22 June 2015

ASX Announcement

CASTLE SIGNS HEADS OF AGREEMENT WITH DUNDEE PRECIOUS METALS

Castle Minerals Limited (ASX:**CDT**) is pleased to announce that it has executed a conditional Heads of Agreement with Canadian listed gold producer Dundee Precious Metals Inc. over two of Castle's concessions in north west Ghana.

Under the terms of the agreement (which is subject to a 60 day due diligence period) Dundee may earn an 80% interest in two of Castle's Wa South concessions by spending up to $US8M over six years.

Castle's Managing Director, Mr Mike Ivey, said; "it is very pleasing to have a Company of the calibre of Dundee join us in our exploration effort and allows our highly prospective southern Wa Project concessions to continue to be aggressively explored".

Dundee's initial obligation is a minimum exploration spend of US$500,000 in the first 12 months. Under the key agreement terms Dundee will earn a 51% interest if it continues to fund exploration up to US$2.3M (Phase 1) and can then earn an additional 14% by expenditure of US$1M and a final 15%, to take its interest to 80%, by funding exploration expenditure of a further US$5M.

Castle will be the operator of the joint venture project during Phase I and receive a management fee plus a cash payment of US$50,000. The JV area covers the Degbiwu Prospecting Licence and the Gbiniyiri Reconnaissance Licence for a total area of 1,200km^2. Castles' Kpali gold discovery (107,200 ounces)[1] and the Bundi gold/zinc discovery are located within the JV area and will be the initial focus of exploration by Dundee.

Castle will continue exploration on the remainder of its gold targets in NW Ghana including progressing the development of the near surface Julie West and Danyawu gold resources that total 487,100t @ 4.4g/t gold[3].

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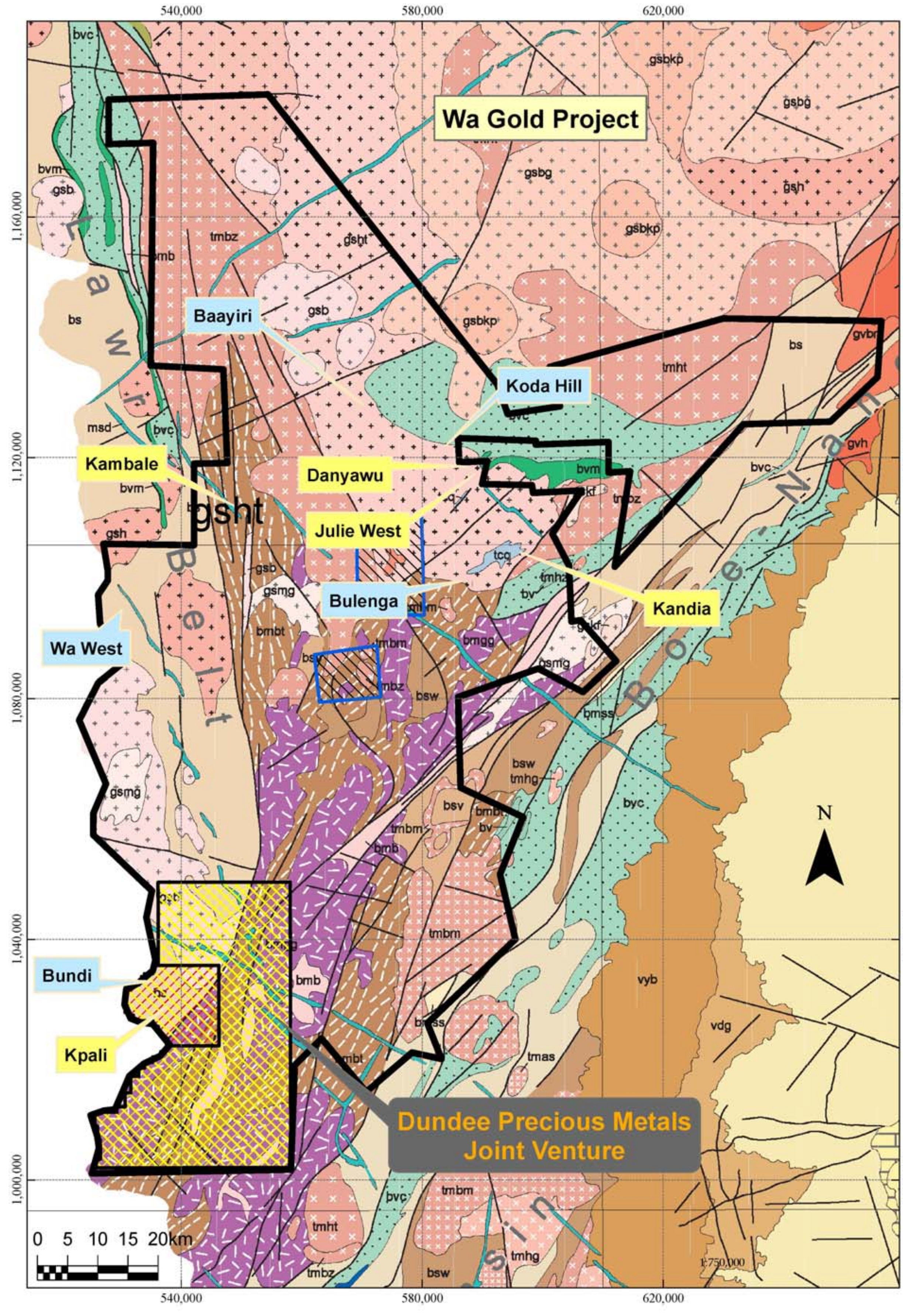

Figure 1: Wa Gold Project geology and prospects and Dundee Precious Metals JV area

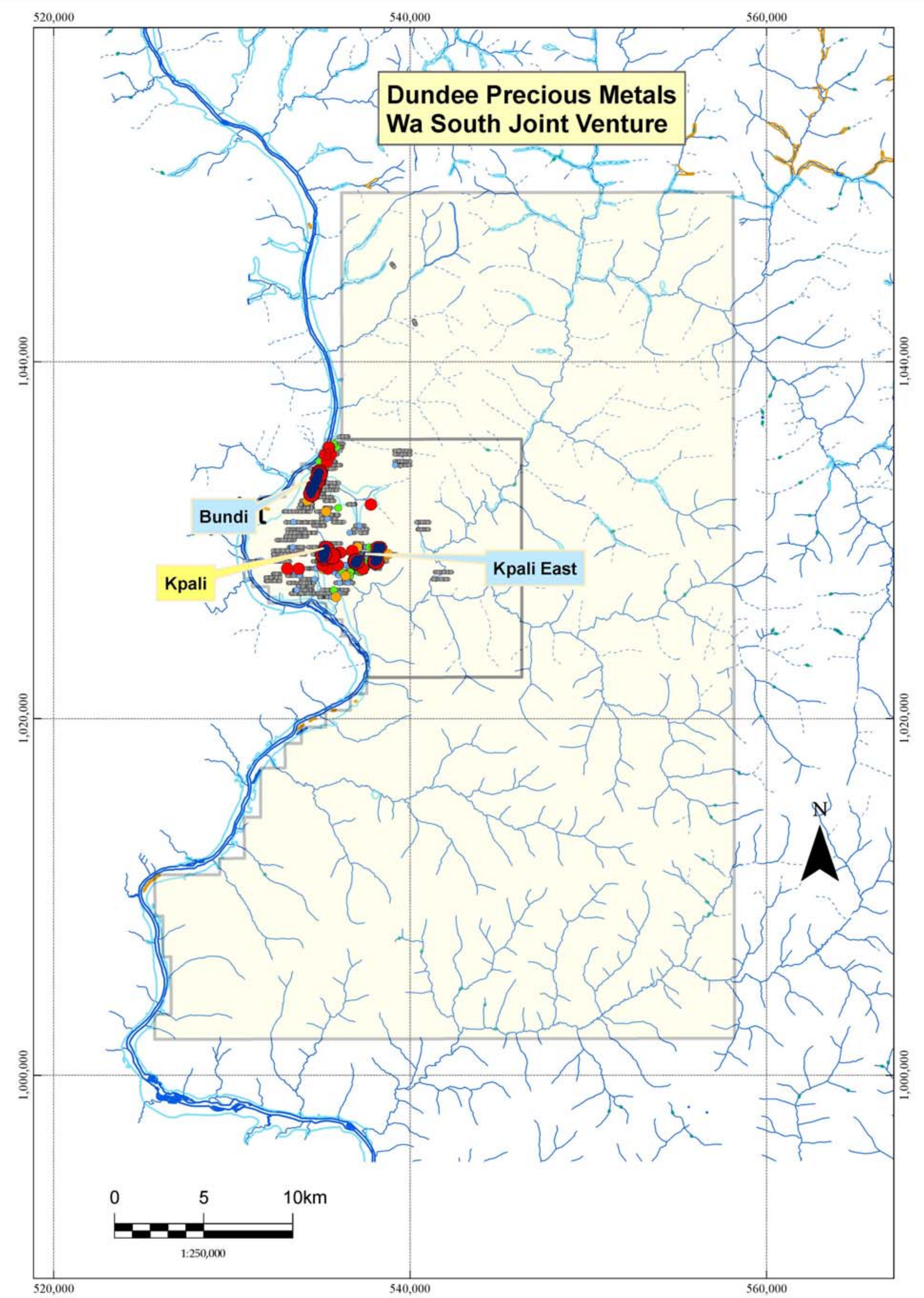

Figure 2: Dundee Precious Metals Wa South JV area showing advanced gold prospects and all RAB and RC drill collars.

For further information please contact:
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[1]*ASX release 2 July 2014:* *Maiden Resource Estimate for the Kpali Gold Prospect*
[2]*ASX release 18 January 2014:* *Kpali Drill results*
[3]*ASX release 7 March 2013:* *Gold Resource at Julie West Prospect Increased*

About Castle:

Castle Minerals listed on the Australian Stock Exchange in May 2006 (ASX code '**CDT**') and has since acquired the rights to five mineral projects in Ghana, West Africa including Akoko, Antubia, 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 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.

Castle has so far, discovered seven green fields gold deposits in Ghana with six of those having a formal Mineral Resource completed for an aggregate total of 362,000 ounces. In addition Castle has defined an Inferred Mineral Resource at the Kambale graphite deposit in NW Ghana that contains 14.5 million tonnes @ 7.2% graphitic carbon.

Castle owns and operates its own RAB drill rig in Ghana completing over 100,000m of low cost drilling to date.

Information in this announcement that relates to Exploration Results and 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 consultant to 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 2012 JORC Code. Michael Ivey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.