8 April 2008

ASX Announcement

Opon Mansi Iron Ore Deposit – Due Diligence Permit Granted

Castle Minerals Limited (ASX:**CDT**) is pleased to announce that it has received a permit from the Ghana Minerals Commission to conduct due diligence, including validation of the historic drill data, over the Opon Mansi lateritic iron ore deposit in south west Ghana.

Castle applied for the Due Diligence Permit following its lodgement of a Prospecting Licence application in March 2008. The Due Diligence Permit is for an initial six month period but can be renewed. The Permit is subject to monthly reporting to the Minerals Commission and other conditions normal for exploration activities in Ghana.

The Permit allows for pitting, trenching and drilling and other forms of exploration activity. The Permit does not confer ownership rights but provides an opportunity to complete exploration and due diligence whilst Castle's Prospecting Licence application is considered. On completion of the due diligence Castle intends to make a formal presentation of results to the Ghana Minerals Commission in support of its existing application. If the results are positive Castle intends to apply for a Mining Lease over the deposit.

Castle's initial strategy will be to determine the potential for high grading and/or beneficiation of the iron ore towards identifying high grade direct shipping ore (DSO) suitable for 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. 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.

Historic exploration data, including a five volume, 1979 German report has been located and is currently being copied to Castle. The German report recommended the production, via three electric furnaces, of pig iron, liquid steel, billets, rolled finished product and alumina.

Castle Managing Director Mike Ivey said today, "our site visit last week confirmed easy access to the Opon Mansi deposit with good vehicle access to within 2km and an easy walk thereafter. The hill tops where the ore occurs form flat plateaus with the iron rich laterites outcropping at surface. The rail system is 8km east of the deposit and extends to Takoradi Port 120km to the south, offering an excellent transport network."

"We have appointed Perth based company Mineral Engineering Technical Services (METS) as independent metallurgical advisers and with them have planned an initial sample collection and testwork program that is proposed to start this month."

Castle Managing Director Mike Ivey at Opon Mansi, note concrete block in foreground marking a diamond drill hole from the German study.

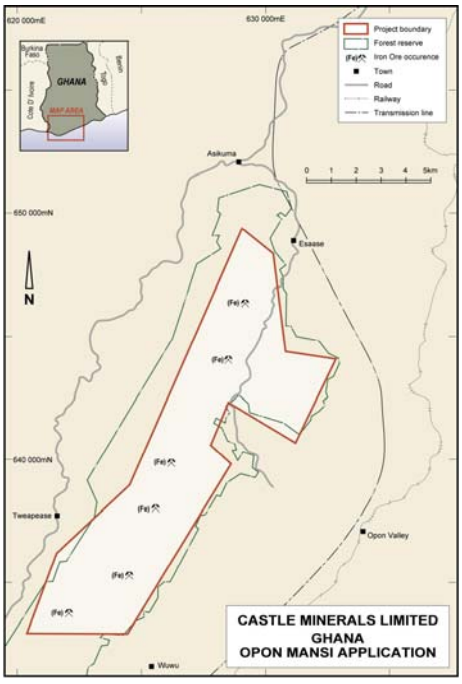
Project Background

In March 2008 Castle lodged an application over the Opon Mansi lateritic iron ore deposit in south west Ghana. 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.

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*

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.

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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.