

## March 2012 Quarterly Report



### Highlights

#### Wa Project

- **Quarterly activity busiest in Castle history including 31,834m drilling:**
  - » 68 RC holes for 6,209m
  - » 606 RAB holes for 12,489m
  - » 2,923 Auger holes for 13,136m
  - » 3,071 soil samples collected
- Castles own RAB rig successfully commissioned and drilled 12,489m at a total cost less than one third of contract rates.
- Maiden RC drilling (400m line spacing) at the **Wa South** prospect reported the following significant intercepts from 5m composite RC sampling;
  - 10m @ 1.73g/t gold** from 40m (SWRC 01)  
inc. 5m @ 3.03g/t gold from 40m
  - 15m @ 0.56g/t gold** from 65m (SWRC 04)  
inc. 5m @ 1.23 from 70m

A second phase of RC drilling has been completed. Results awaited.

- 1,765m RC program completed at **Baayiri** prospect. Results awaited.
- 3071 soil samples collected from Wa Project testing Baayiri, and Kandia East prospects. **Extensive new soil anomalism defined at Baayiri** over 10x8km area with samples reporting 10000, 3250, and 3930 ppb gold within broader areas of anomalous gold.
- RC drilling completed at **Julie West and Kandia** prospects for a total of 26 holes for 2,475m. Results awaited
- Auger drilling completed along **Julie-Jang trend** with 889 holes completed for 4,193m. Results awaited.
- Auger drilling completed along **Wa-Lawra** belt trend, and across **Wa South** regional targets with 2034 holes completed. Results awaited.
- 535 RAB holes completed at **Baayiri** prospect and along Wa-Lawra belt trend for 10,579m. Results awaited.
- 71 RAB holes were completed testing a historical graphite occurrence. Several wide graphite horizons were intersected and carbon assays are awaited to determine the significance of this occurrence. This area is also prospective for gold and samples have been submitted separately for gold analysis.

#### Antubia Project

- Soil sampling has defined strong gold anomalies including a coherent +50ppb gold anomaly defined over 2.5km x 300m wide area. This anomaly has a high grade core including values to 1,800ppb gold.

#### Corporate

- End of quarter cash position of \$4.8m
- Azumah Resources Limited (ASX:AZM) increased in their Castle shareholding to 16.98% through the acquisition of 2,581,947 Castle shares.

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Capital Structure  
Quoted Shares: 113.7 million  
Unlisted Options: 1.05m @ 40c

ASX Code: CDT

Board Members  
Michael Ashforth  
Non Executive Chairman

Michael Ivey  
Managing Director & CEO

Campbell Ansell  
Non Executive Director

Des Kelly  
Company Secretary

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## Wa Project (Castle Minerals 100%)

Gold exploration on the extensive Wa Project (10,000km<sup>2</sup>) in north west Ghana is focused on four regional scale highly prospective gold corridors known as;

- Julie-Jang Trend 50km long trend that includes the Baayiri discovery
- Kandia Trend 30km corridor of anomalous gold in soils
- Wa South (Batie West trend) 60km long corridor on intersection of two greenstone belts
- Wa-Lawra Greenstone Belt 80km of untested greenstone belt stratigraphy

The focus for 2012 is to achieve our ultimate goal of defining sufficient standalone gold resources capable of commercial development.

Drilling dominated exploration activities with 31,834m completed during the quarter using four rigs including Castle's own RAB rig that was successfully commissioned in February. The RAB rig drilled 606 holes during the quarter for 12,489m at a total cost of <\$9/m being less than one third of contract rates.

### Exploration Physicals:

- » 68 RC holes for 6,209m
- » 606 RAB holes for 12,489m
- » 2,923 Auger holes for 13,136m
- » 3,071 soil samples collected

Sample assay turnaround has increased to +60 days, delaying receipt, analysis and reporting of drilling results. Castle has +11,000 samples with three Africa based commercial laboratories.

### Wa South Prospect

Maiden RC drill testing at the Wa South prospect intersected zones of oxide and bedrock gold mineralisation within Birimian meta-sediments. This wide spaced RC drilling (400m line spacing) reported the following significant intercepts from 5m composite RC sampling;

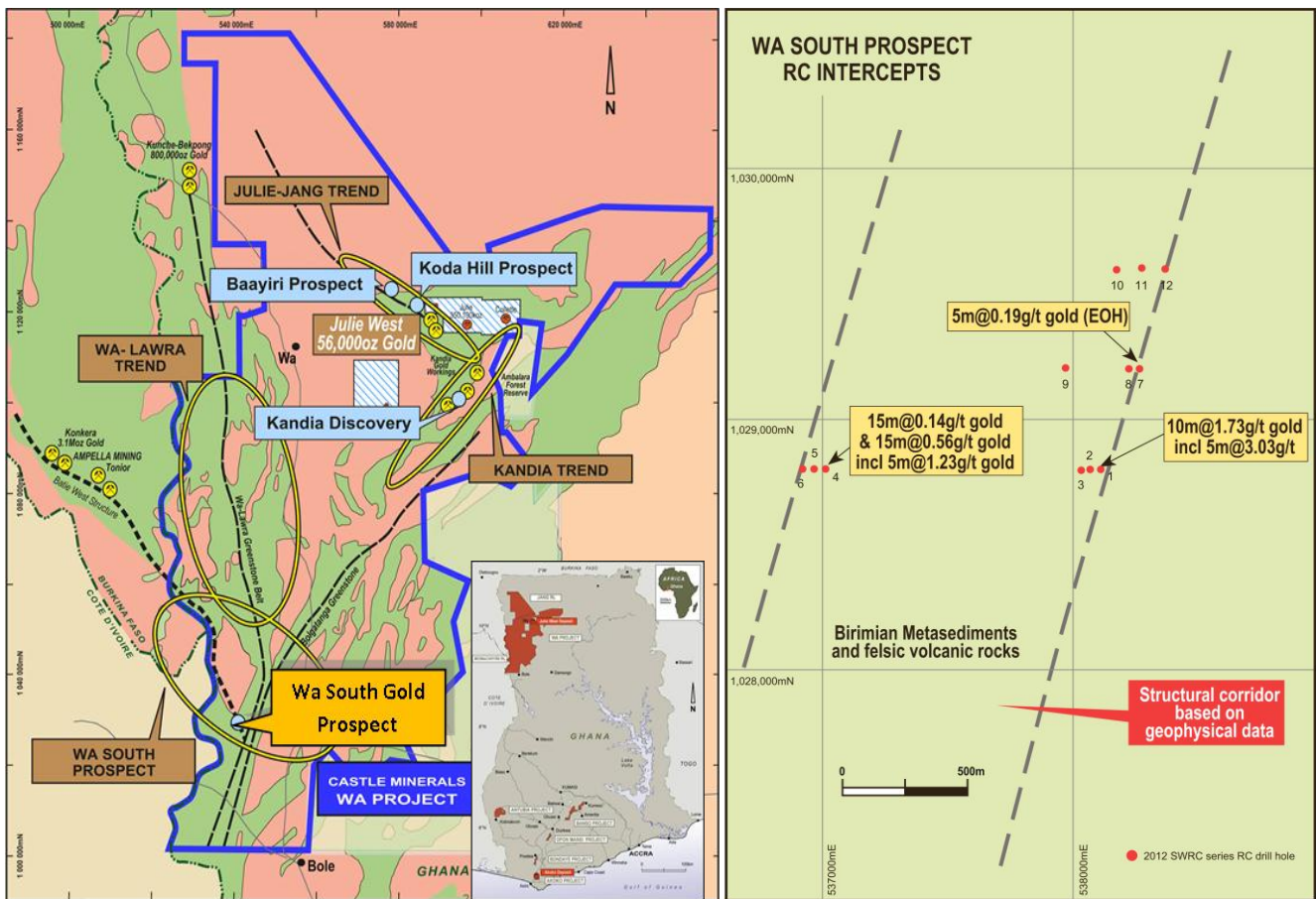
- **10m @ 1.73g/t gold** from 40m (SWRC 01)  
inc. **5m @ 3.03g/t gold** from 40m
- **15m @ 0.56g/t gold** from 65m (SWRC 04)  
inc. **5m @ 1.23 from 70m**

This is the first recorded occurrence of bedrock gold mineralisation in this previously unexplored area with two open gold trends defined approximately 1km apart. Mineralisation is hosted within sheared, weakly pyritic meta-sediments with variable silicification and quartz veining.

Wa South is a grassroots prospect defined over the previous two field seasons following earlier Castle programs of soil sampling, auger and aircore drilling. A second phase of RC drilling was completed late in the March quarter and results are awaited.



*RC drilling at Wa South*



**Wa Project in north-west Ghana with prospect locations and phase one drill hole location plan at Wa South with significant gold results**

### Baayiri Prospect

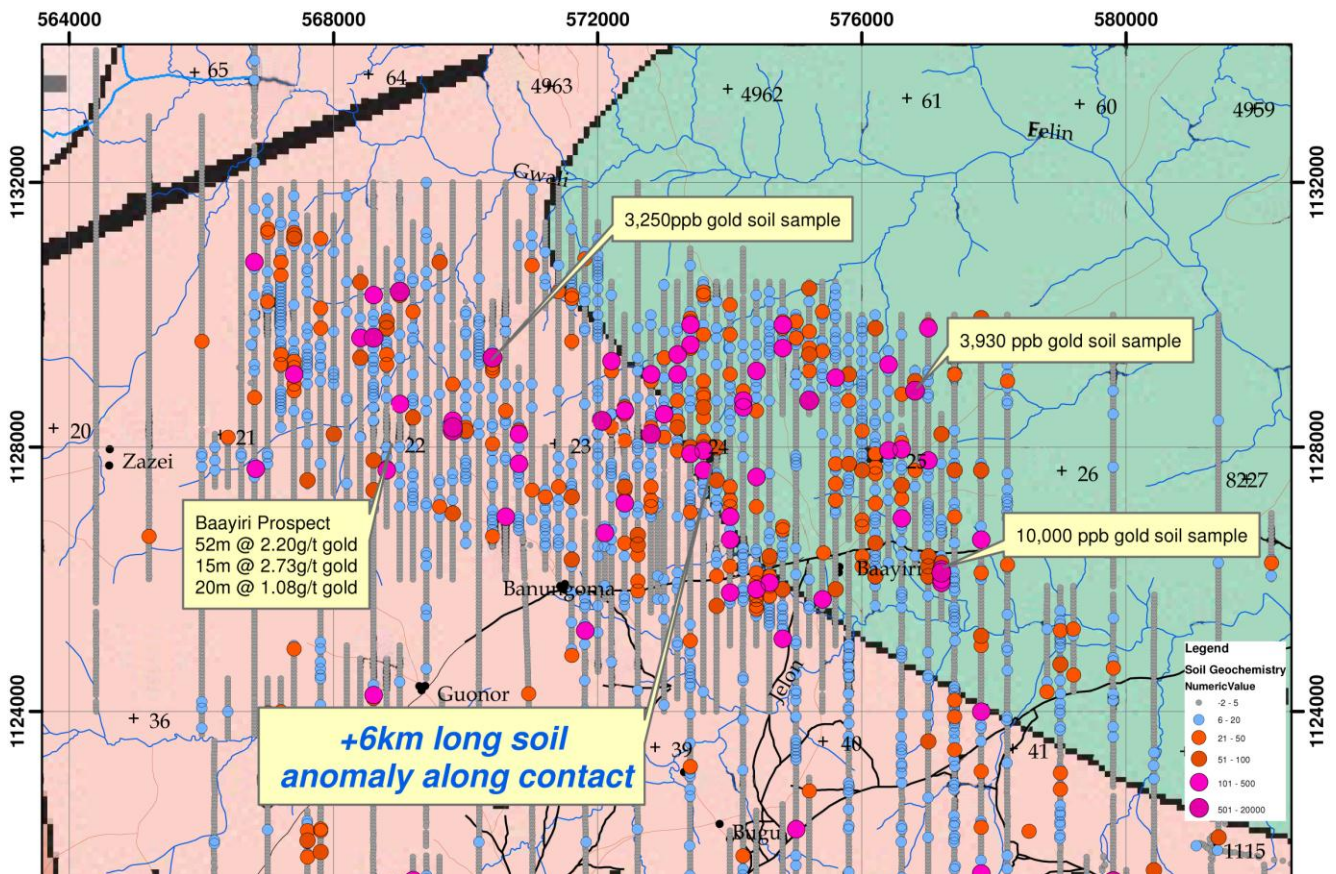
RC, RAB and Auger drill programs were completed along with infill and extensional soil sampling over the large (12 x 8km) Baayiri prospect.

Soil sampling was completed at Bayaari with results highlighting substantial new gold anomalism over a large area. Sampling reported individual values of 10000, 3250, and 3930 ppb gold within larger areas of anomalous gold trends. The strongest zone of anomalous gold occurs along a granite/volcanic contact extending for over 6km. This contact is flanked by other soil anomalies that are interpreted to trend in both north east and north west directions and present immediate drill targets. RAB drilling is proposed to test these significant gold targets in the June quarter.

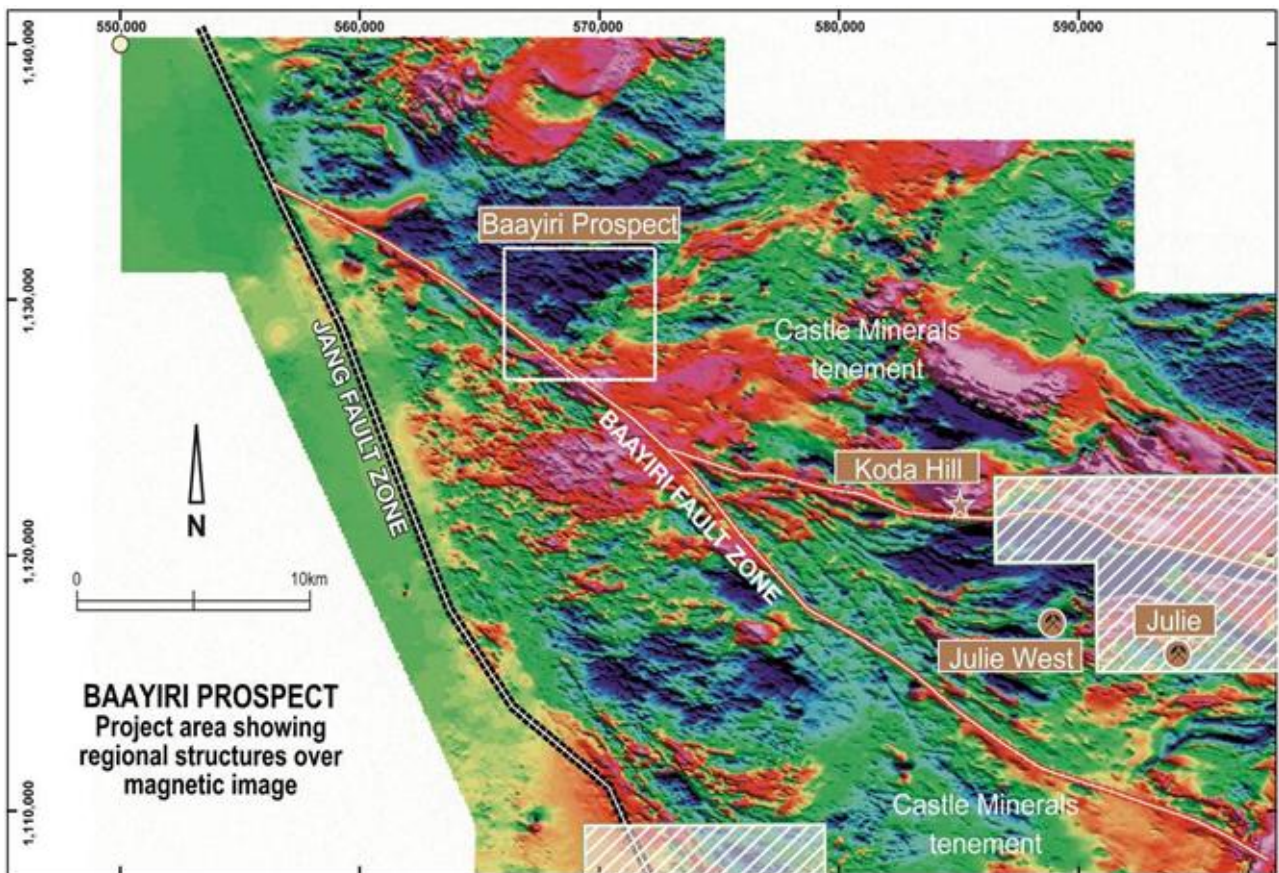
19 RC holes for 1,765m were drilled testing for extensions to the intercept of 52m @ 2.02g/t gold reported previously. Holes were oriented east-west testing an interpreted NNE trending steep dipping mineralised zone. Results are awaited however logging suggests that the gold mineralisation at Baayiri is controlled by a 5-10m wide NNE trending zone.

535 RAB holes were drilled at Baayiri testing numerous soil geochemical targets. A total of 10,579m was completed with most holes intersecting granodiorite and several bands of meta-sediments. Gold results are awaited for this work.

Two regional auger lines spaced 4km apart were completed north of Baayiri along the Julie-Jang trend testing for strike extents to Baayiri and associated geophysical targets. Results for this work are awaited.



Soil geochemistry image of the Baayiri prospect showing strong gold anomalism developed over granite/volcanic contact for over 6km. RC drilling has also been completed and results are awaited.



Detailed magnetic image showing prospects within the Julie-Jang Trend

## Julie West /Kandia

RC drilling programs were completed at Julie West and Kandia prospects for a total of 26 holes for 2,475m. Drilling at Julie West tested a number of targets including a previous intercept of 9m@ 22.1 g/t gold. Drilling at Kandia tested for depth and strike extensions to the 107,500 ounce Kandia gold resource. Assay results for both programs are awaited.

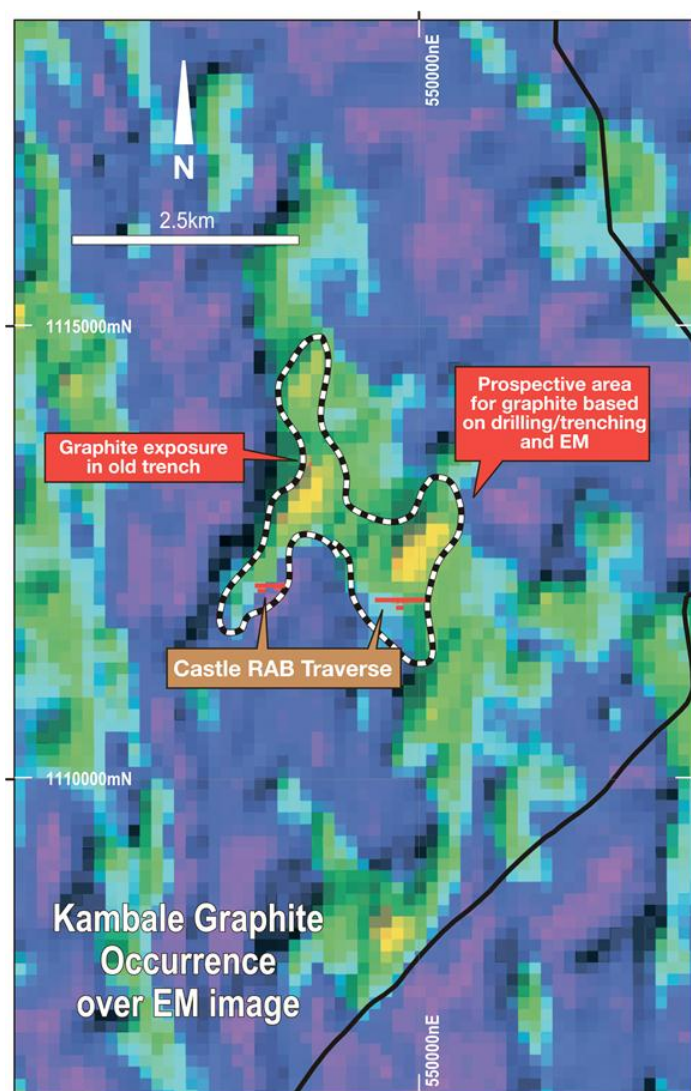
## Wa Regional

Two auger rigs completed programs along the Wa-Lawra belt trend, and across Wa South regional targets with 2034 holes completed for 7,943m. Results are awaited.

## Graphite Occurrence

During the quarter a graphite occurrence 6km west of Wa was drill tested with 71 RAB holes completed for 1910m (refer CDT ASX release 21 March 2012). The graphite occurrence was first noted by Russian geologists in the 1960's. Subsequent evaluation of the area included trenching and the drilling of 25 holes to a maximum depth of 20m. Castle has located a number of the old trenches but no historic drill or assay data.

The holes intersected a number of wide graphite rich horizons with zones up to 50m true width reported based on drill chip logging, however carbon assays are awaited to determine the significance of this occurrence. This area is also prospective for gold and samples have separately been submitted for gold analysis.



Location of RAB drill traverses and historic trench locations over regional electromagnetic image.



Drill sample of graphitic rich schist from KBRB 03

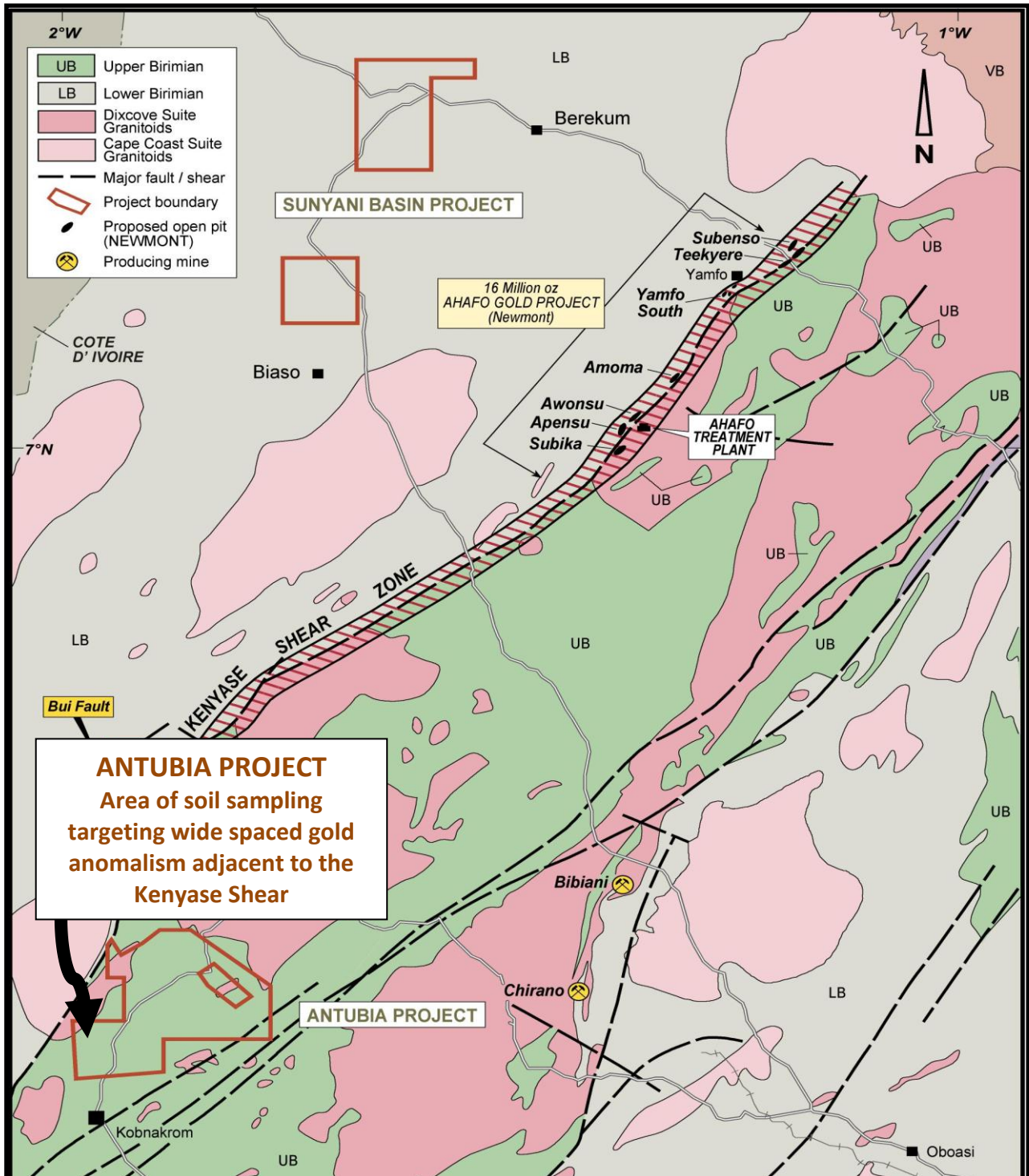


RAB drilling at hole KBRB 31 with graphitic schist from 13m down hole. The drill rig is owned by Castle Minerals.

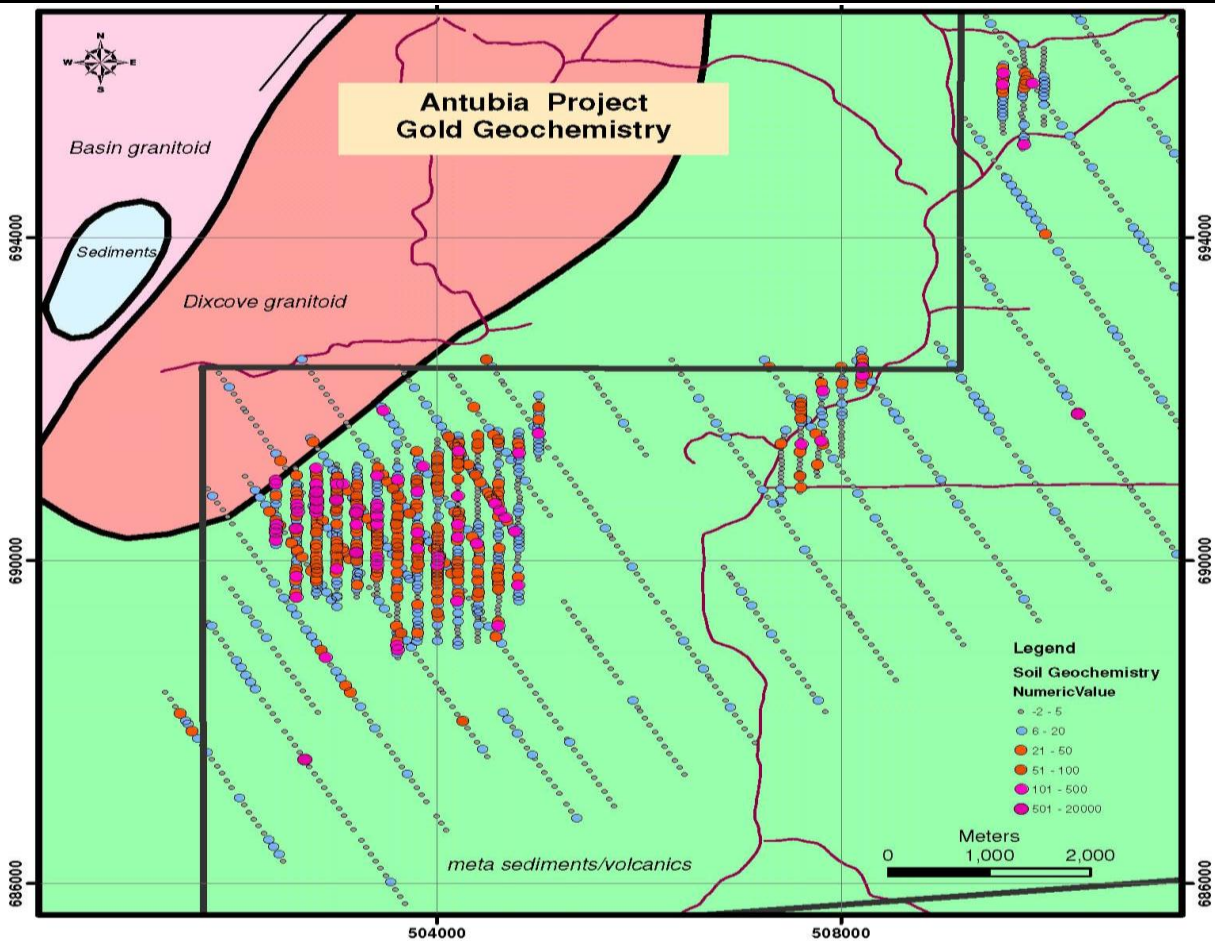
**ANTUBIA PROJECT**  
(100% Castle Minerals)

Antubia is located approximately 370km west-northwest of Accra, in the Sefwi gold belt and is ~90km southwest of the Ahafo gold mine operated by Newmont.

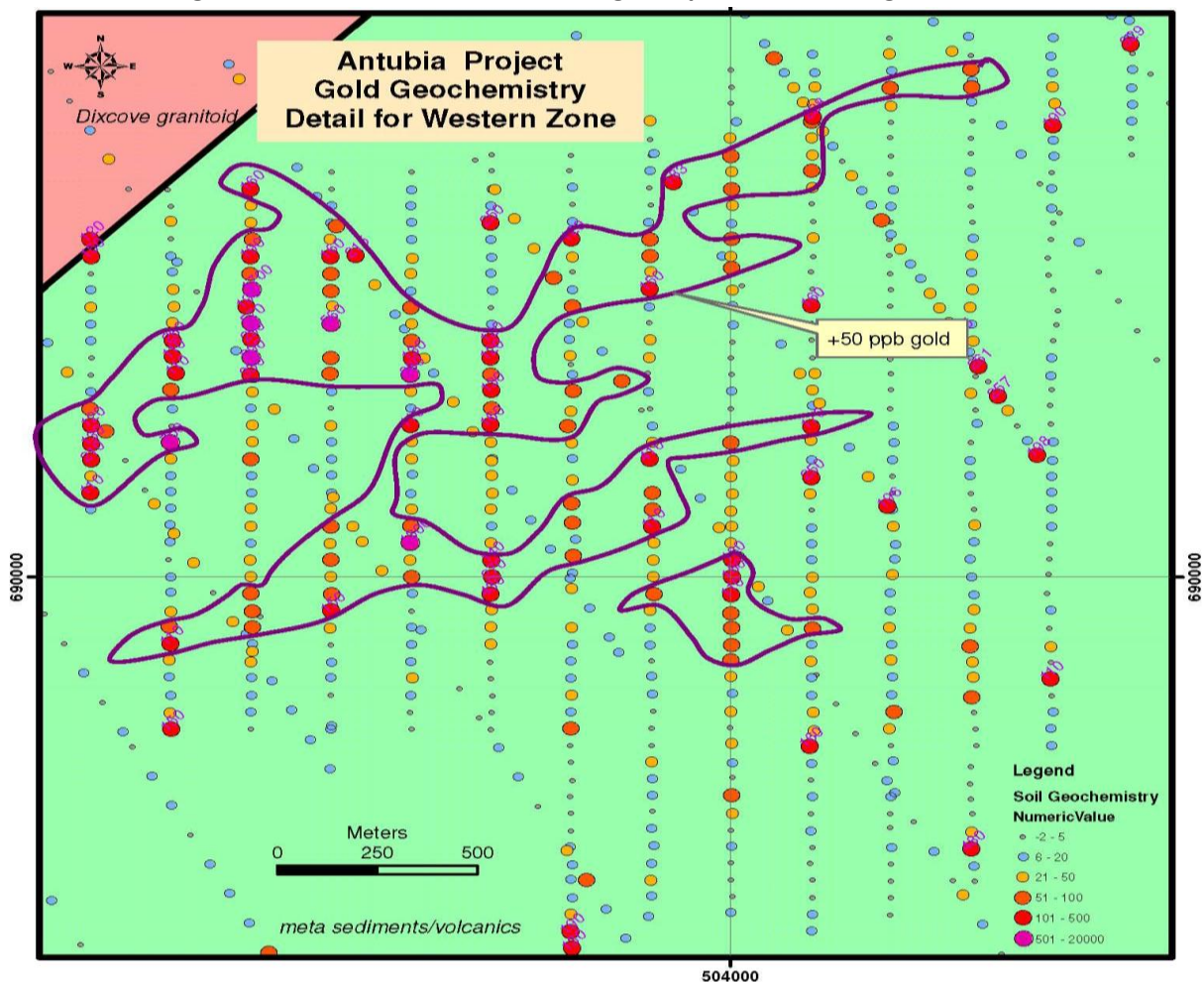
During the quarter results were received for the 703 soil samples collected from three areas on the south west portion of the project. Significant north easterly trending gold anomalism has been confirmed that warrants further testing including drilling. These areas are close to the Kenyase shear that to the north is associated with the 16Moz Ahafo gold deposit<sup>1</sup>. This setting being analogous to the Ahafo gold deposits enhances the significance of these results.



**Antubia Project is located in the Sefwi Belt south west of the Ahafo gold deposits**



Three new gold anomalies were defined during the quarter extending over a 10km corridor



Detail for the south western anomaly that has +50ppb gold over 2,500m long and up to 300m wide

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## Corporate

### **Cash Position**

At Quarter end Castle had total issued capital of 113.7M shares and 1.05 million options on issue. Cash reserves were \$4.8 million.

### **Share Register**

Azumah Resources Limited (ASX:AZM) increased in their Castle shareholding to 16.98% through the acquisition of an additional 2,581,947 Castle shares.

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### About Castle:

Castle Minerals listed on the Australian Stock Exchange in May 2006 (ASX code 'CDT') and has since acquired the rights to six mineral projects in Ghana, West Africa including Akoko, Antubia, Bansa, Bondaye, Opon Mansi (application) and Wa covering more than 11,000km<sup>2</sup>.

All granted projects are 100% owned by Castle Minerals (subject to Ghanaian Government right to a free-carried 10% interest). Castle's corporate objectives are exploration and development of its six projects in Ghana and the acquisition and exploration of other mineral resource opportunities, particularly in West Africa. The country of Ghana has a long history of gold mining and exploration and is Africa's second largest gold producer behind South Africa.

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Information in this announcement that relates to Exploration Results is based on information compiled by Haydn Hadlow, Castle Minerals Limited Exploration Manager, who is a Member of The Australasian Institute of Mining and Metallurgy. Haydn Hadlow 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. Haydn Hadlow consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Information in this announcement that relates to the Mineral Resources is based on information compiled by Michael Ivey, Castle Minerals Limited Managing Director, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Ivey 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 Ivey consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.

### References/Footnotes

<sup>1</sup> [www.newmont.com](http://www.newmont.com)

Soil samples for Antubia and Wa Projects were manually collected from ~40cm below surface and the sample point surveyed by handheld GPS. Analyses for gold was by SGS Laboratories, Tarkwa, Ghana using 2kg BLEG Cn Leach with AAS finish with a LLD of 2ppb gold. QAQC completed with no issues noted.