

2nd October 2012



ASX Announcement

New Gold Target Identified at Kandia West Prospect

Castle Minerals Limited (ASX: CDT) is pleased to announce that soil geochemical sampling at the Kandia West prospect has identified multiple gold anomalies over a 3km long corridor.

The anomalies are interpreted to be underlain by a sequence of Tarkwaian conglomerates and sandstones, that elsewhere in Ghana are prominent hosts to gold mineralisation. At Kandia West the anomalies occur in a north-east trending structural corridor that trends into known gold mineralisation at the Collette prospect (ASX: AZM) four kilometres north-east.

Castle's Managing Director, Mr Mike Ivey, said; "Our exploration work continues to generate substantial new gold targets and we look forward to the first drill testing of this anomaly."

First drill testing is planned for Q4 2012.

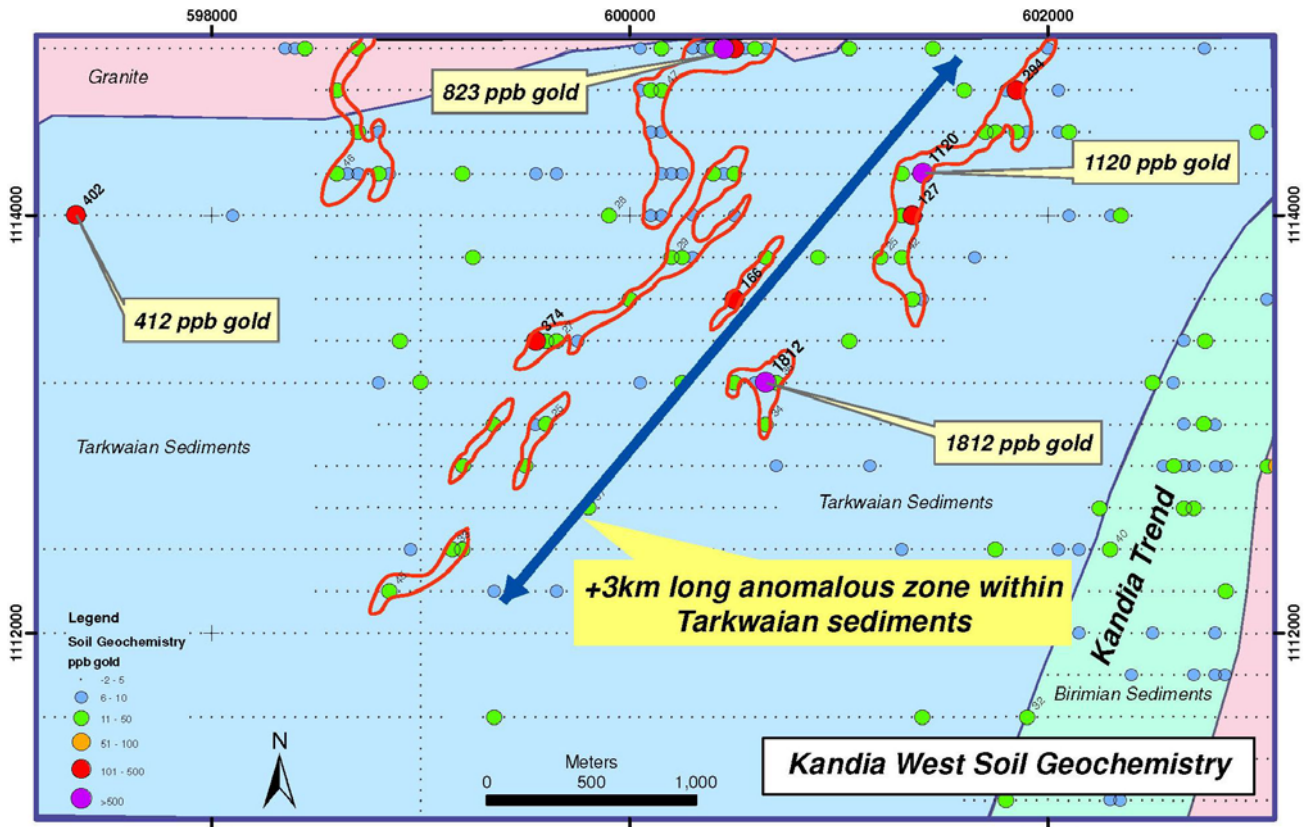
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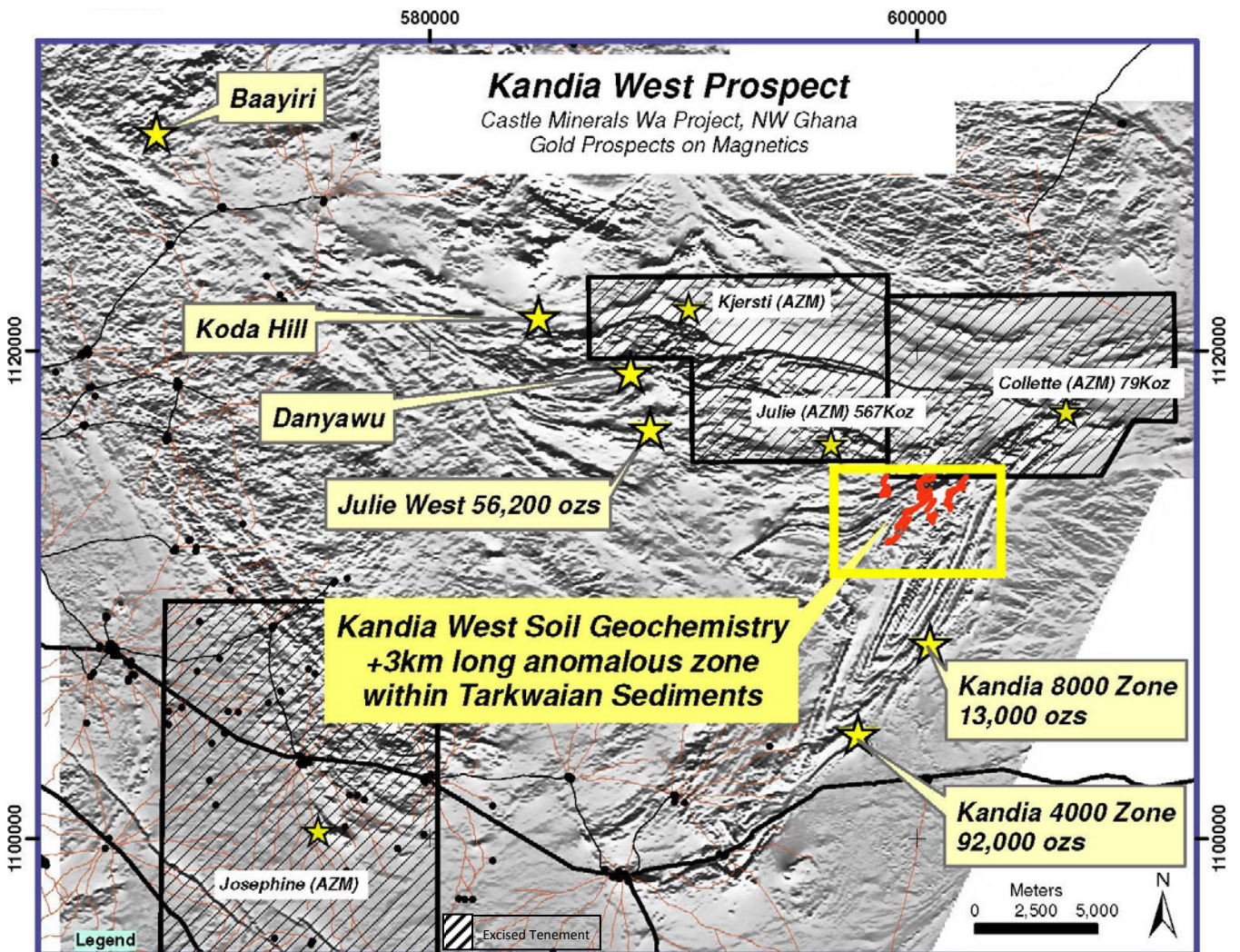
About Castle:

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.



Kandia West soil geochemical anomalies and interpreted geology

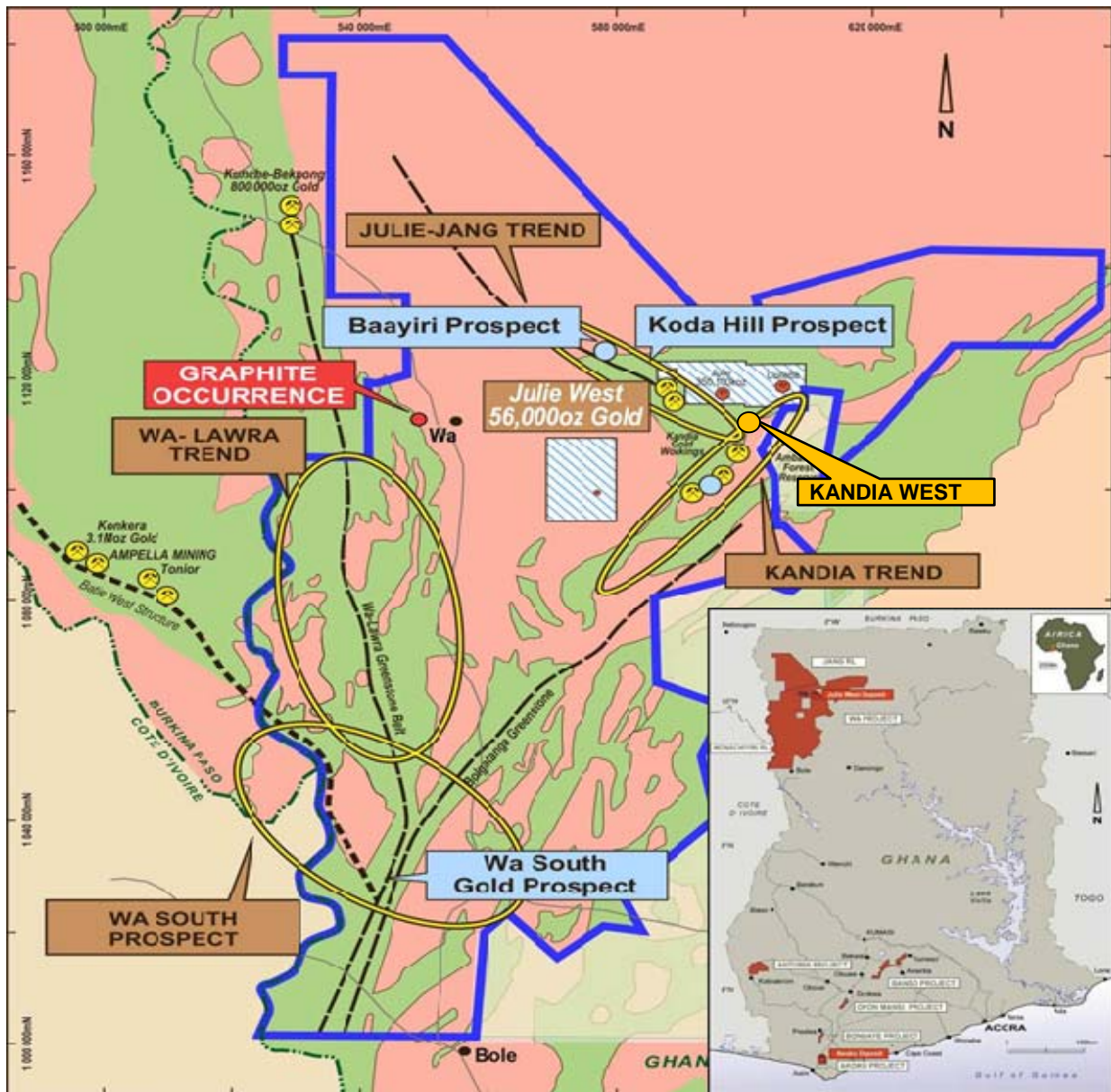


Portion of Wa Project in north-west Ghana showing gold prospects and new Kandia West gold anomalies

Mapping indicates that the prospect area is underlain by arenaceous rocks, sandstones, grits and wackes with lithic fragments in places and relict cross beds. Coarser layers and crossbeds include strongly magnetic (magnetite) layers that explain the strong geophysical response. The rocks are interpreted to be Tarkwaian. Despite good outcrops in places, most of the area is flat and soil covered.



Outcrop of Tarkwaian conglomerate from the Kandia West prospect.



Castle's Wa Project in north-west Ghana

Soil sampling was completed on 200m spaced lines with samples collected from approximately 40cm depth. Gold analysis was undertaken by SGS Laboratories (phase one) and Intertek Laboratories (phase two) both of Tarkwa Ghana. BLEG analysis was used for gold determination using 1kg bottle roll cyanidation, with AAS finish to 1ppb detection limit (Intertek) and 2ppb detection limit (SGS). Duplicates, blanks and standards were submitted with all assay batches with no issues reported. Sample sites surveyed by handheld GPS.

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