

21st February 2011



ASX Announcement

Unit 6, 1 Clive Street
West Perth WA 6005

PO BOX 437
West Perth WA 6872

Tel: +618 9322 7018
Fax: +618 9389 2199

ACN 116 095 802
www.castleminerals.com

New Gold Zone Discovered along Kandia Trend

Castle Minerals Limited (ASX: CDT) is pleased to announce that wide spaced RC drilling has defined a major new 2km long auriferous zone within the Kandia prospect in north west Ghana. RC drilling has intersected significant gold mineralisation within Birimian meta-sediments with five-metre composite assays reporting widespread near surface gold mineralisation up to 40m wide.

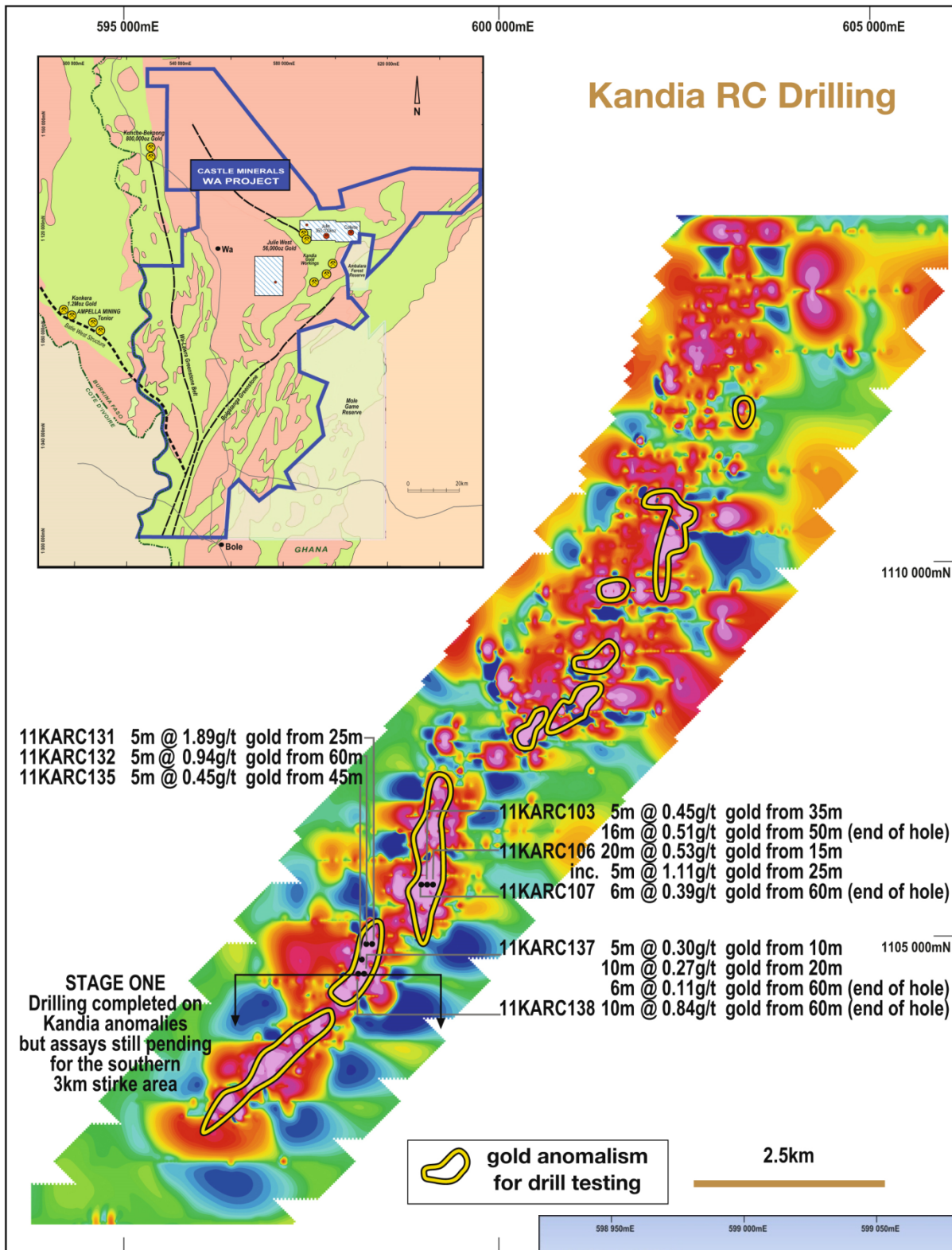
Castle's Managing Director, Mr Mike Ivey, said "The Kandia results are highly significant representing the first known gold mineralisation in this area and confirm the prospectivity of Castle's vast landholding in northern Ghana that has been never or only sparsely explored. The gold mineralisation is open in all directions and we have just completed a further eight drill fences covering an additional 3km of strike to the south that we are yet to receive assays for. This is a very exciting period for Castle and we keenly await the next round of assays".

Reconnaissance RC drill traverses spaced 160m apart were drilled to test soil geochemical anomalies along the 12km long Kandia trend and have reported results* including;

11KARC099	5m @ 0.44 g/t gold from 60m
11KARC103	5m @ 0.45 g/t gold from 35m 16m @ 0.51 g/t gold from 50m (end of hole)
11KARC106	20m @ 0.53 g/t gold from 15m
inc.	5m @ 1.11 g/t gold from 25m
11KARC107	6m @ 0.39 g/t gold from 60m (end of hole)
11KARC131	5m @ 1.89 g/t gold from 25m
11KARC132	5m @ 0.94 g/t gold from 60m
11KARC135	5m @ 0.45 g/t gold from 45m
11KARC137	5m @ 0.30 g/t gold from 10m 10m @ 0.27 g/t gold from 20m 6m @ 0.11 g/t gold from 60m (end of hole)
11KARC138	10m @ 0.84 g/t gold from 60m (end of hole)

*Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples have been submitted for analysis.

The RC rig has moved to test numerous gold targets 10km to the north at the Julie West prospect. On completion of this work it will return to Kandia to complete infill and deeper drill testing of the targets defined.



Kandia RC drilling on geochemistry image and cross section (right) showing open ended gold mineralisation

Background

The Kandia prospect forms part of Castle's 12,000km² Wa Project in north west Ghana where exploration is focussing on four prospect corridors:

1. Julie-Jang Trend 50km long trend
2. Kandia new 30km corridor of anomalous gold in soils
3. Wa South (Batie West trend) 60km long corridor
4. Wa-Lawra Greenstone Belt 80km of untested greenstone

80,000m of drilling is currently underway on the Wa Project utilising 3 drill rigs completing the following exploration activity;

- 40,000 metres RC drilling testing Kandia, Julie West and South Wa prospects. Drilling commenced December 2010.
- 20,000 meters auger drilling testing Wa South (Batie West extension) and Wa Lawra Greenstone belt targets. Drilling commenced January 2011.
- 20,000 metres RAB drilling testing Wa South (Batie West extension) and Wa Lawra Greenstone belt targets. Drilling expected to commence late February 2011.

Kandia Prospect

The Kandia prospect was discovered in May 2010 during reconnaissance field mapping. During this program a large area of previously unknown artisanal gold workings was discovered over approximately 600m of strike. Subsequent soil sampling defined nine strong gold anomalies over 12km of strike and a ~15,000m RC drill program commenced in December 2010 to undertake the first ever test of these anomalies.

Gold mineralisation at Kandia is developed within quartz-biotite rich metasediments. On a regional scale the artisanal workings and soil anomalies occur on a major granite/sediment contact that can be traced within Castle's licences for about 25km.

Wa- Lawra Greenstone Belt

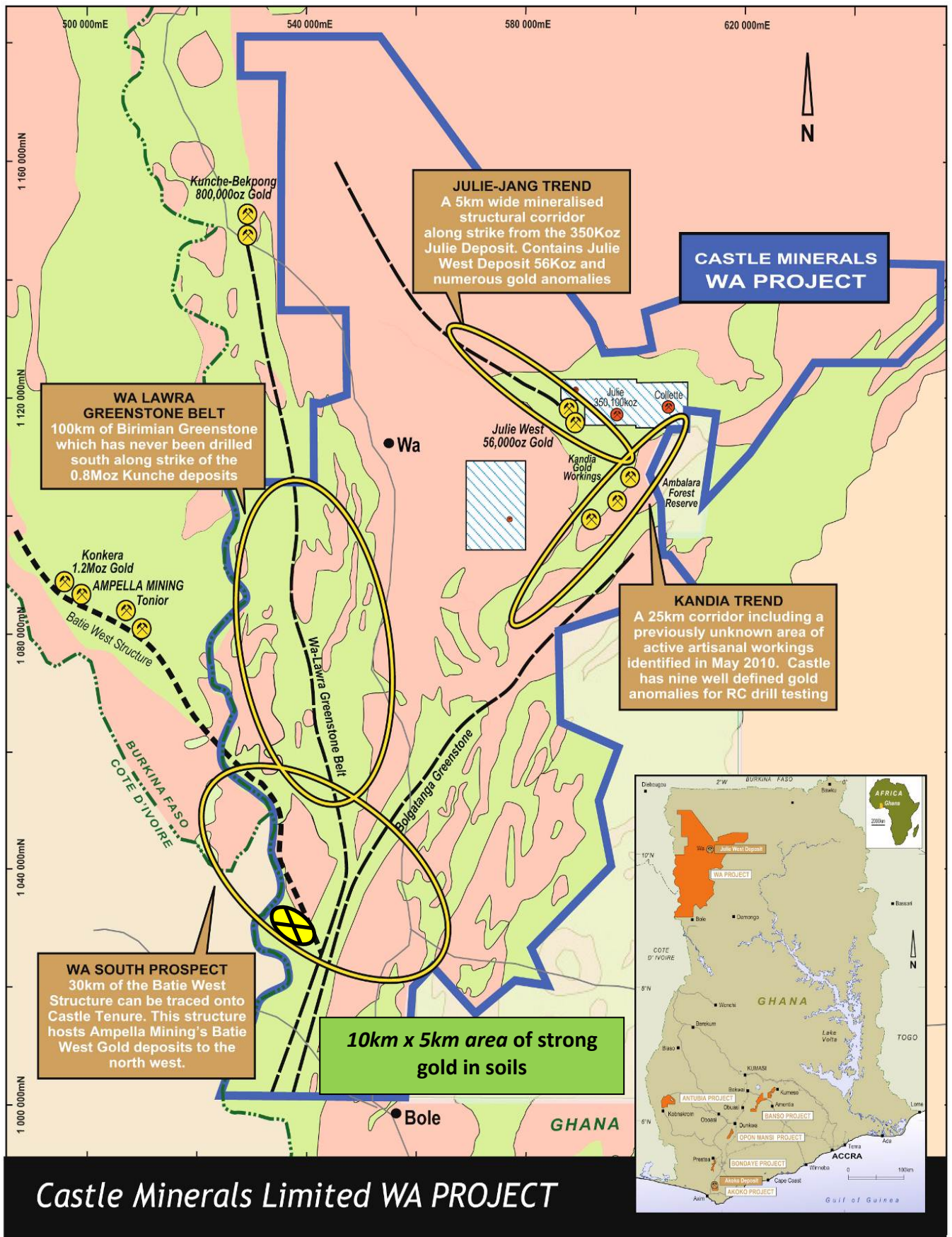
Regional auger and RAB drilling is proposed to test the Wa-Lawra greenstone belt that hosts the Kunche-Bepkong gold deposits to the north. Auger drilling has intersected 3-16m of transported cover indicating that the very limited historic soil sampling completed in this area is likely to have been largely ineffective. This is the first known drilling on this prospect which covers a highly prospective, unexplored 100km portion of the Wa-Lawra greenstone belt.

South Wa (Batie West Extension)

Auger drilling has commenced testing a large and highly anomalous gold in soil response along the interpreted extension of the Batie West structure. The Batie West structure is interpreted to be a major shear zone that hosts Ampella's (ASX:AMX) 2.0 Moz Konkera gold resource to the north-west. The first auger samples were dispatched to the assay laboratory last week.

For further information please contact:

Michael Ivey
Managing Director & CEO
+618 9322 7018



Castles Wa Project in north-west Ghana where an 80,000m drilling program is underway testing four prospect corridors.

Kandia RC Drill Results

Hole No.	Northing	Easting	RL	EOH (m)	Azimuth	Dip	Intercept	
11KARC094	1106120	599200	305	66	90	-50	5m @ 0.12 g/t Au from 10m	
11KARC095	1105960	599040	300	73	90	-50	5m @ 0.26 g/t Au from 50m	
11KARC098	1105960	599160	301	70	90	-50	5m @ 0.15 g/t Au from 30m	
11KARC099	1105800	599000	298	73	90	-50	5m @ 0.44 g/t Au from 60m	
11KARC103	1105640	598980	290	66	90	-50	5m @ 0.45 g/t Au from 35m	
							16m @ 0.51 g/t Au from 50m	
11KARC104	1105640	598940	290	70	90	-50	5m @ 0.13 g/t Au from 0m	
11KARC106	1105640	599020	291	71	90	-50	20m @ 0.53 g/t Au from 15m	
						inc.	5m @ 1.11 g/t Au from 25m	
11KARC107	1105640	598900	291	66	90	-50	6m @ 0.39 g/t Au from 60m	end of hole
11KARC111	1105640	598640	276	67	90	-50	5m @ 0.11 g/t Au from 30m	
11KARC115	1105480	598920	283	66	90	-50	5m @ 0.55 g/t Au from 5m	
11KARC116	1105480	598960	284	66	90	-50	5m @ 0.18 g/t Au from 20m	
11KARC125	1105040	598360	275	66	90	-50	5m @ 0.11 g/t Au from 40m	
11KARC131	1104880	598280	278	66	90	-50	5m @ 1.89 g/t Au from 25m	
							5m @ 0.12 g/t Au from 45m	
							5m @ 0.13 g/t Au from 55m	
11KARC132	1104877	598240	278	67	90	-50	10m @ 0.13 g/t Au from 20m	
							5m @ 0.15 g/t Au from 45m	
							5m @ 0.94 g/t Au from 60m	
11KARC135	1104720	598200	277	67	90	-50	5m @ 0.11 g/t Au from 0m	
							5m @ 0.45 g/t Au from 45m	
11KARC137	1104560	598160	280	66	90	-50	5m @ 0.30 g/t Au from 10m	
							10m @ 0.27 g/t Au from 20m	
							6m @ 0.11 g/t Au from 60m	end of hole
11KARC138	1104560	598120	280	70	90	-50	10m @ 0.84 g/t Au from 60m	end of hole

Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples have been submitted for analysis.

Minimum Intersection Length = 5m, No Top Cut, Interval Bottom Cut = 0.10 ppm Au,

Gold analysis performed by Intertek Laboratories Tarkwa Ghana on 5m RC drill samples using 50gm fire assay technique with AAS finish

Assays for a total of 138 RC holes have been received to date - holes not mentioned above did not report significant results

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.