in November 2011 by Castle Minerals Limited using mining consultants Runge Limited for the Surpac block modeling and Inverse Distance (ID2) interpolation functions.
- The resource consists of two separate zones of sediment hosted gold mineralisation named the '4000 zone' and '8000 zone' that have respective strike extents of 800m (1,104,160mN to 1,104,960mN) and 260m (1,107,740mN to 1,107,900mN). The vertical extent of the resource is 170m from surface at 320mRL to 150mRL.
- Mineralisation is hosted within Lower Proterozoic Birimian (~2.2Ma) metasediments intruded by granite/granodiorite sills and dykes in both the footwall and hangingwall.
- Of the 264 RC drill holes in the database, 81 were used in the resource estimate. Drilling density varied from 80m by 40m and 40m by 40m to 20m over the deposit. Drill holes are orientated 50° to the east (UTM grid), with the exception of the 8000 zone where holes were oriented 50° to 130°.
- The RC sampling procedures are considered to be of industry standard with samples collected as follows; bulk samples were collected at 1m intervals below a free standing cyclone in large plastic retention bags. The 1m bulk samples were split using a riffle splitter at the time of drilling and then stored off site. Five metre composite 'spear' samples were prepared and submitted to the laboratory. If the 5m composite returned an assay greater than 0.1g/t Au, the individual 1m samples in the interval were assayed.
- Samples were sent to Transworld/Intertek Laboratory in Tarkwa, Ghana for analysis. Samples were prepared by drying, crushing to -6mm and then pulverising to <75 microns (-200 mesh). Analysis for Au was by 50g Fire Assay with an atomic absorption spectrometry (AAS) finish.
- Quality control samples were collected on a regular basis and the results have been reviewed by Castle and are considered to be satisfactory.
- Drillhole collars in the resource area have been surveyed by Coffey Mining (Coffey) using a Sokkia Stratus DGPS to an accuracy of 10mm.
- Down hole surveys were completed using a single shot Eastman camera.
- Wireframes were constructed using cross sectional interpretations based on a nominal 0.2g/t Au cut-off grade.
- Samples within the wireframes were composited to even 1.0m intervals. A 10g/t Au high grade cut was determined by statistical analysis and applied to the 1m composite values.
- A Surpac block model was used for the estimate with a block size of 20m NS by 5m EW by 5m vertical with sub-cells of 5m by 1.25m by 1.25m. The model was rotated 30° to align with the strike of the deposit.
- Inverse Distance (ID2) interpolation was used for grade interpolation with the search ellipse orientated to match the lode geometry. A first pass radius of 60m was used with a second pass radius of 100m. This was increased to 180m for the third pass to fill all remaining un-estimated blocks. Greater than 92% of blocks were filled in the first two passes.
- No bulk density test work has been completed. A bulk density value of 2.0t/m³ was assigned to the oxide material, and 2.55t/m³ assigned to the fresh material. These values are considered reasonable for this style of mineralisation.
- The Mineral Resource classification complies with JORC (2004) Guidelines and is based on geological confidence, including drill spacing, sample density and continuity of the geological model.
- No assumptions have been made about mining, metallurgy or processing methods.
- Totals have been rounded.

Information in this announcement that relates to Exploration Results 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 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. Michael Ivey consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.