27th March 2008

ASX Announcement

Opon Mansi Iron Ore Deposit – South West Ghana

Castle Minerals Limited (ASX:**CDT**) is pleased to announce that it has lodged an application over the majority of the Opon Mansi lateritic iron ore deposit in south west Ghana.

Castle understands that its application is first in time and not in competition with any other applications. The Opon Mansi deposit is situated in the Opon Mansi Forest Reserve that provides for managed timber production and timber preservation. Exploration and mining within forest reserves in not usually permitted in Ghana, however other applications, assessed on merit have been successfully granted. Castle believes that a compelling case exists for grant of its application. Castle notes that other currently granted tenure is situated within the Opon Mansi Forest Reserve.

Summary of the Opon Mansi Iron Ore Deposit;

- ***Discovered by Ghana Geological Survey in 1963***
- ***Iron ore located on 15 hills over 24km strike***
- ***Ghana Geological Survey exploration in 1963-64 consisted of pitting, trenching and drilling***
- ***Hematite and goethite mineralisation defined from surface to 27m depth***
- ***Ghana Geological Survey reported a mineralised estimate to 10m depth, of approximately 150 million long tons with an iron content between 43-56% Fe***
- ***Located 8km from Takoradi-Kumasi railway line***
- ***Located 120km from Takoradi port***
- ***Potential for high grading and/or beneficiation to produce high grade DSO product***

Castle Managing Director Mike Ivey said "the Opon Mansi iron ore deposit represents an advanced project that has potential to deliver high grade direct shipping ore (DSO) to the European iron ore industry. It's near surface position and location close to rail and port facilities makes it ideally suited to low cost development".

"Castle's initial strategy will be to determine the potential for high grading and/or beneficiation of the iron ore, as historic literature makes reference to higher grade sections and upgrading of product through screening. The recent rise in iron ore prices along with significant metallurgical advances in materials beneficiation (since the 1970's) provides an excellent opportunity to develop further industry and diversified mining in Ghana."

"Permission will be required to conduct exploration within the forest reserve, however, Castle has established a track record of excellent exploration performance and conduct, and this along with the potential economic benefits of the project provides confidence that our application will be given favourable consideration. "

"This application in no way diminishes Castle's gold focus and we remain committed to our ongoing exploration activities towards discovering a world class gold deposit."

Project Background

Data currently available is limited, however a summary of the deposit is provided in the Ghana Geological Survey Publication *The Mineral and Rock Resources of Ghana (G.O. Kesse, 1985).*

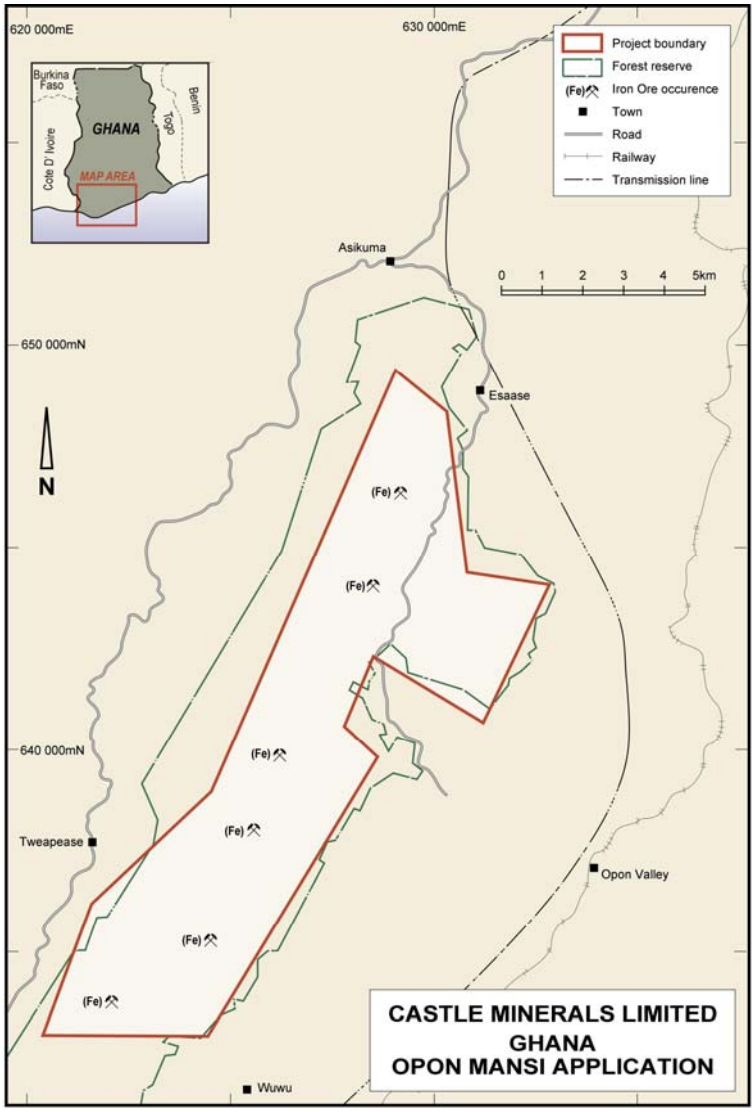
The Opon Mansi iron ore deposits are located on the top of a range of hills that extend over a distance of 24km from Opon Valley in the south towards Dunkwa in the north. Castle's application covers approximately 85% of the prospective hills of the Opon Mansi range. The hills on which the iron occurs have an average height of 400m above sea level.

The lateritic iron deposits were discovered in 1963 by the Ghana Geological Survey during a field mapping program.

After the discovery the Survey conducted a prospecting program (1963-64) that consisted of "Winkie" drilling, pitting and trenching and the collection of large quantities of ore samples for chemical analysis from the 15 hills along the range.

These preliminary investigations revealed iron ore capping ranging from 10 to 30 metres thick on top of most of the hills in the range. About 13 of the 15 hills were found, at that time, to contain ores of commercial quantities.

The Ghana Geological Survey calculated an estimate of the deposit using an average thickness of 9m and calculated that approximately 150 million long tons of iron ore were indicated in an area of about 4km^2. The iron content of this ore was found to range between 43-56% Fe.



The estimate presented here is a conceptual target that may result from the completion of a JORC-compliant resource calculation. It should not be understood as indicating the existence of a resource in the sense implied by the JORC Code as a JORC-compliant resource is yet to be calculated. There has been insufficient or unverified exploration data to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The iron deposits overlie folded Tarkwaian and Birimian sedimentary and metavolcanic rocks. The lateritic profile has been divided into different ore categories from surface to a depth of 10m; pebble ore, conglomeritic ore, yellow-cavern ore, porous ore, soft ore and hard ore. Bauxite was found throughout the profile assaying between 15-25% Al_2O_3.

In 1975 the government established the "Integrated Iron & Steel Commission" that investigated the feasibility of an Iron and Steel Project based on the Opon Mansi mineralisation. German group Fried Krupp GmbH undertook the feasibility study and focussed on one hill (Wuowuo Hill) where 100m x 100m spaced drilling was completed.

In 1979 Krupp presented a five volume report to the Commission that included the production, via three electric furnaces, of pig iron, liquid steel, billets, rolled finished product and alumina.

No further work is known following the completion of the 1979 Krupp study.

Castle intends to actively work with the Ghana Minerals Commission, Forestry Department, Geological Survey and other relevant authorities towards the quick and successful grant of the application.

For further information please contact:

Michael Ivey
Managing Director & CEO
Phone: +618 9322 7018
Email: mivey@castleminerals.com
Web: www.castleminerals.com

Castle has not reported resources from this project. Any discussion in relation to targets, exploration potential, resources, or ore is only conceptual in nature as there has been insufficient or unverified exploration data to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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