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ASX Announcement

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New area of extensive artisanal gold workings discovered on Wa Project

Castle Minerals Limited (ASX:CDT) is pleased to announce the discovery of the **Kandia gold prospect** located within the Company's Wa Project in north west Ghana heralding a new unexplored gold exploration corridor over 25km long.

The **Kandia prospect** was discovered in April during reconnaissance field mapping. During this program a large area of previously unknown artisanal gold workings was discovered that comprise three main groups developed over approximately 600m of strike. The largest single group of workings is developed over a 400m strike length with mineralisation exposed in workings over 40m width. Collectively the three groups of workings identify gold mineralisation in a corridor 400m wide that offers an immediate and highly ranked drill target.

The workings are situated on the eastern side of Castle's large Wa project in an area that has yet to be explored. No historic references to this gold mineralisation or prior exploration are known.

Gold mineralisation at Kandia is seen to occur within altered Birimian age metasediments and schists, that on a regional scale sit on a major granite/sediment contact that can be traced within Castle's licences for about 25km.

Castle's Managing Director, Mr Mike Ivey, said "this is a very encouraging discovery; in its own right it represents a major new exploration target for sediment hosted gold mineralisation that is considered capable of hosting large gold deposits and; it clearly reinforces the potential of our largely unexplored but highly prospective 12,000km² land holding. It is remarkable that a group of workings of this scale, up until now, has not been recognised", Ivey said.

A sampling and mapping program has commenced at Kandia and along the regional trend of the mineralisation. This work represents the first known systematic gold exploration conducted in this area.

A second group of gold workings was found at Bisakan 10km to the south west where east-west trending quartz vein hosted gold mineralisation is developed in sheared granitic rocks over a few hundred metres of strike. The mineralisation at Bisakan is a different style to that seen at Kandia and demonstrates that a number of gold mineralising events have occurred in this area.

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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 report of the matters based on his information in the form and context in which it appears.



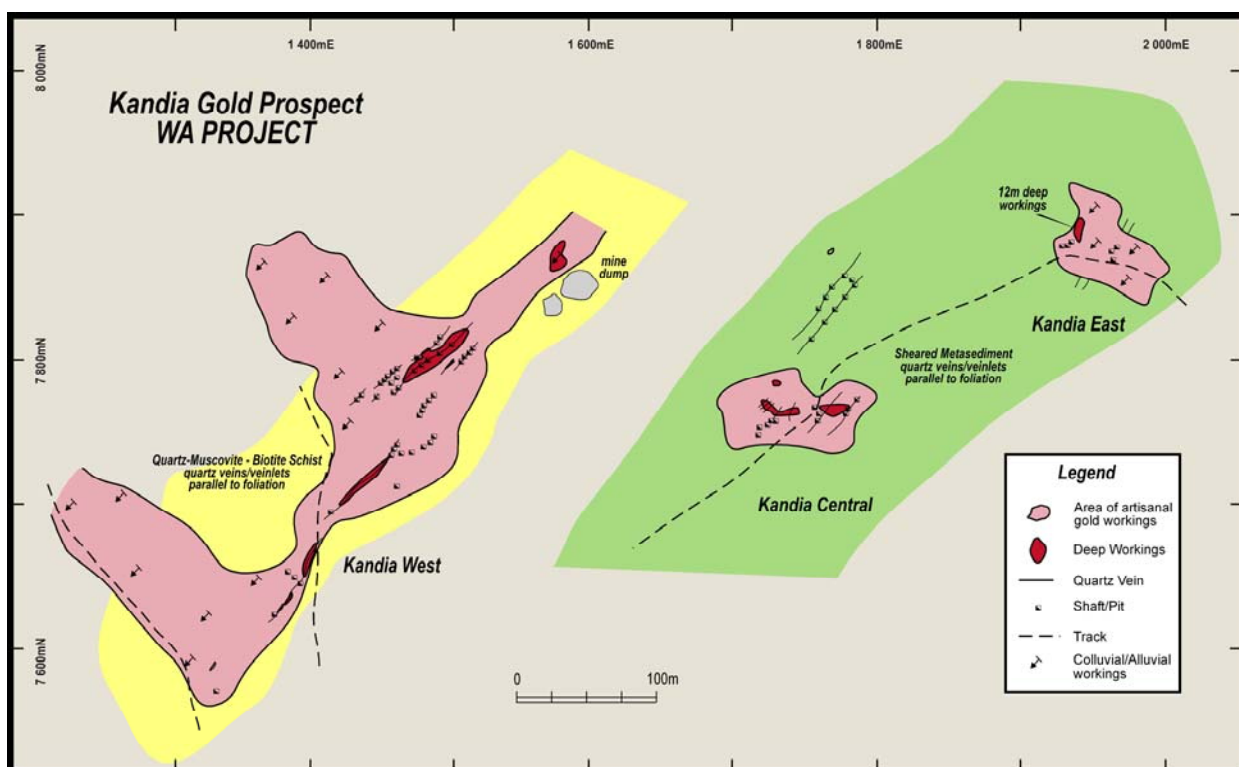
Artisanal gold workings at south west end of the Kandia Prospect



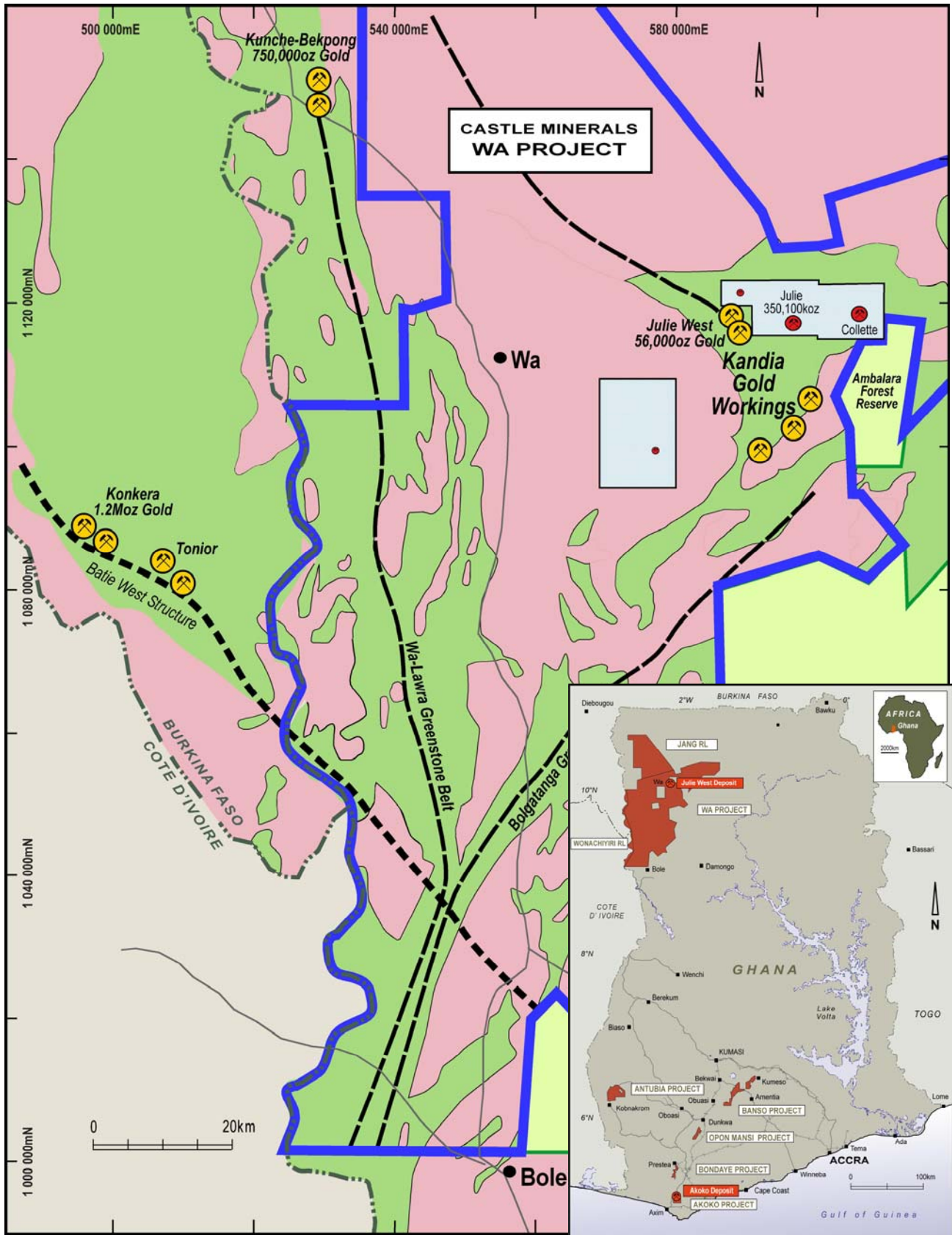
Artisanal gold workings at north end of the Kandia Prospect



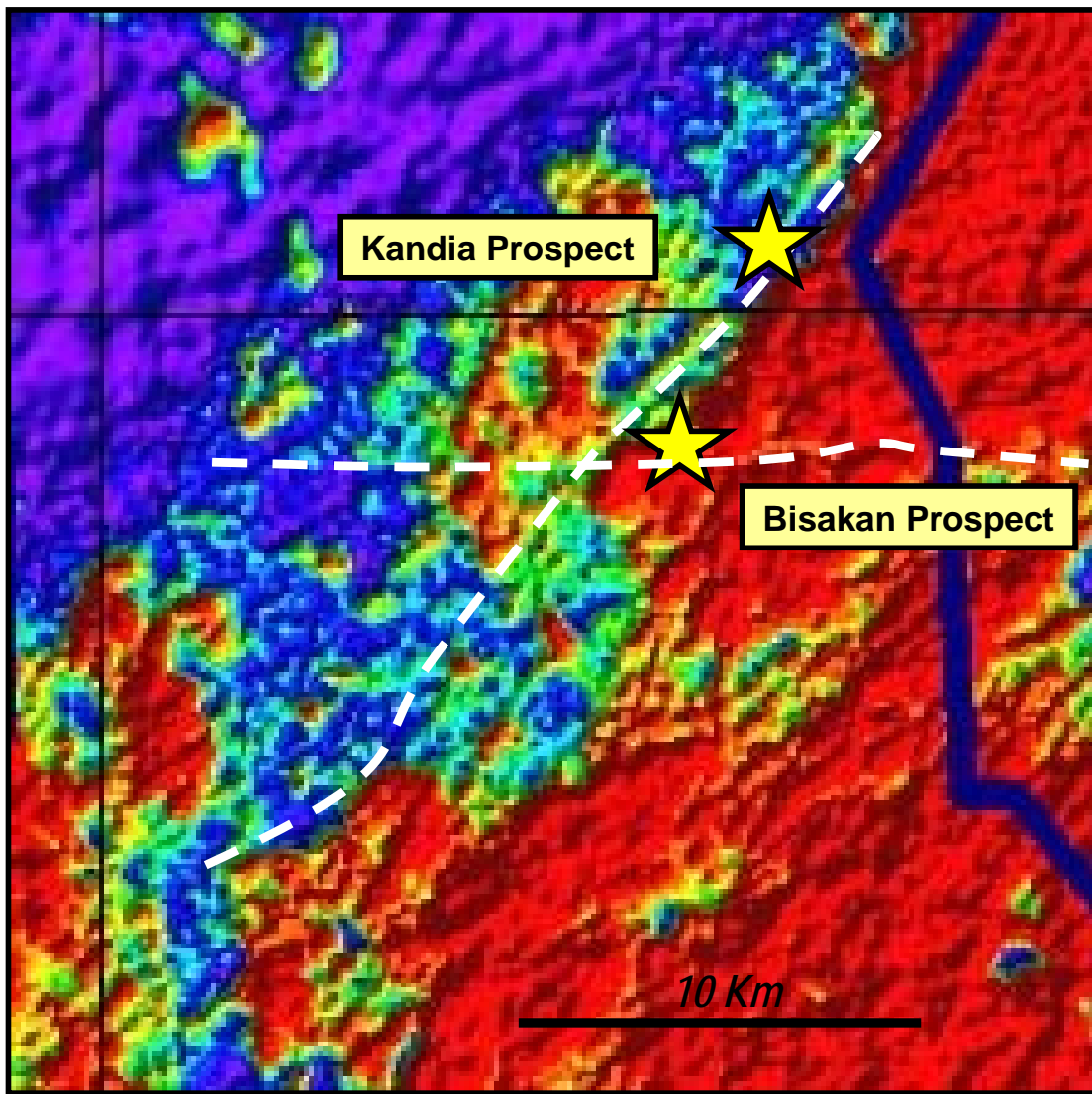
Artisanal gold workings at the Kandia Prospect



Kandia prospect field mapping showing three areas of artisanal gold workings across a 400m wide area hosted by two different metasediment lithologies



Castle's 12,000km² Wa project hosts three Birimian age greenstone belts – the new Kandia prospect is located on the eastern side of the project approximately 10km south east of the Julie West gold deposit and within the Bolgatanga Greenstone belt.



Kandia workings on radiometric image showing granitic rocks (red) in contact with NE trending Birimian sediments



A line of artisanal gold workings at the Kandia Prospect