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ASX Announcement

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Visible Gold and Rock Chip Assays Confirm Kandia Gold Target – Drilling to Commence

Castle Minerals Limited (ASX:CDT) is pleased to announce that rock chip sampling of the **Kandia gold prospect** located within the Company's Wa Project in north west Ghana has reported visible gold and strong gold results up to 16g/t gold confirming the Kandia gold workings as a high priority exploration target.

Castle's Managing Director, Mr Mike Ivey, said "The extensive Kandia artisanal gold workings provide us with an immediate drill target, we obviously have gold, it's just a question of how much. In addition, the workings highlight a new prospective granite/sediment contact over some 25km that has never been explored."

The rock chip sampling suggests that the metasedimentary unit at Kandia is capable of hosting medium to high grade gold mineralisation and offers a bulk tonnage exploration target more typical of the Birimian aged sedimentary hosted gold deposits seen in Ghana and West Africa.

RC drilling is proposed to commence at Kandia mid May, with an initial program of approximately 2,500m aimed at testing beneath the areas of artisanal workings.

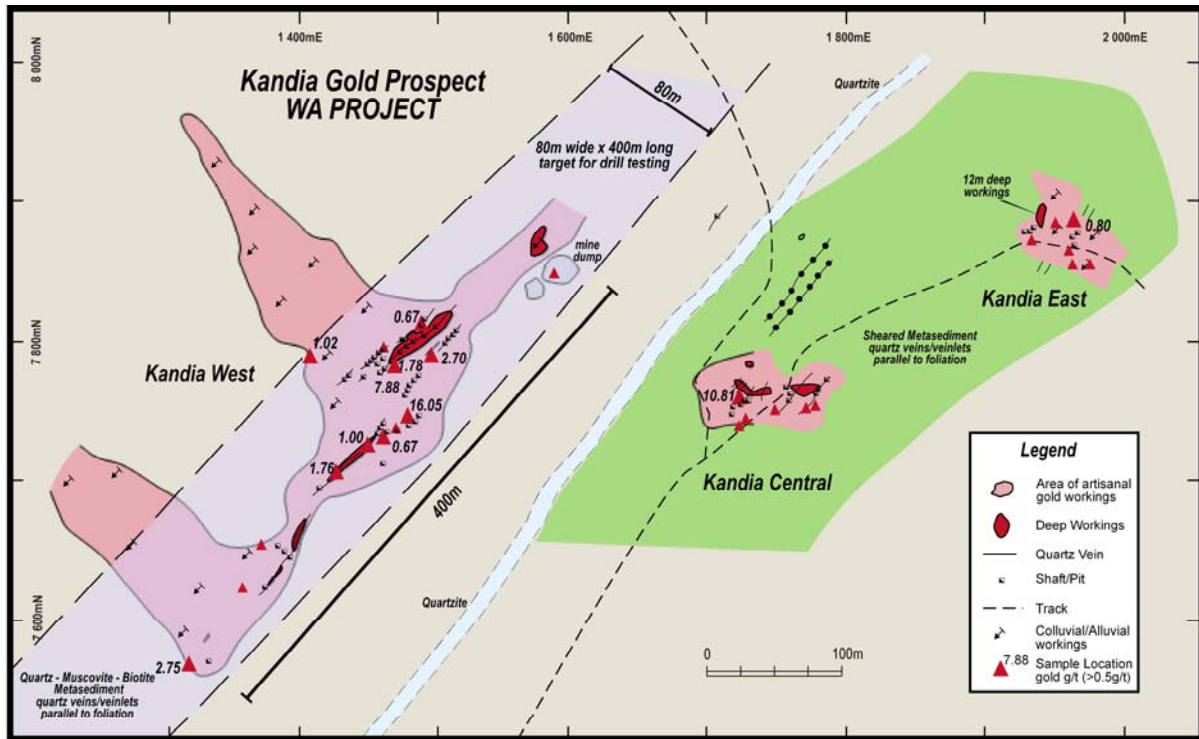
The Kandia prospect was discovered in April during reconnaissance field mapping. During this program a large area of previously unknown artisanal gold workings was discovered that comprise three main groups developed over approximately 600m of strike.

The largest single group of workings (Kandia West) is developed over a 400m strike length with mineralisation exposed in workings up to 80m width. This area produced the strongest gold results from rock chip sampling. 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 and no historic references to this gold mineralisation or prior exploration are known. A soil geochemistry program is underway.

The gold workings at Kandia are developed within quartz-biotite rich metasediments. Quartz veining is minimal being confined to sub 5cm wide foliation parallel veins and veinlets. On a regional scale the workings occur on a major granite/sediment contact that can be traced within Castle's licences for about 25km.

Rock chip sampling at Kandia reported results up to 16g/t gold from quartz-biotite rich metasediments. Sampling of processed mine dumps (coarse tailings) composed of crushed metasediment, schist and quartz reported values up to 1g/t. This is considered encouraging as this material has been previously "processed" by the artisanal miners.



Kandia prospect field mapping showing three areas of artisanal gold workings across a 400m wide area hosted by two different metasediment lithologies. Granite contact is interpreted to be ~100m east of the workings.



Native gold (yellow blebs) in 4cm wide quartz veinlet from Kandia artisanal workings. (This sample was not submitted for analysis)



Artisanal gold workings at south west end of the Kandia Prospect



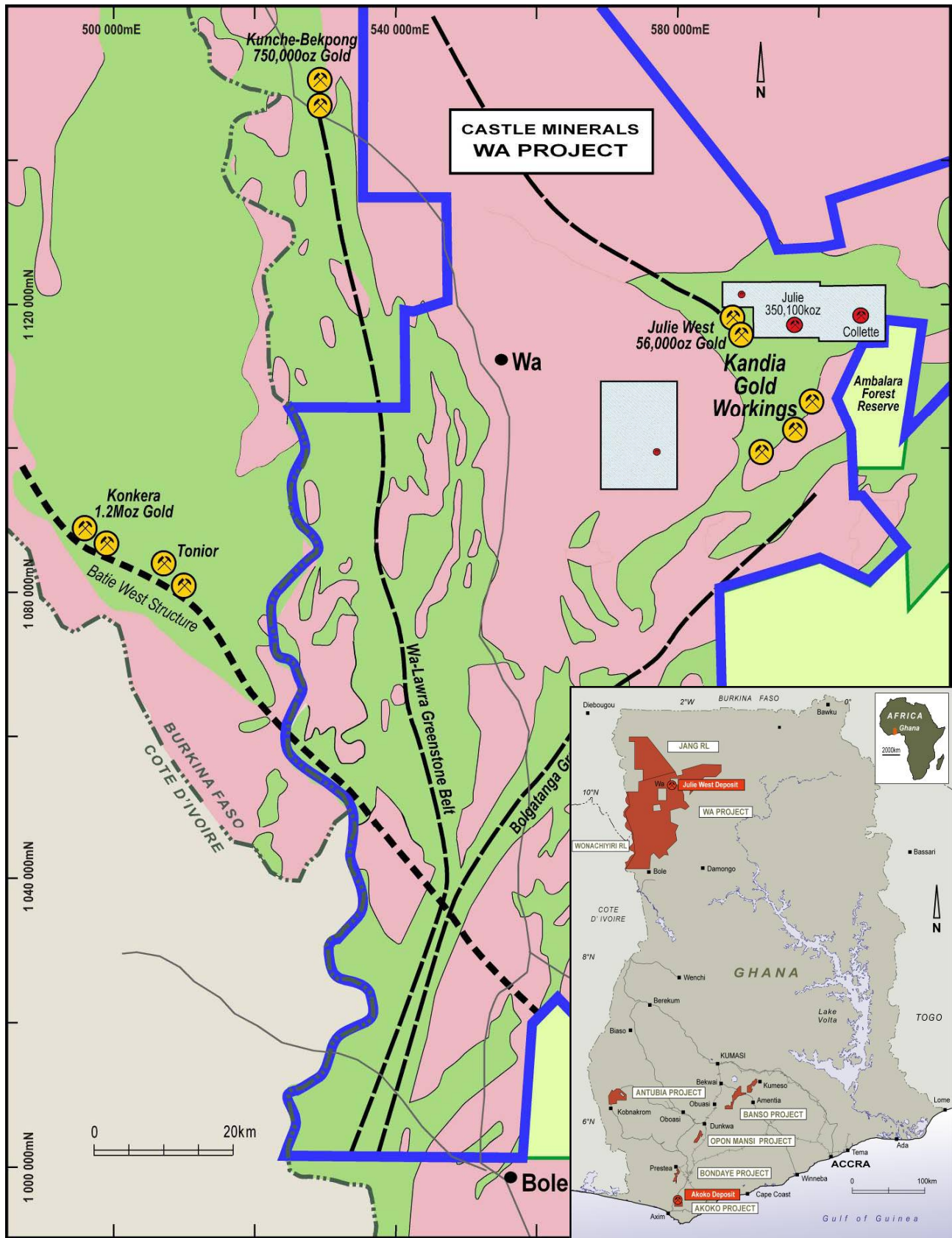
Artisanal gold workings at north end of the Kandia Prospect



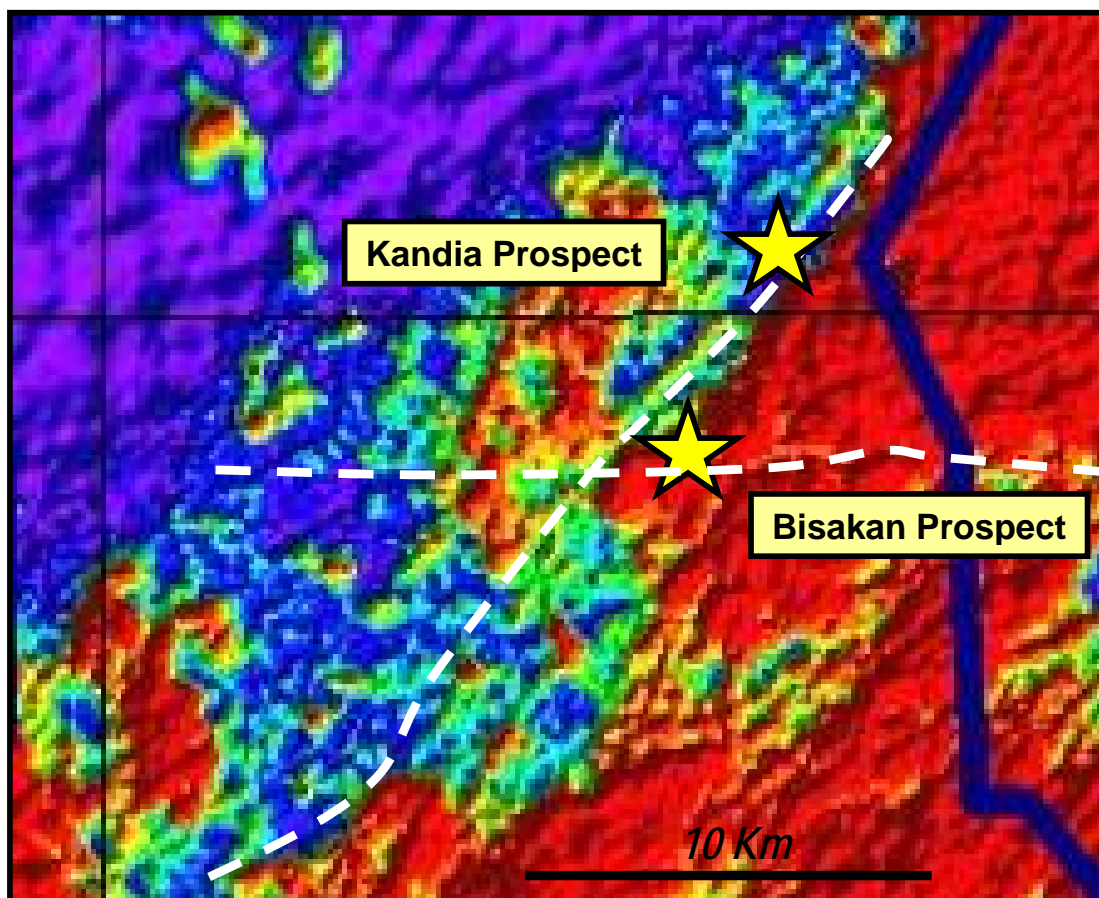
Artisanal gold workings at the Kandia Prospect



Lined vats leaching Kandia gold ore (crushed metasediment) with gold adsorbed onto zinc shavings



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 – note “processed” dumps of metasediment in the background

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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.

*Kandia Prospect
Table of Rock Chip Assay Results*

SampleID	Grid	UTMNorthing	UTMEasting	SampleType	Project	Prospect	AssayValue	Comments
HW109401	UTM_30N	1107746	600724	ROCK	Wa	Kandia Central	0.11	10cm grey quartz from pit
HW109402	UTM_30N	1107746	600724	ROCK	Wa	Kandia Central	0.06	Brown ferruginous metasediment no quartz, 1m channel.
HW109403	UTM_30N	1107749	600726	ROCK	Wa	Kandia Central	0.02	20cm grey quartz
HW109404	UTM_30N	1107749	600726	ROCK	Wa	Kandia Central	0.02	1m channel of metasediment in working
HW109405	UTM_30N	1107765	600722	ROCK	Wa	Kandia Central	10.81	15cm ferruginous grey quartz from working.
HW109406	UTM_30N	1107765	600722	ROCK	Wa	Kandia Central	0.09	ferruginous oxidised metasediment.
HW109407	UTM_30N	1107765	600722	ROCK	Wa	Kandia Central	0.02	ferruginous oxidised metasediment.
HW109408	UTM_30N	1107765	600722	ROCK	Wa	Kandia Central	0.02	ferruginous oxidised metasediment.
HW109409	UTM_30N	1107757	600749	ROCK	Wa	Kandia Central	0.03	0.8m channel across quartz + sediment.
HW109410	UTM_30N	1107758	600772	ROCK	Wa	Kandia Central	0.07	Sheared metasediment and quartz.
HW109411	UTM_30N	1107759	600779	ROCK	Wa	Kandia Central	0.03	20cm ferruginous grey quartz, sheared.
HW109412	UTM_30N	1107759	600779	ROCK	Wa	Kandia Central	0.05	1.2m oxidised metasediment
HW109413	UTM_30N	1107881	600937	ROCK	Wa	Kandia East	0.03	40cm quartz + sediment
HW109414	UTM_30N	1107881	600937	ROCK	Wa	Kandia East	0.01	Metasediment.
HW109415	UTM_30N	1107894	600955	ROCK	Wa	Kandia East	0.02	2m channel across shear in metasediment.
HW109416	UTM_30N	1107873	600965	ROCK	Wa	Kandia East	<0.01	pale grey white quartz - 10cm, in pale green semi-weathered metasediment.
HW109417	UTM_30N	1107863	600966	ROCK	Wa	Kandia East	<0.01	15cm quartz with mica dipping SW in pit.
HW109418	UTM_30N	1107863	600979	ROCK	Wa	Kandia East	<0.01	15cm white quartz dipping about 65 degrees to NW.
HW109419	UTM_30N	1107893	600966	ROCK	Wa	Kandia East	0.80	0.5m channel across red/brown oxidised quartz and metasediment.
HW109420	UTM_30N	1107857	600588	ROCK	Wa	Kandia West	0.20	Dump sample of crushed and washed rock.
HW109421	UTM_30N	1107710	600430	ROCK	Wa	Kandia West	1.55	Quartz muscovite biotite schist
HW109422	UTM_30N	1107710	600430	ROCK	Wa	Kandia West	1.76	Ferruginous quartz grab sample.
HW109423	UTM_30N	1107730	600452	ROCK	Wa	Kandia West	1.00	Quartz muscovite biotite schist, oxidised, from working, 1m wide composite.
HW109424	UTM_30N	1107750	600479	ROCK	Wa	Kandia West	16.05	Quartz muscovite biotite schist composite of 1m down shaft.
HW109425	UTM_30N	1107746	600475	ROCK	Wa	Kandia West	0.48	Quartz muscovite biotite schist, 1.5m channel.
HW109426	UTM_30N	1107795	600498	ROCK	Wa	Kandia West	2.70	20cm grey ferruginous quartz.
HW109427	UTM_30N	1107810	600489	ROCK	Wa	Kandia West	0.67	ferruginous oxidised schist in working
HW109428	UTM_30N	1107810	600489	ROCK	Wa	Kandia West	0.16	20cm ferruginous grey quartz from shaft side.
HW109429	UTM_30N	1107803	600465	ROCK	Wa	Kandia West	<0.01	1m channel quartz muscovite biotite schist
HW109430	UTM_30N	1107788	600470	ROCK	Wa	Kandia West	1.94	15cm grey ferruginous quartz.
HW109431	UTM_30N	1107788	600470	ROCK	Wa	Kandia West	7.88	1m channel of metasediment
HW109432	UTM_30N	1107660	600375	ROCK	Wa	Kandia West	0.14	20cm ferruginous grey quartz from shaft.
HW109433	UTM_30N	1107627	600362	ROCK	Wa	Kandia West	<0.01	1m channel from pit pale grn schist,
HW109434	UTM_30N	1107627	600362	ROCK	Wa	Kandia West	0.03	grey quartz, from shaft,
HW109435	UTM_30N	1107570	600320	ROCK	Wa	Kandia West	2.75	Quartz from outcrop 1m wide channel
HW109436	UTM_30N	1107735	600462	ROCK	Wa	Kandia West	0.67	Quartz vein in schist
HW109437	UTM_30N	1107794	600409	ROCK	Wa	Kandia West	1.02	Sample from mine dump of crushed and washed metasediment

~1-2kg rock chip samples manually collected from the field. Gold analyses performed using 50gm Fire Assay by Intertek Laboratories, Tarkwa, Ghana.