

15<sup>th</sup> January 2013



**ASX Announcement**

## **High Grade RC Drilling Extends Danyawu Prospect**

Castle Minerals Limited (ASX:**CDT**) is pleased to announce that RC drilling at the Danyawu prospect in north west Ghana has intersected further high grade gold extending the zone of known mineralisation. The results together with previously reported intercepts will enable the completion of a maiden gold resource for this near surface high grade deposit.

Significant gold results include; **13m @ 4.48g/t** (JWRC253) including **8m@ 6.8g/t** from 49m, **3m @ 5.35g/t** from 57m (JWRC254), **9m@ 1.87g/t** from 50m (JWRC252), **9m @ 1.58g/t** from 49m (JWRC251) and **9m @ 1.24g/t** from 68m (JWRC260). Results are from fire assay analysis of 1m RC drill samples.

Gold mineralisation at Danyawu remains open down plunge and occurs within a laminated quartz reef that has intruded granodiorite and mafic host rocks. It is considered geologically similar to Castles' Julie West Gold deposit (415,000t @ 4.2g/t gold) located 2km to the south.

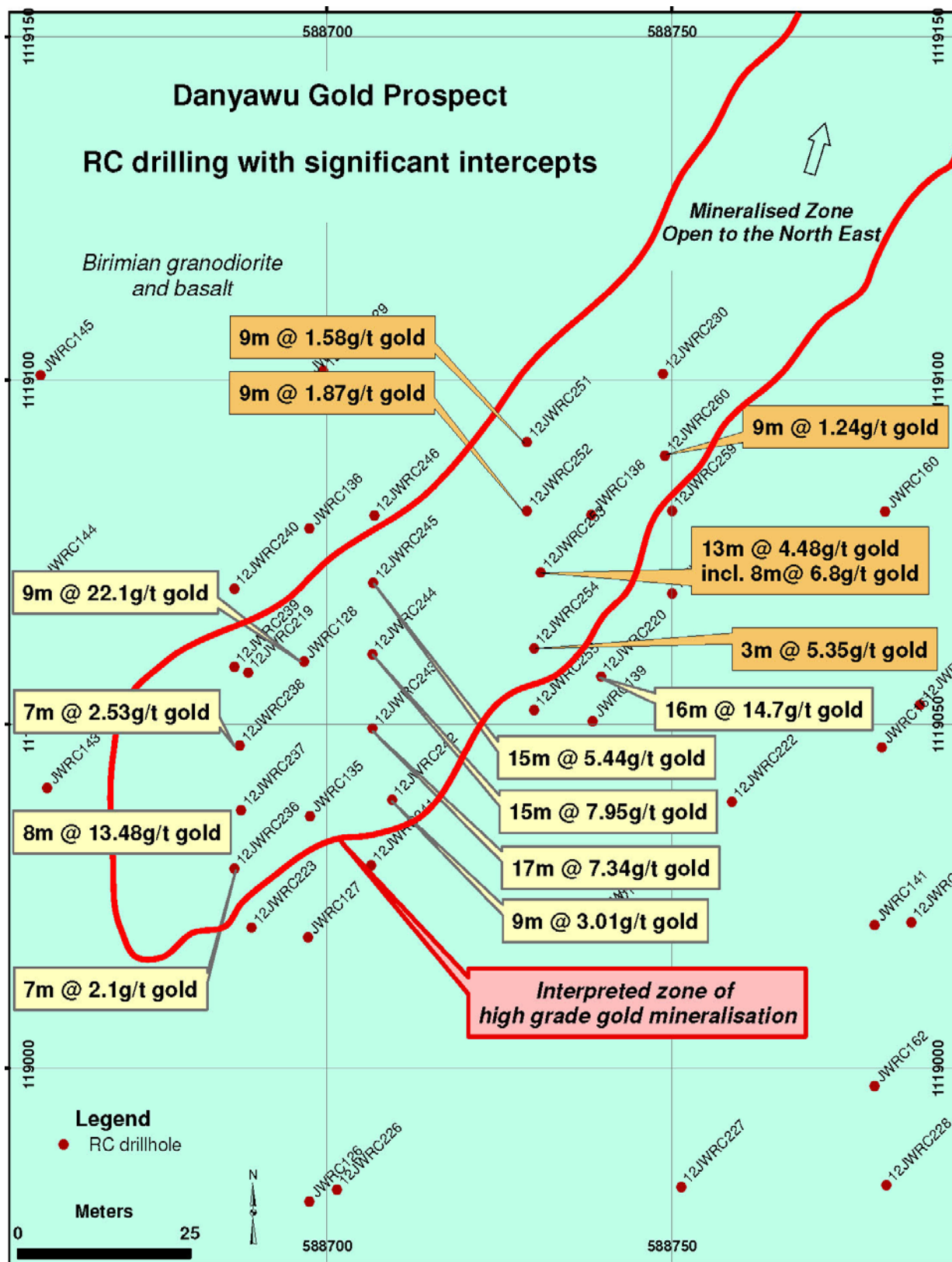
Initial bottle roll leach tests on RC samples indicate that the mineralisation is likely to be free milling with high recoveries via conventional crushing and cyanidation.

Castle's Managing Director, Mr Mike Ivey said, "These results are very positive and we look forward to now completing a maiden gold resource for this deposit".

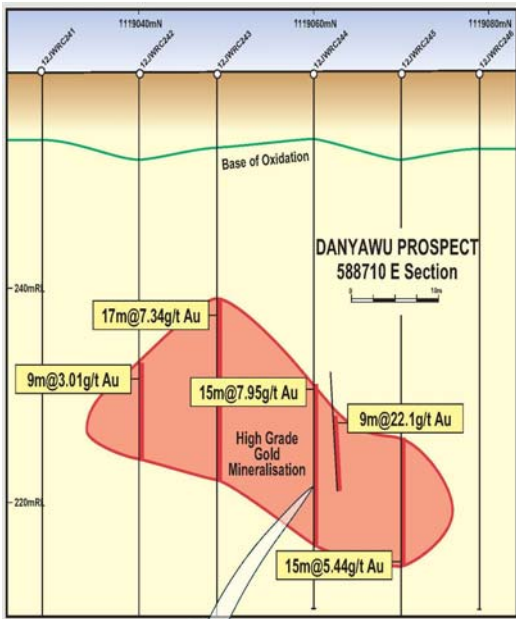
Elsewhere within Castle's Wa gold project in north-west Ghana, RAB drilling using Castle's own drill rig is continuing with a +40,000m program testing 26 of more than 60 gold targets identified within the larger Wa Project area. With its own rig Castle was able to significantly reduce drilling costs during the 2011/12 drill season.

For further information please contact:

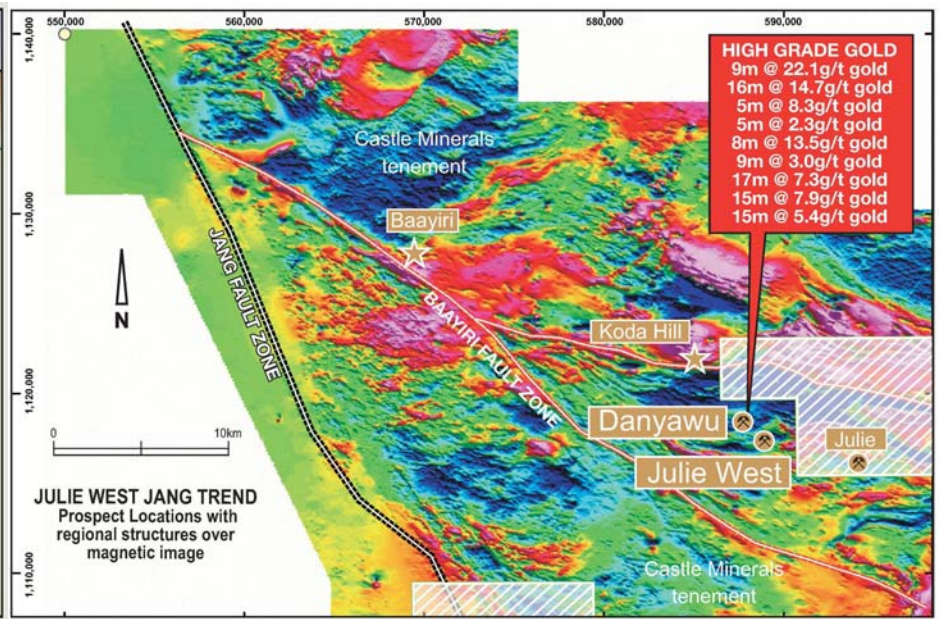
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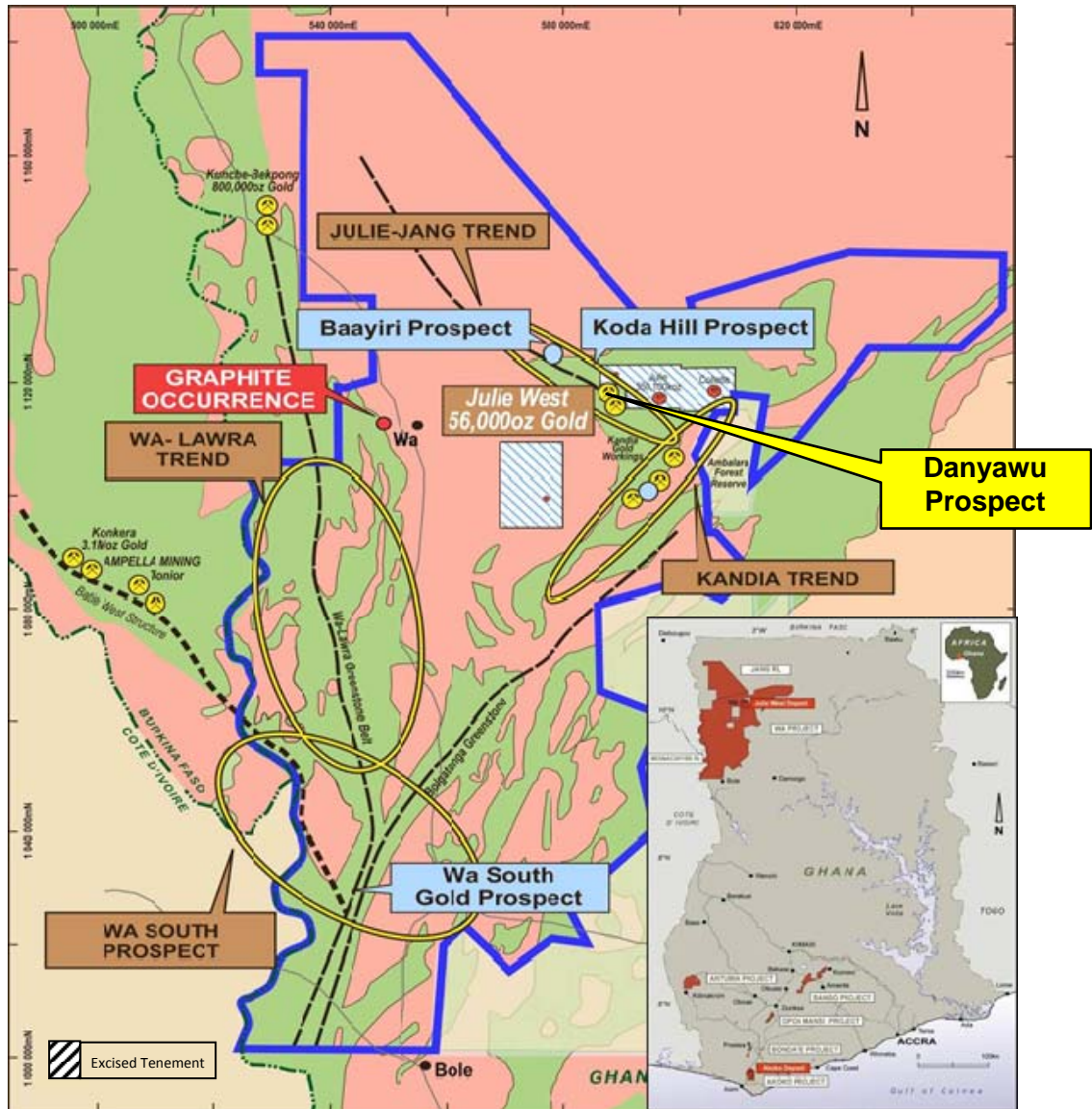
Danyawu drill hole location plan with significant RC drilling intercepts



Danyawu RC cross section



Danyawu prospect location on magnetic image



Castle's Wa Project in North West Ghana

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, Banzo, 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.

**Danyawu Prospect - Significant RC Drilling Intercepts**

Hole Number	Northing	Easting	mRL	Azimuth	Dip	Hole Depth	Intercept
12JWRC251	1119091	588729	244	0	-90	70	<b>9m @ 1.58 g/t gold from 49m</b> 1m @ 1.03 g/t gold from 57m
12JWRC252	1119081	588729	235	0	-90	70	<b>5m @ 1.29 g/t gold from 18m</b> <b>9m @ 1.87 g/t gold from 50m</b>
12JWRC253	1119072	588731	238	0	-90	70	1m @ 1.26 g/t gold from 15m <b>13m @ 4.48 g/t gold from 49m</b> <i>Includes</i> <b>1m @ 22.25 g/t gold from 49m</b> <i>and</i> <b>1m @ 21.11 g/t gold from 56m</b>
12JWRC254	1119061	588730	236	0	-90	70	1m @ 1.41 g/t gold from 15m <b>3m @ 5.35 g/t gold from 57m</b> <i>Includes</i> <b>1m @ 11.44 g/t gold from 59m</b>
12JWRC255	1119052	588730	231	0	-90	70	<b>2m @ 3.67 g/t gold from 15m</b>
12JWRC258	1119069	588750	235	0	-90	90	<b>3m @ 1.22 g/t gold from 28m</b> <b>1m @ 9.03 g/t gold from 69m</b>
12JWRC260	1119089	588749	235	0	-90	90	1m @ 1.45 g/t gold from 37m 1m @ 1.02 g/t gold from 42m <b>9m @ 1.24 g/t gold from 68m</b>

Notes:

Reverse Circulation drilling. Assays reported from 1m RC splits.

No top cut applied. Gold analysis by 50g Fire Assay/AAS. Analysis performed by Intertek Laboratories, Tarkwa, Ghana.

QAQC completed with no bias noted. Hole collars picked up 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.*

*Information in this announcement that relates to the Gold 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.*