

6th July 2012



ASX Announcement

Large High-Grade Graphite Deposit Confirmed at Kambale

Castle Minerals Limited (ASX: CDT) is pleased to announce that graphitic carbon assays have confirmed extensive zones of high-grade graphite at the Company's Kambale graphite deposit in north west Ghana.

Drilling tested only the first 1 km of strike of the western zone with the strike extensions and the eastern zone still to be drilled. Graphitic schist horizons remain open along strike and at depth.

Significant results from 1m RC samples (analysed for graphitic carbon) include:

| | | | |
|----------------|-------------|----------------------|---------------------|
| KBAC 09 | | 30m @ 9.12%C | from 24m |
| KBAC 13 | | 46m @ 8.09%C | from surface |
| | inc. | 19m @ 10.56%C | from surface |
| KBAC 35 | | 9m @ 10.81%C | from surface |
| KBAC 41 | | 19m @ 10.74%C | from 21m |
| KBAC 44 | | 24m @ 8.46%C | from 2m |
| | inc. | 10m @ 11.07%C | from 5m |
| KBAC 46 | | 26m @ 10.85%C | from 30m |
| | inc. | 16m @ 12.25%C | from 40m |
| KBAC 84 | | 19m @ 9.56%C | from 3m |
| KBRC 01 | | 52m @ 7.60%C | from 40m |
| | inc. | 30m @ 8.37%C | from 40m |
| | and | 9m @ 10.46 %C | from 52m |

Castle Managing Director, Mr Mike Ivey said the Company was pleased to confirm a very large, near surface high-grade graphite occurrence at Kambale.

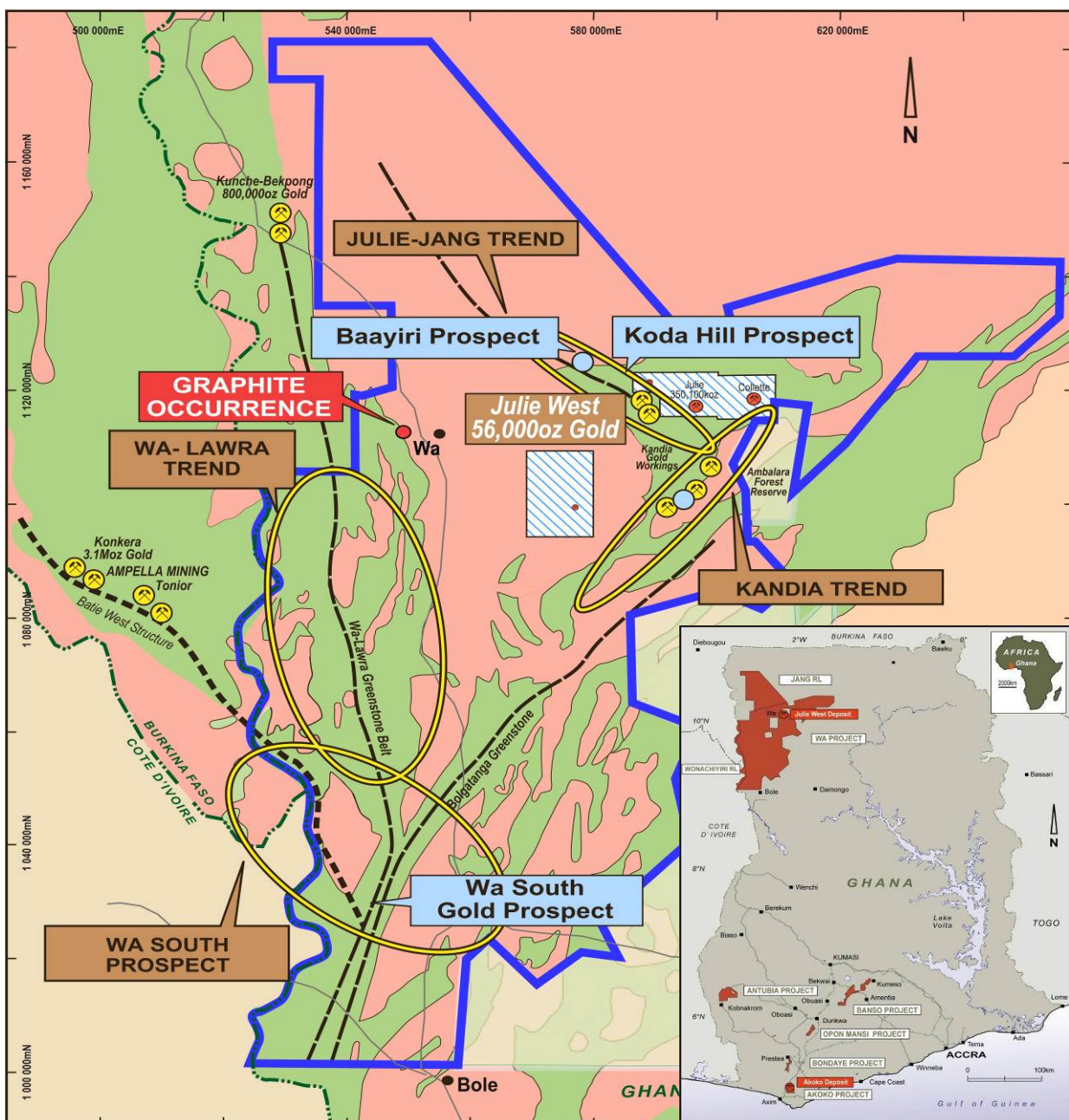
"With less than 20% of the graphitic schist horizon tested we clearly have potential to outline a world class graphite deposit. Samples from this drilling have been submitted to a Perth metallurgical laboratory and we look forward to reporting these results along with a maiden resource estimate in the near future," said Mr Ivey.

Drilling is planned to recommence this week testing strike extensions as well as drilling the **eastern schist zone** where a March 2012 RAB hole reported **27m @ 10.1% from 9m**.

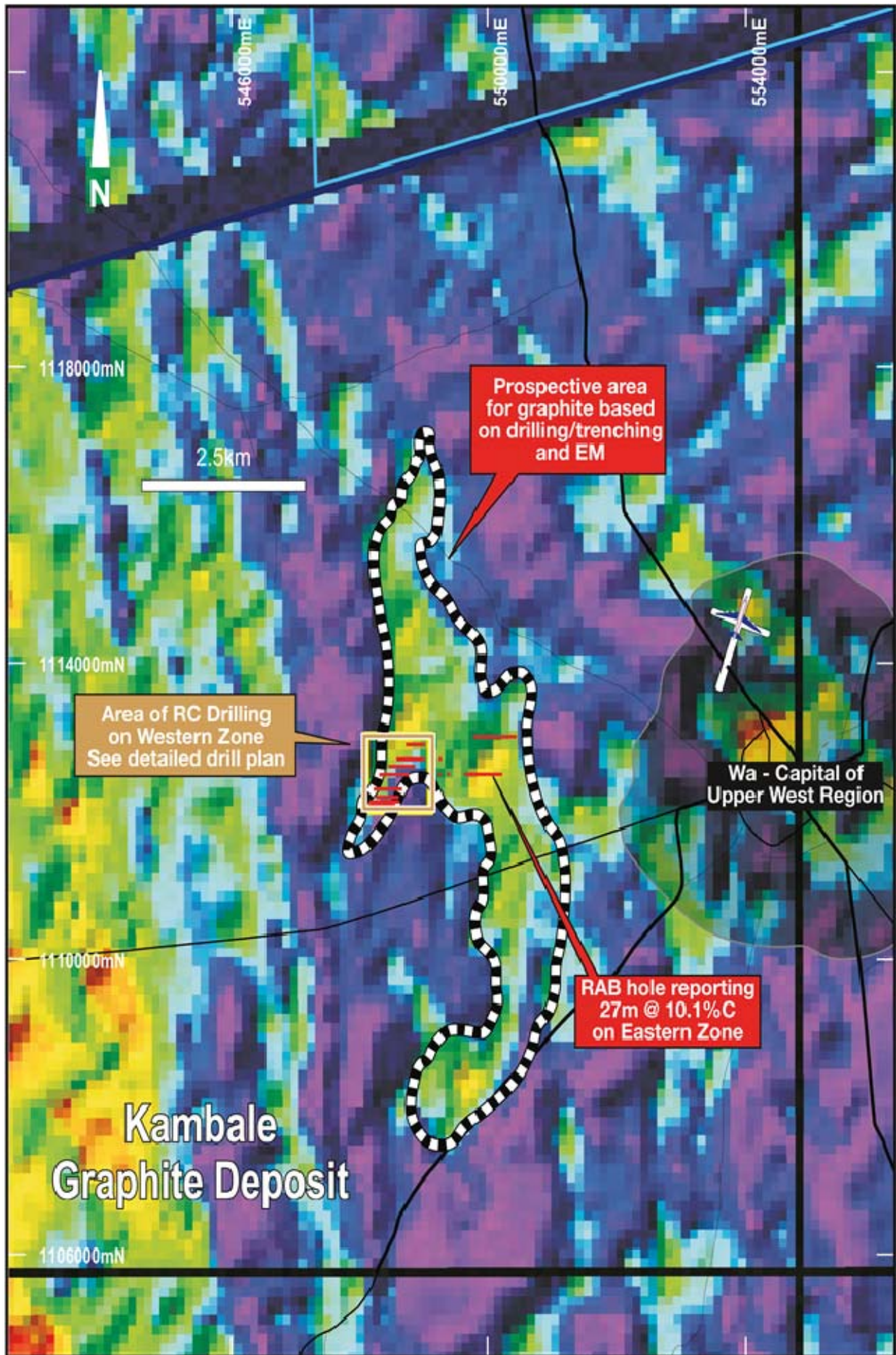
Background

Castle's Wa Project in north-west Ghana covers more than 10,000km². Exploration is focused on four regional scale prospect corridors. The Kambale graphite occurrence is located 5-8km west of Wa. Wa is the regional capital of the Upper West Region and has a population of ~50,000 and is fully serviced with grid power, sealed roads and good quality mobile communications. An all-weather bitumen airstrip is located at Wa.

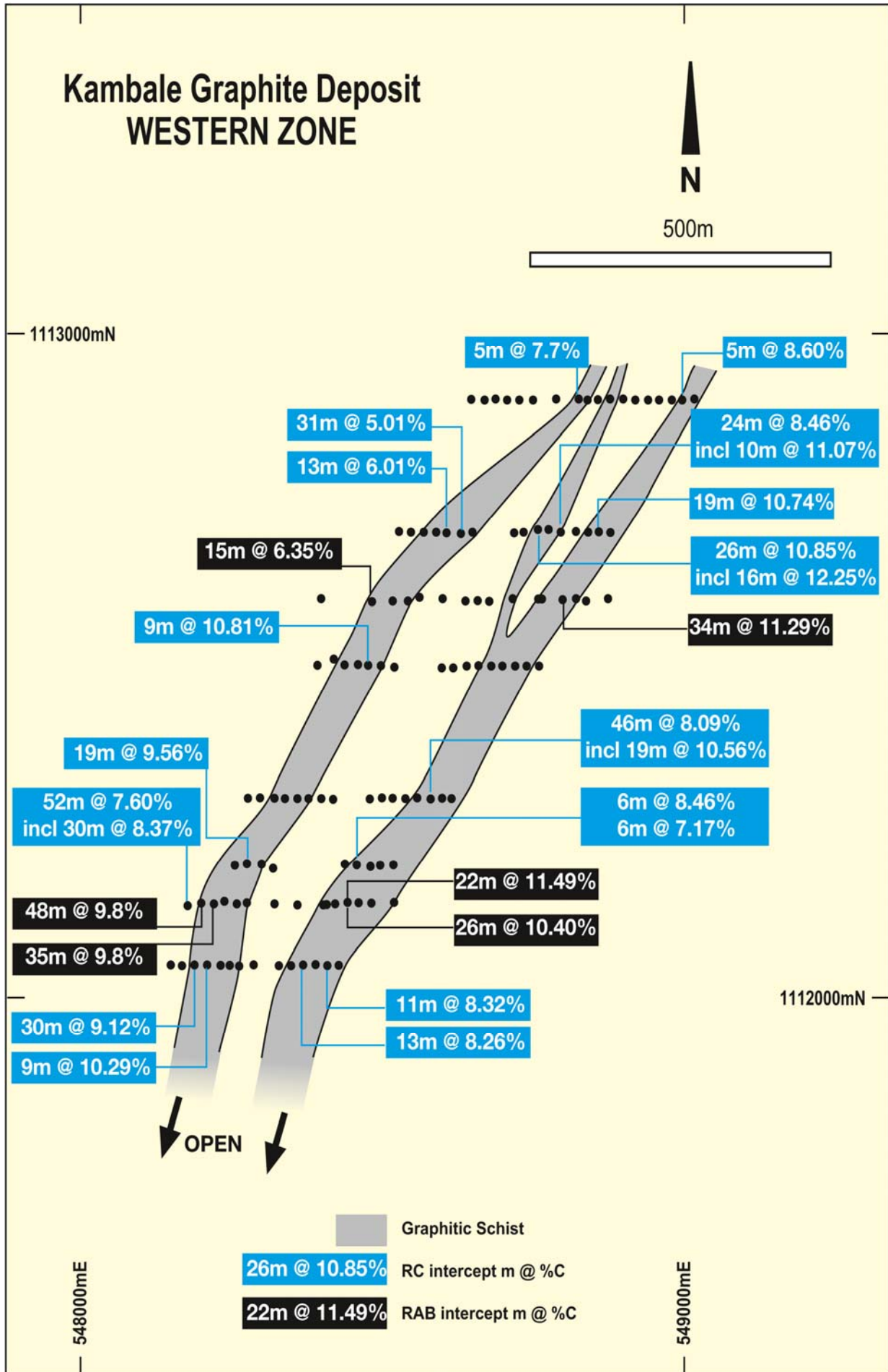
The Kambale graphite prospect is within the Wa-Lawra greenstone belt and is being explored for gold and base metals by Castle. Under the terms of Castle's Licence conditions the company has first option to explore for and work other minerals subject to satisfactory arrangements between the Government and Castle. Castle has made application to the Ghana Minerals Commission to include graphite and manganese under a new licence application it has previously submitted.



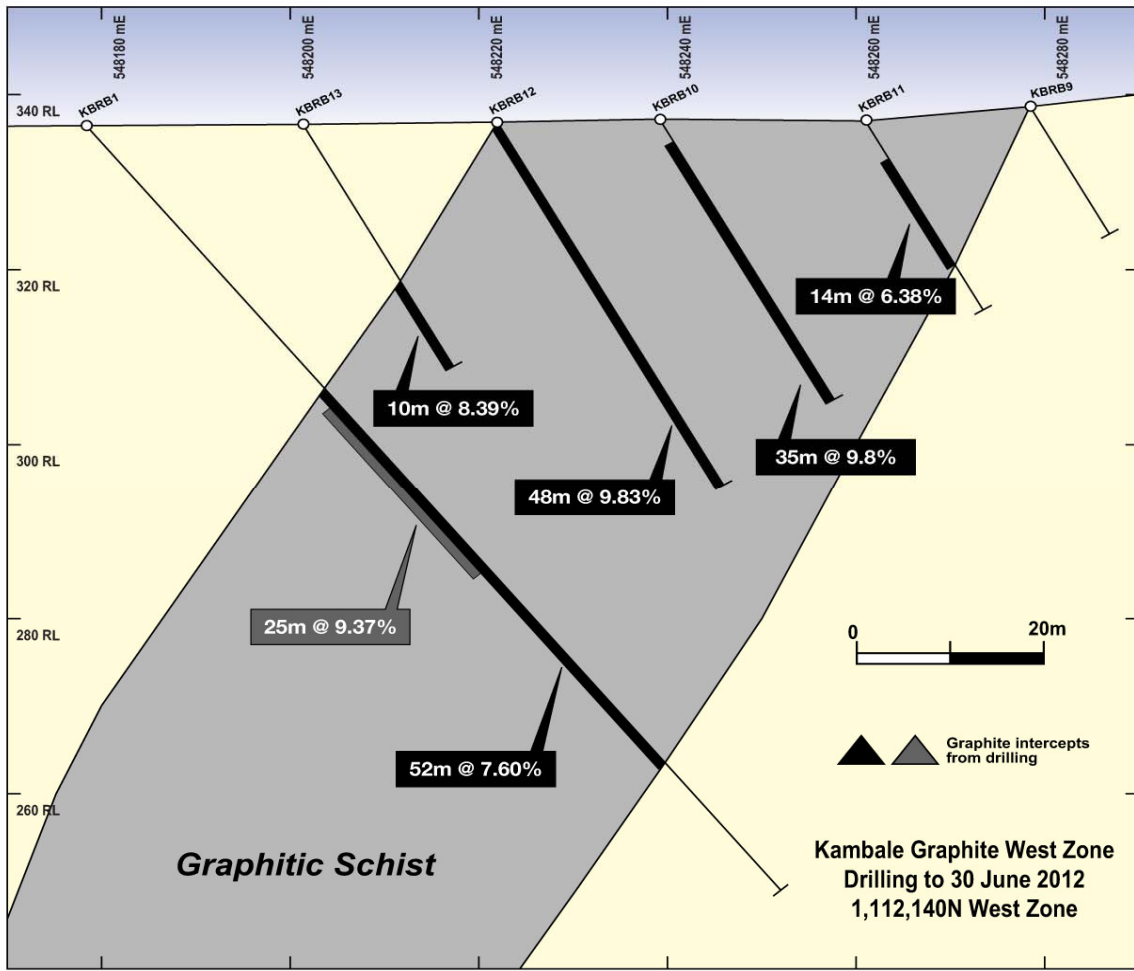
Wa Project in north-west Ghana



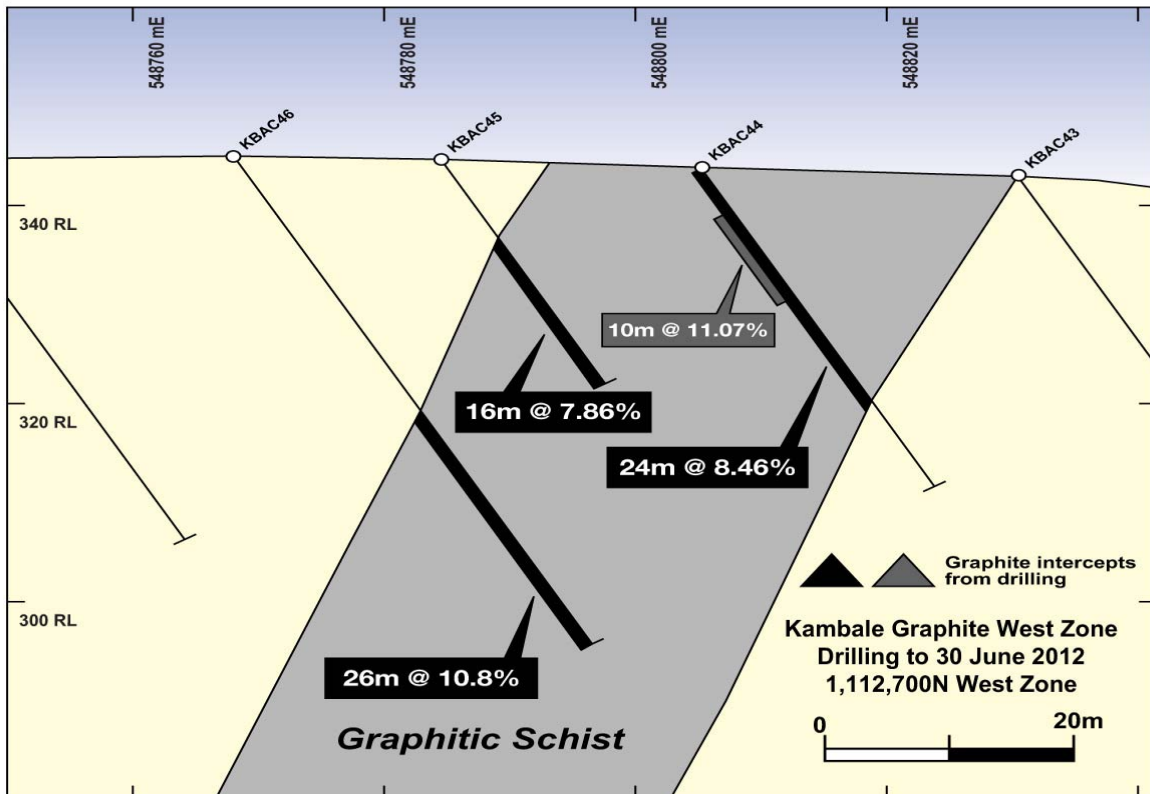
Location of drilling over regional electromagnetic image. Black and white border shows area considered prospective for graphite



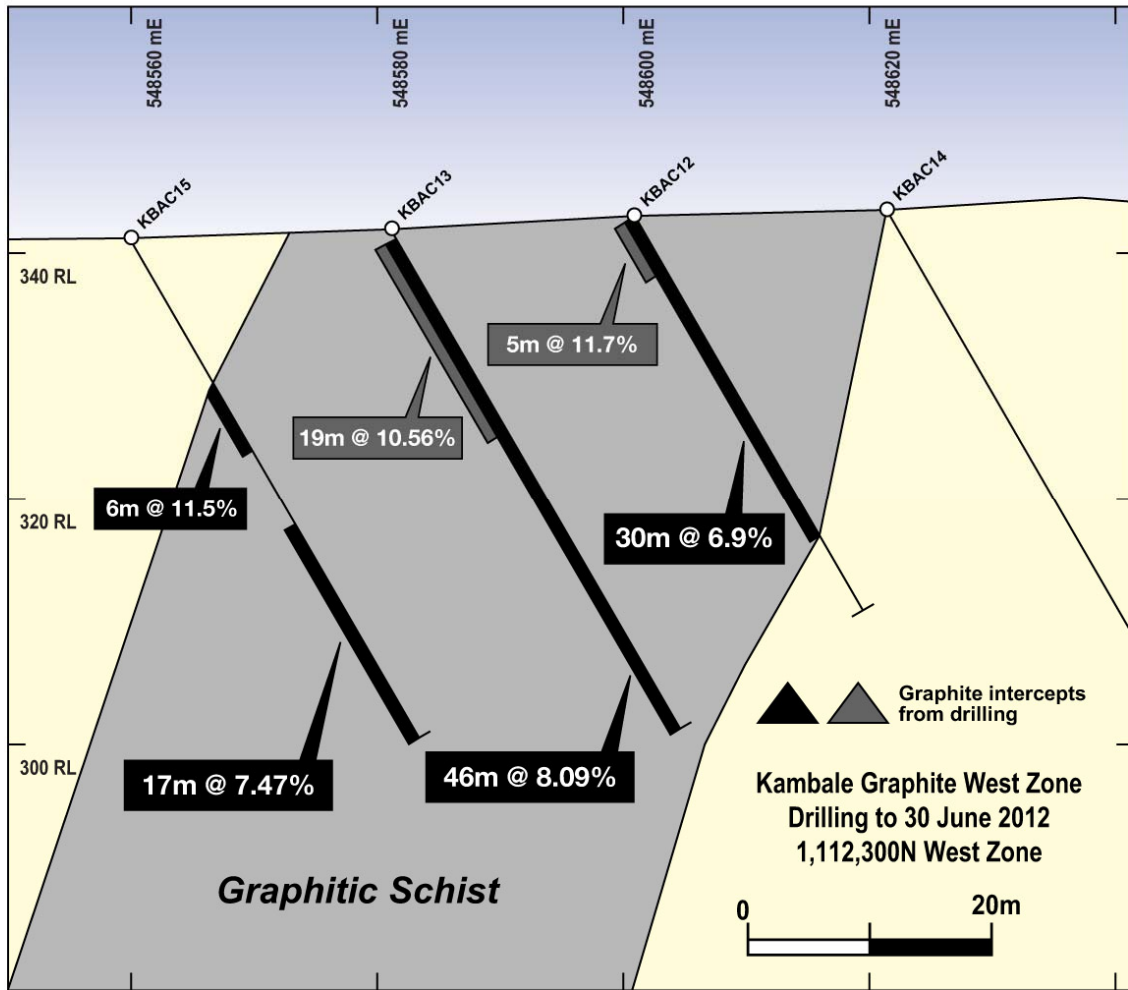
Drill Hole location plan of the Western Zone with significant graphite intercepts



Drill cross section 1,112,140mN showing +50m wide zone of graphitic schist



Drill cross section 1,112,700mN showing high grade graphitic schist



RC drilling cross section 1,112,300mN showing +50m wide zone of graphitic schist



RC Drilling at Kambale

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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 11,000km².

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.

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 his information in the form and context in which it appears.

Wa Project - Kambale Graphite Prospect - RC Drilling - Significant Graphitic Carbon Intercepts

| Hole Number | Northing | Easting | mRL | Azimuth | Dip | Hole Depth | Organic Carbon (Graphite) Intercept |
|-------------|------------|-----------|-------|---------|-----|------------|--------------------------------------|
| 12KBAC002 | 1112047.83 | 548410.19 | 344.6 | 90 | -60 | 30 | 11 m @ 8.32 % C from 1m |
| 12KBAC003 | 1112049.67 | 548389.75 | 344 | 90 | -60 | 38 | 7 m @ 6.46 % C from surface |
| | | | | | | | 18 m @ 6.87 % C from 17m |
| 12KBAC004 | 1112049.09 | 548368.39 | 343.2 | 90 | -60 | 26 | 13 m @ 8.23 % C from 13m |
| 12KBAC005 | 1112048.30 | 548347.52 | 342.0 | 90 | -60 | 24 | 8 m @ 6.39 % C from 13m |
| 12KBAC007 | 1112048.61 | 548231.15 | 339.6 | 90 | -60 | 24 | 12 m @ 7.04 % C from 2m |
| 12KBAC008 | 1112049.11 | 548209.45 | 339.3 | 90 | -60 | 45 | 33 m @ 8.26 % C from 2m |
| 12KBAC009 | 1112047.49 | 548189.73 | 339.0 | 90 | -60 | 60 | 30 m @ 9.12 % C from 24m |
| 12KBAC012 | 1112300.00 | 548601.00 | 343.0 | 90 | -60 | 37 | 30 m @ 6.96 % C from surface |
| | | | | | | includes | 5 m @ 11.70 % C from surface |
| 12KBAC013 | 1112299.50 | 548581.10 | 342.0 | 90 | -60 | 47 | 46 m @ 8.09 % C from surface |
| | | | | | | includes | 19 m @ 10.56 % C from surface |
| 12KBAC015 | 1112299.70 | 548559.85 | 341.3 | 90 | -60 | 47 | 6 m @ 11.52 % C from 14m |
| | | | | | | | 17 m @ 7.47 % C from 27m |
| 12KBAC020 | 1112299.62 | 548378.19 | 337.6 | 90 | -60 | 39 | 17 m @ 6.90 % C from 21m |
| 12KBAC021 | 1112300.20 | 548361.29 | 337.3 | 90 | -60 | 58 | 13 m @ 7.03 % C from 42m |
| 12KBAC023 | 1112301.69 | 548318.73 | 336.5 | 90 | -60 | 41 | 24 m @ 5.80 % C from 1m |
| | | | | | | | m @ % C from |
| 12KBAC024 | 1112302.39 | 548298.36 | 336.0 | 90 | -60 | 27 | 12 m @ 5.14 % C from 13m |
| 12KBAC027 | 1112499.74 | 548721.58 | 342.8 | 90 | -60 | 53 | 17 m @ 5.13 % C from 33m |
| 12KBAC029 | 1112500.54 | 548680.41 | 341.1 | 90 | -60 | 43 | 8 m @ 5.77 % C from 12m |
| 12KBAC030 | 1112500.91 | 548660.13 | 340.6 | 90 | -60 | 46 | 6 m @ 5.70 % C from 36m |
| 12KBAC035 | 1112499.69 | 548478.10 | 336.2 | 90 | -60 | 23 | 9 m @ 10.81 % C from surface |
| 12KBAC036 | 1112500.19 | 548459.55 | 335.5 | 90 | -60 | 42 | 10 m @ 5.76 % C from 3m |
| | | | | | | | 9 m @ 8.60 % C from 19m |
| 12KBAC041 | 1112699.32 | 548859.01 | 342.3 | 90 | -60 | 40 | 19 m @ 10.74 % C from 21m |
| | | | | | | Includes | 1 m @ 24.60 % C from 21m |
| | | | | | | and | 1 m @ 20.80 % C from 36m |
| | | | | | | | m @ % C from |
| 12KBAC044 | 1112701.55 | 548795.33 | 343.8 | 90 | -60 | 42 | 24 m @ 8.46 % C from 2m |
| | | | | | | includes | 10 m @ 11.07 % C from 5m |
| 12KBAC045 | 1112702.72 | 548774.61 | 344.6 | 90 | -60 | 37 | 16 m @ 7.86 % C from 10m |
| 12KBAC046 | 1112703.28 | 548758.06 | 344.9 | 90 | -60 | 57 | 26 m @ 10.85 % C from 30m |
| | | | | | | Includes | 16 m @ 12.25 % C from 40m |
| 12KBAC049 | 1112697.07 | 548632.95 | 338.4 | 90 | -60 | 34 | 31 m @ 5.01 % C from surface |
| 12KBAC050 | 1112698.20 | 548606.77 | 337.5 | 90 | -60 | 52 | 19 m @ 5.52 % C from 33m |
| 12KBAC081 | 1112200.56 | 548457.22 | 342.0 | 90 | -60 | 44 | 11 m @ 6.22 % C from 10m |
| | | | | | | and | 6 m @ 7.17 % C from 33m |
| 12KBAC084 | 1112201.72 | 548273.25 | 337.3 | 90 | -60 | 24 | 19 m @ 9.56 % C from 3m |
| 12KBAC085 | 1112202.95 | 548256.97 | 336.6 | 90 | -60 | 23 | 10 m @ 6.48 % C from 7m |
| 12KBAC086 | 1112049.08 | 548249.40 | 339.9 | 90 | -60 | 51 | 19 m @ 6.46 % C from 30m |
| 12KBAC087 | 1112048.16 | 548267.61 | 340.3 | 90 | -60 | 34 | 20 m @ 8.20 % C from 9m |
| 12KBRC001 | 1112138.90 | 548178.31 | 335.9 | 87 | -49 | 113 | 52 m @ 7.60 % C from 40m |
| | | | | | | including | 30 m @ 8.37 % C from 40m |
| 12KBRC002 | 1112138.23 | 548408.84 | 343.0 | 92 | -50 | 90 | 28 m @ 7.23 % C from 33m |
| 12KBRC003 | 1112599.57 | 548765.57 | 343.6 | 87 | -50 | 100 | 36 m @ 6.93 % C from 48m |

Assays reported from 1m samples from Reverse Circulation Drilling

No top cut applied.

Carbon (Graphitic Carbon) analysis by LECO Furnace. Analysis performed by SGS Laboratories, Johannesburg SA.

QAQC completed using blanks and duplicates.

Hole collars surveyed by base station controlled GPS to +/- 10cm.