

26th May 2011



ASX Announcement

Drilling Confirms Gold Discovery along Kandia Trend

- **RC drilling has reported further wide zones of bedrock gold mineralisation along the Kandia Trend**

 - 11KARC204 15m @ 2.39 g/t gold from surface
 - 11KARC210 25m @ 0.87 g/t gold from surface
 - inc. 20m @ 1.05 g/t gold from surface
 - 11KARC211 21m @ 1.15 g/t gold from 45m
 - 11KARC221 40m @ 0.63 g/t gold from 25m
 - inc. 20m @ 1.01 g/t gold from 30m
 - 11KARC222 25m @ 0.48 g/t gold from surface
 - 11KARC237 25m @ 1.23 g/t gold from 65m
 - inc. 15m @ 1.78 g/t gold from 65m
 - 11KARC247 20m @ 1.63 g/t gold from 35m
 - 11KARC205 25m @ 0.76 g/t gold from 10m
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- **Outcropping gold mineralised zone continuous along strike for ~800m and is open to the south and at depth**

 - **RC drilling is ongoing**

 - **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 (10,000km²) Wa Project**

Castle Minerals Limited (ASX: CDT) is pleased to announce that ongoing RC drilling has reported wide zones of sediment hosted gold mineralisation* along the Kandia Trend that forms one of the prospect corridors within Castle's extensive Wa Project in north west Ghana.

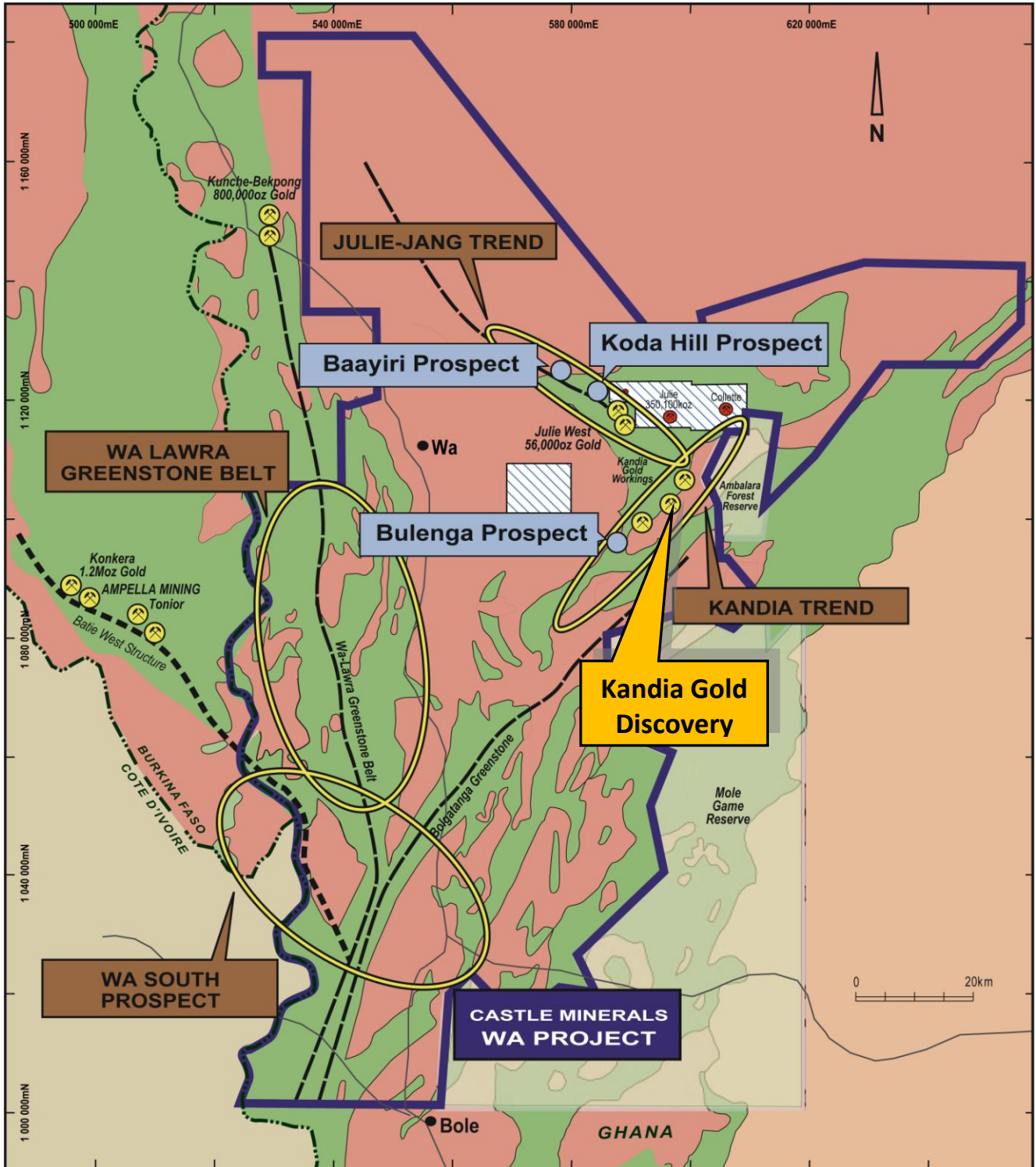
Castle's Managing Director, Mr Mike Ivey, said "These results confirm a new gold discovery that has excellent potential to host a substantial gold resource. Infill and extensional drilling is ongoing along the Kandia Trend and we now have a 2.5km long target zone where wide spaced drilling has reported anomalous gold mineralisation. This discovery also endorses the broader prospectivity and

potential of the other Birimian aged greenstone belts within our Wa Project that are still to be explored and extend for many strike kilometres.”

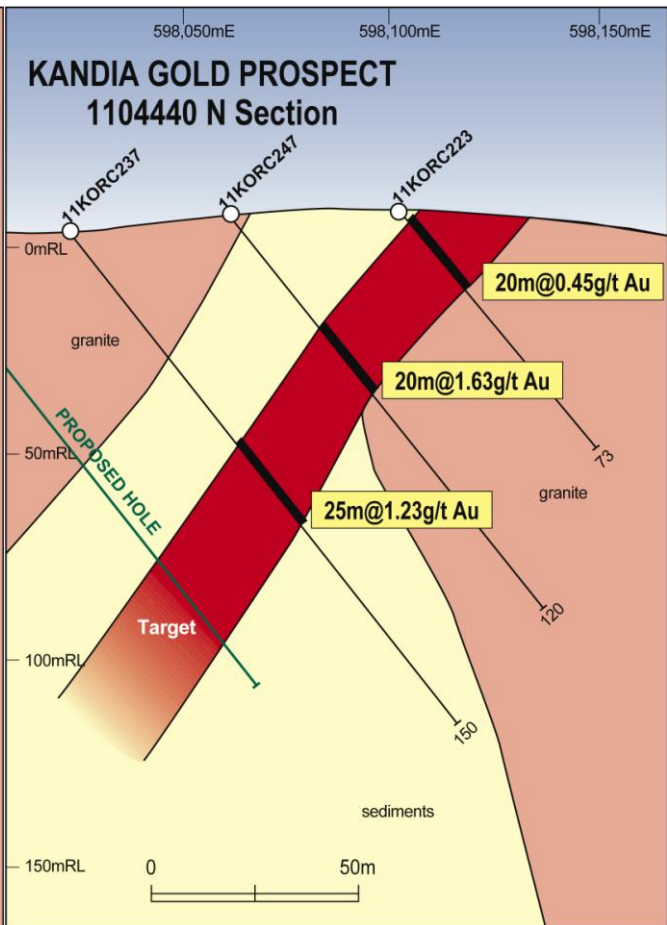
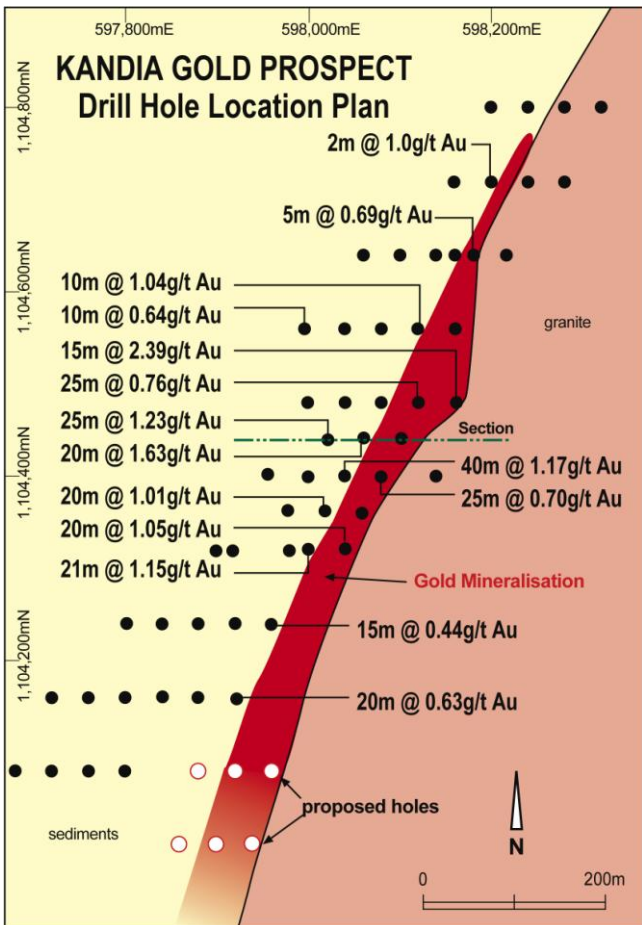
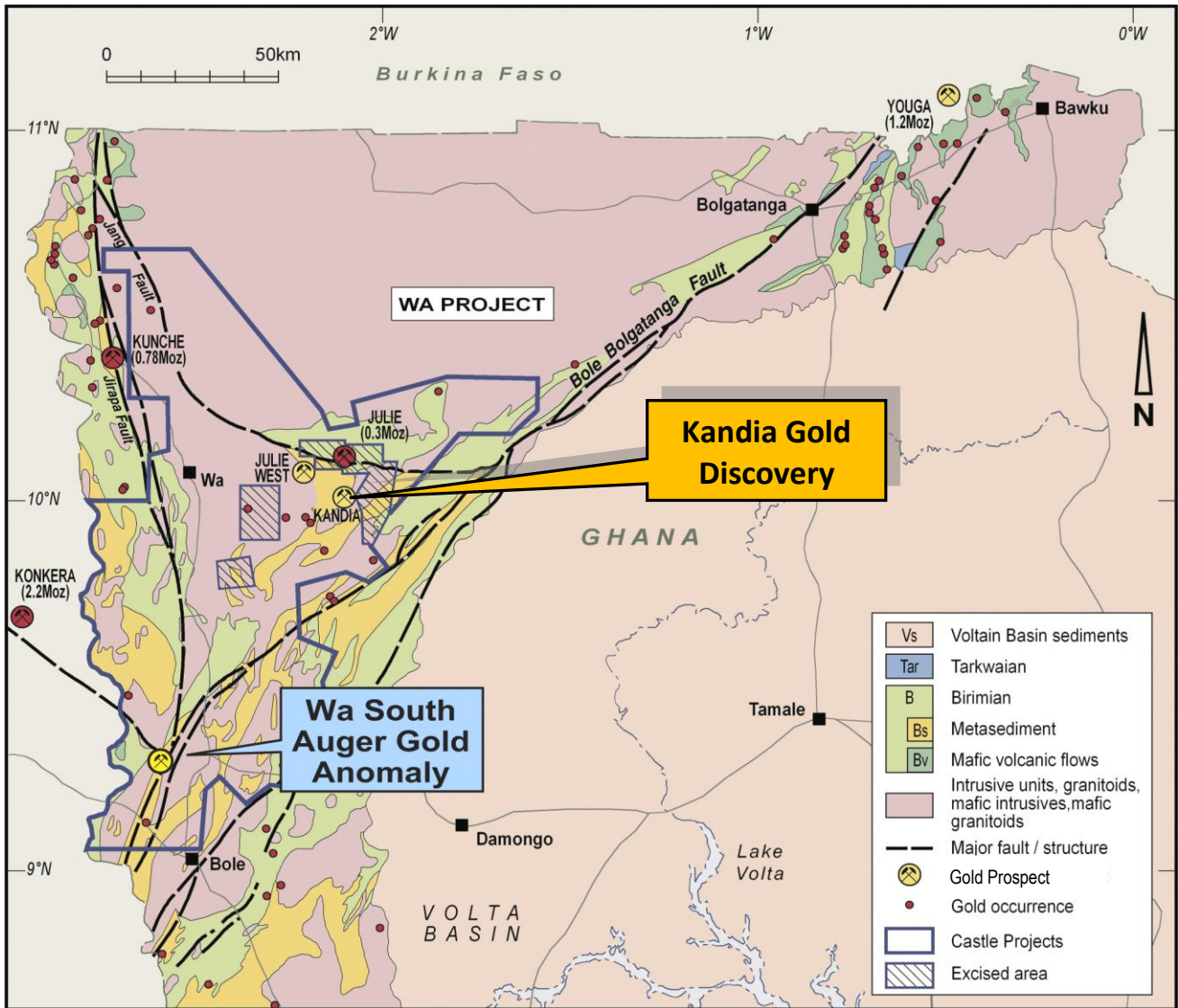
RC drilling has intersected significant gold mineralisation within silicified and pyritic shales along a granite contact with assays from five-metre composite samples reporting widespread near surface gold mineralisation up to 45m wide. This mineralisation is situated 3.5km south of the area of artisanal workings discovered in May 2010 and has had no historic mining activity.

Aeromagnetic data shows this area as a magnetic low that is interpreted to represent magnetite destruction associated with a widespread alteration halo associated with the mineralising event.

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

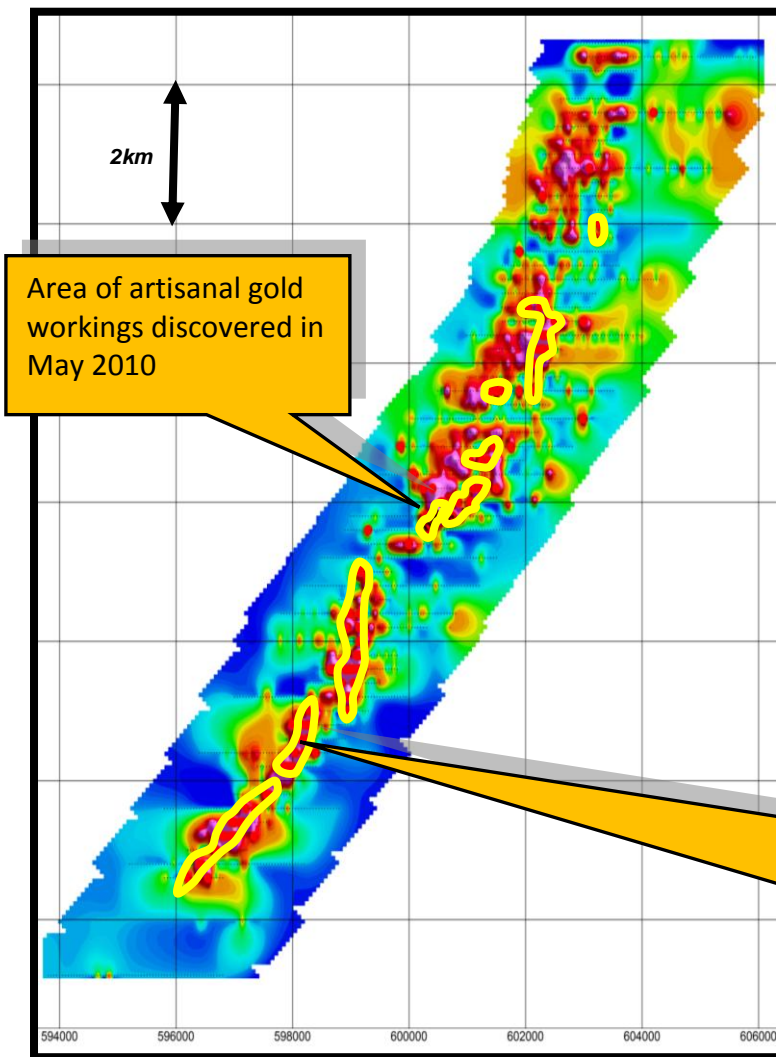


Castles Wa Project in north-west Ghana where three drill rigs are currently testing four prospect corridors.

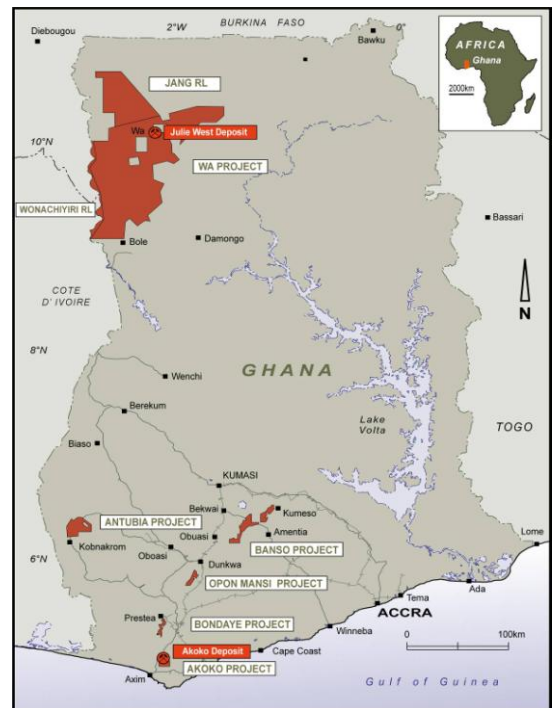




Kandia site (above) and right, geologist Ed Mills at the discovery hole that reported 40m @ 1.17g/t gold.



Area of artisanal gold workings discovered in May 2010



Kandia gold discovery made after testing nine discrete geochemical anomalies along the 12km long Kandia Trend. This anomaly reported a maximum soil sample value of 173ppb gold

Image of original Kandia soil geochemistry. A number of anomalies still need to be followed up and soil geochemical programs are currently underway covering prospective, but as yet untested, ground to the west and the south.

For further information please contact:

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Kandia Prospect Significant RC Drill Results

Hole No.	Northing	Easting	RL	EOH (m)	Azmith	Dip	Intercept	
11KARC141	1104400	597960	300	155	90	-50	20m @ 0.44 g/t gold from 100m	hole re-entered and deepened
11KARC142	1104400	598000	300	120	90	-50	20m @ 0.64 g/t gold from 60m	hole re-entered and deepened
11KARC202	1104639	598182	300	69	90	-50	5m @ 0.68 g/t gold from 30m	
11KARC204	1104479	598162	300	83	90	-50	15m @ 2.39 g/t gold from surface	
11KARC205	1104480	598121	300	73	90	-50	25m @ 0.76 g/t gold from 10m	
11KARC207	1104480	598800	300		90	-50	10m @ 0.42 g/t gold from 30m	
11KARC210	1104321	598041	300	67	90	-50	25m @ 0.87 g/t gold from surface	
						inc.	20m @ 1.05 g/t gold from surface	
11KARC211	1104320	598001	300	66	90	-50	21m @ 1.15 g/t gold from 45m	
11KARC213	1104319	597918	300	67	90	-50	2m @ 1.24 g/t gold from 65m	end of hole
11KARC219	1104158	597922	300	67	90	-50	20m @ 0.63 g/t gold from 40m	
11KARC220	1104362	597978	300	151	90	-50	15m @ 0.69 g/t gold from 75m	
11KARC221	1104362	598018	300	110	90	-50	40m @ 0.63 g/t gold from 25m	
						inc.	20m @ 1.01 g/t gold from 30m	
11KARC222	1104360	598059	300	73	90	-50	25m @ 0.48 g/t gold from surface	
11KARC223	1104441	598102	300	73	90	-50	20m @ 0.45 g/t gold from surface	
11KARC237	1104440	598020	300	150	90	-50	25m @ 1.23 g/t gold from 65m	
						inc.	15m @ 1.78 g/t gold from 65m	
11KARC247	1104442	598061	300	120	90	-50	20m @ 1.63 g/t gold from 35m	

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

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.