

9<sup>th</sup> March 2011



**ASX Announcement**

## **Significant New Gold Discovery along Kandia Trend**

- ❖ **RC drilling has confirmed persistent bedrock gold mineralisation over 2.5km of strike along Kandia Trend**
- ❖ **Results include 40m @ 1.17g/t gold from 20m (inc. 25m @ 1.52g/t from 30m) and 25m @ 0.7g/t gold from surface (inc. 10m @ 1.25g/t from 5m)**
- ❖ **Mineralisation up to 45m wide and open along strike and down dip**
- ❖ **Virgin gold discovery made from drill testing soil anomalism**
- ❖ **Excellent potential to define a bulk tonnage sediment hosted gold resource**
- ❖ **Confirms enhanced prospectivity for numerous untested greenstone belts within Castle's larger (12,000km<sup>2</sup>) Wa Project**
- ❖ **Infill and extensional drilling has commenced**

Castle Minerals Limited (ASX: CDT) is pleased to announce that wide spaced RC drilling has defined a major new 2.5km long auriferous zone within the Kandia prospect in north west Ghana.

RC drilling has intersected significant gold mineralisation within silicified and pyritic shales with five-metre composite assays reporting widespread near surface gold mineralisation up to 45m wide.

Castle's Managing Director, Mr Mike Ivey, said "These results confirm a new gold discovery that has excellent potential to host a substantial resource. Our drilling is currently on 160m spaced lines with an infill and extensional drill program recently commenced. It is early days but clearly these results are very encouraging in their own right and also enhance the prospectivity of Castle's massive landholding in north-west Ghana that remains virtually unexplored."

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;

11KARC140	15m @ 0.70 g/t gold from 25m
11KARC142	5m @ 0.39 g/t gold from 0m
and	10m @ 0.33 g/t gold from 60m (end of hole)
11KARC143	40m @ 1.17 g/t gold from 20m
inc.	25m @ 1.52 g/t gold from 30m

11KARC144	25m @ 0.70 g/t gold from 0m
inc.	10m @ 1.25 g/t gold from 5m
11KARC149	15m @ 0.44 g/t gold from 30m
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. Assays for holes KARC 099-138 were released to ASX on 16 February 2011.

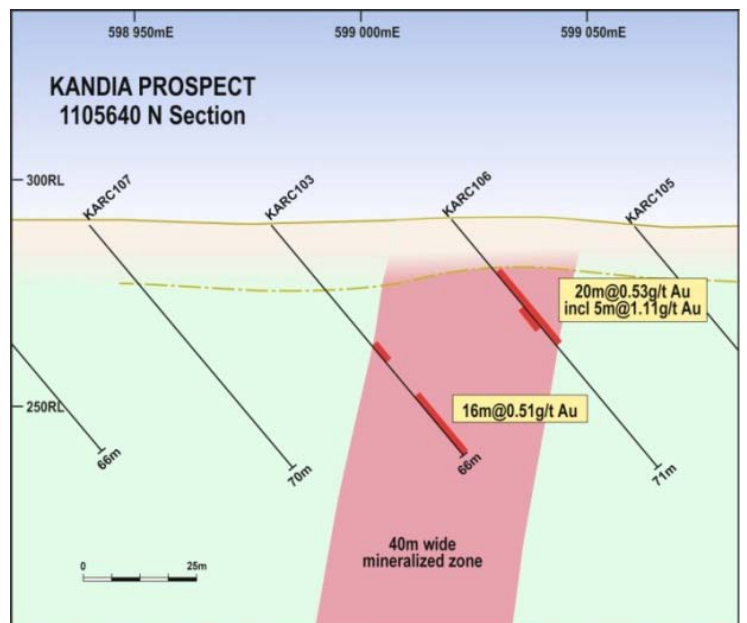
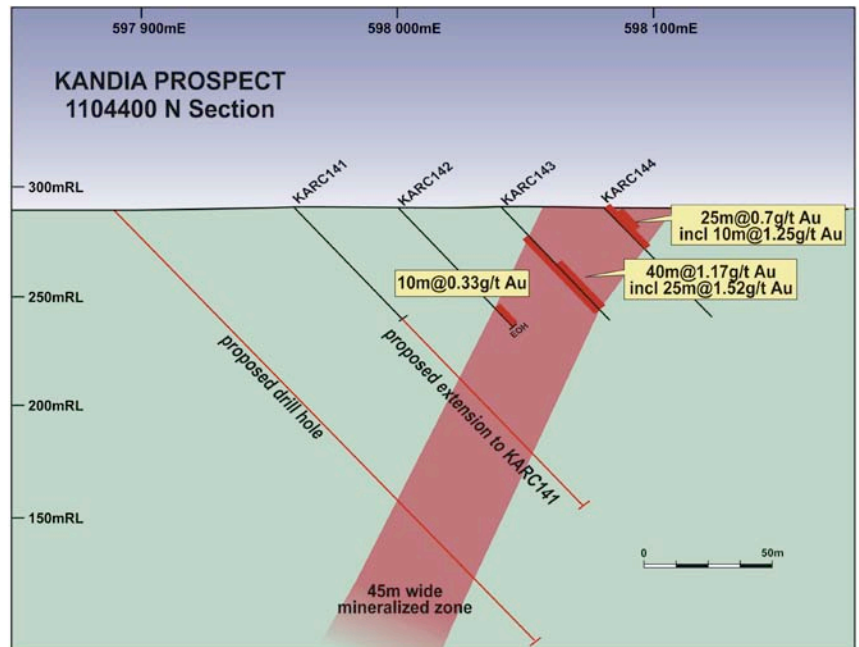
➤ *Cross sections of RC drilling within the new 2.5km long Kandia gold discovery.*

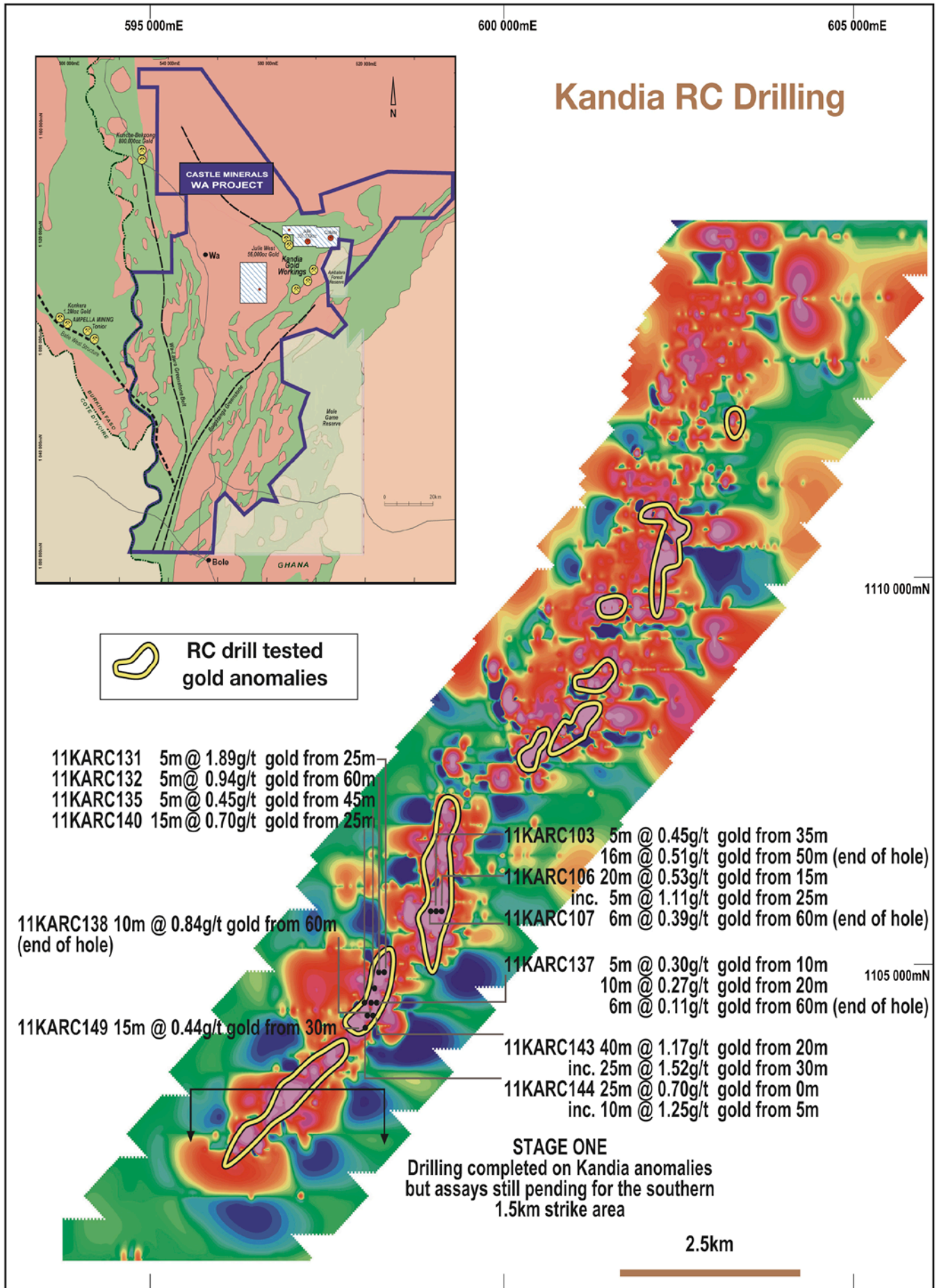
➤ *A persistently mineralised zone of bedrock gold mineralisation has been discovered which is now the focus of infill and extensional drilling.*

➤ *This is a virgin gold discovery made by Castle Minerals from wide spaced drilling of anomalous soil geochemistry.*

➤ *Gold mineralisation is hosted within pyritic and silicified meta sediments.*

➤ *Excellent potential exists to define a substantial gold resource.*





*Kandia RC drilling on geochemistry image.*

## **Background**

The Kandia prospect forms part of Castle's 12,000km<sup>2</sup> 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.

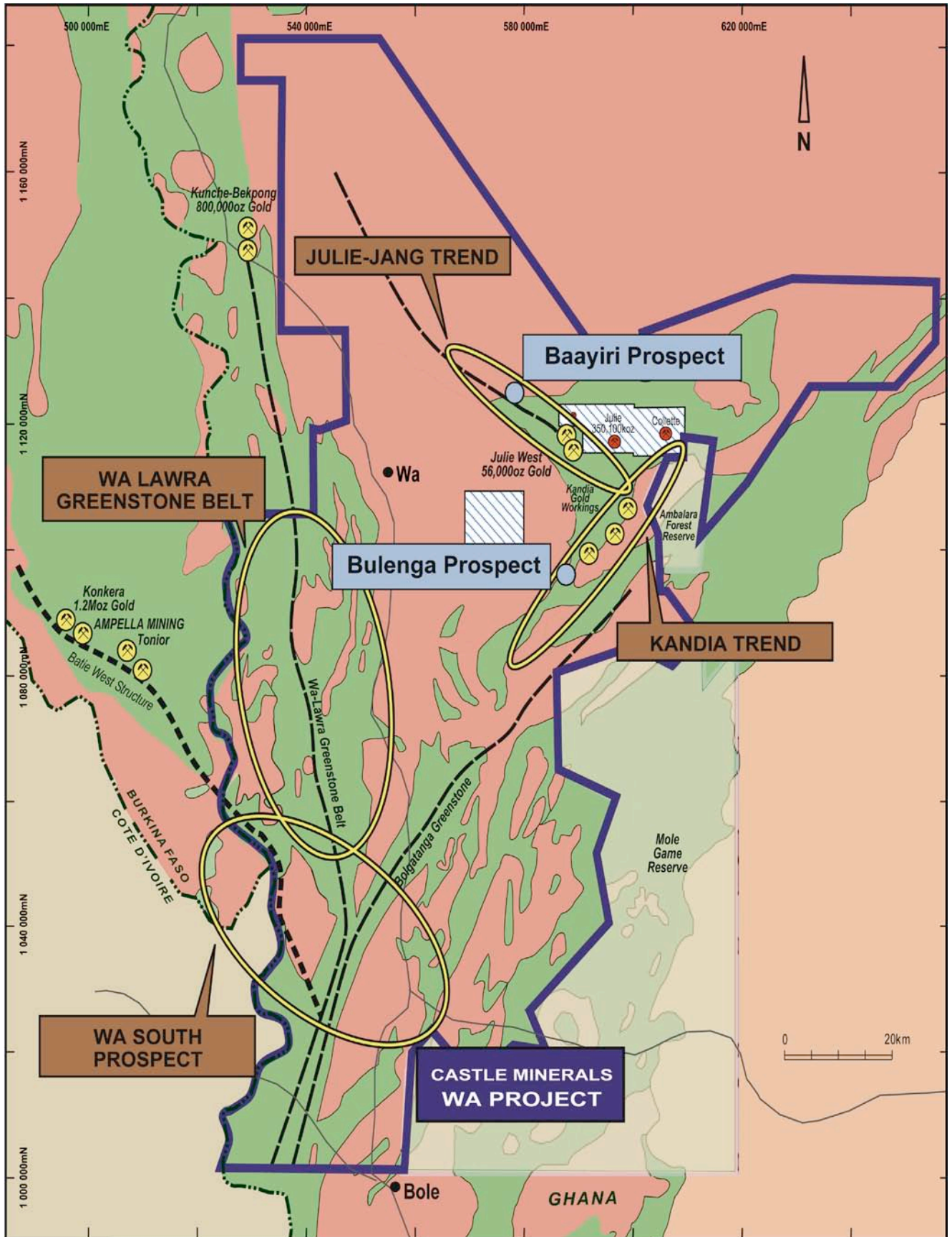
### **Wa- Lawra Greenstone Belt**

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) 2.2 Moz Konkera gold resource to the north-west. The first auger samples were dispatched to the assay laboratory last week.

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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)	Azmith	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
11KARC140	1104560	598040	280	67	90	-50	15m @ 0.70 g/t Au from 25m	
11KARC142	1104400	598000	280	70	90	-50	5m @ 0.39 g/t Au from 0m	
							10m @ 0.33 g/t Au from 60m	end of hole
11KARC143	1104400	598040	280	66	90	-50	40m @ 1.17 g/t Au from 20m	
11KARC144	1104400	598080	280	67	90	-50	25m @ 0.70 g/t Au from 0m	
11KARC149	1104240	597960	280	66	90	-50	15m @ 0.44 g/t Au from 30m	

Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples have been submitted for analysis. Minimum Intersection Length = 5m, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.10 ppm Au, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.10 ppm. 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 153 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.