

SUMMARY

Castle discovers significant gold mineralisation in maiden drilling program

- Drilling at the **Banso Project** has intersected significant oxide and primary gold mineralisation in several holes with best results including;

BNRC 04	5m	@	3.49g/t	gold from 18m
BNRC 04	19m	@	1.27g/t	gold from 61m
BNRC 11	3m	@	2.47g/t	gold from 6m
BNRC 26	6m	@	3.13g/t	gold from 44m
BNRC 25	10m	@	11.06g/t	gold from 50m

- Sampling at the **Antubia project** has defined an **anomalous gold corridor** oriented approximately north – south **4.5 kilometres long** with two areas considered of particular importance, named **Boizan** and **Sumiakrom Hill**. At Boizan, eight values above 1g/t gold were reported including **values of 8 g/t, 5g/t and 2.5g/t**.
- At **Sumiakrom Hill** high grade soil values (max. 1.2g/t) were reported on the north side of a small hill and extending north east for over 1,000 metres. Some old workings are evident around the Sumiakrom Hill area.



Drilling at the Banso Project

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Applecross WA 6953
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Capital Structure
Quoted: 15.3 million
Unquoted: 23 million
Total: 38.3 million
Unlisted 35c Options
6.9 million

ASX Code: CDT

Board Members
Michael Ivey
Chairman, MD & CEO
Campbell Ansell
Non Executive Director
Michael Ashforth
Non Executive Director
Dennis Wilkins
Company Secretary

Castle Minerals Limited

Castle Minerals Limited (ASX code 'CDT') is a gold exploration Company with five 100% owned projects in Ghana West Africa.

Since listing in May 2006, Castle has;

- gridded 624 line kilometres
- collected 12,158 soil samples
- dug 367 exploration pits
- drilled 40 RC holes for 3,248 metres
- applied for 3 new mineral concessions and,
- reviewed numerous exploration properties

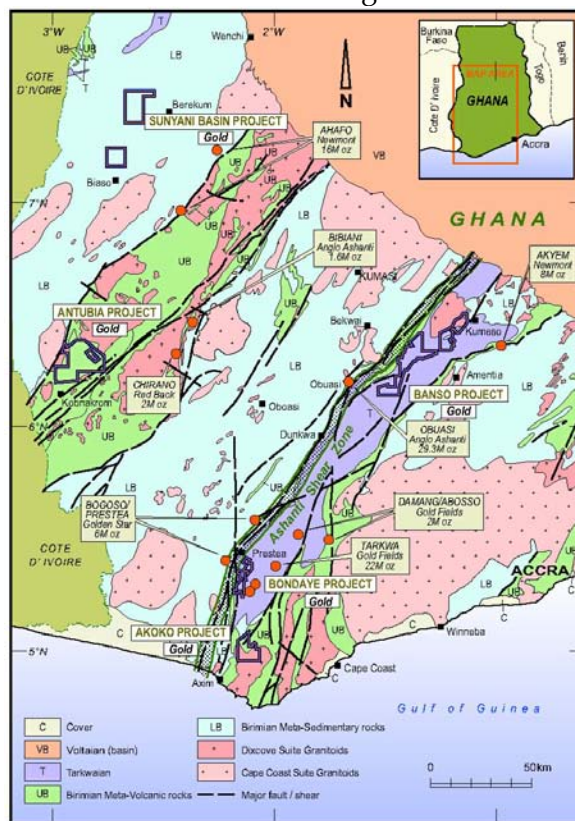
Upcoming exploration includes pitting at Antubia and then RC drilling at both the Antubia and Banso projects.

Castle's land holding in Ghana exceeds 1,000 km². Ghana is the worlds tenth and Africa's second largest producer of gold.



CASTLE MINERALS LIMITED

The Castle board and management have



Castle Project Areas in South West Ghana

EXPLORATION ACTIVITIES

BANSO PROJECT (100% Castle Minerals)

Banso is located approximately 180km northwest of Accra, in the Ashanti gold belt. It is ~20km west of Newmont's 8Moz Akyem gold mine and ~10km east of AngloGold Ashanti's 50Moz Obuasi gold mine.

During the quarter a 40 hole, 3,248 metre reverse circulation drilling program was successfully completed.

The drilling has intersected significant oxide and primary gold mineralisation in several holes with best results including;

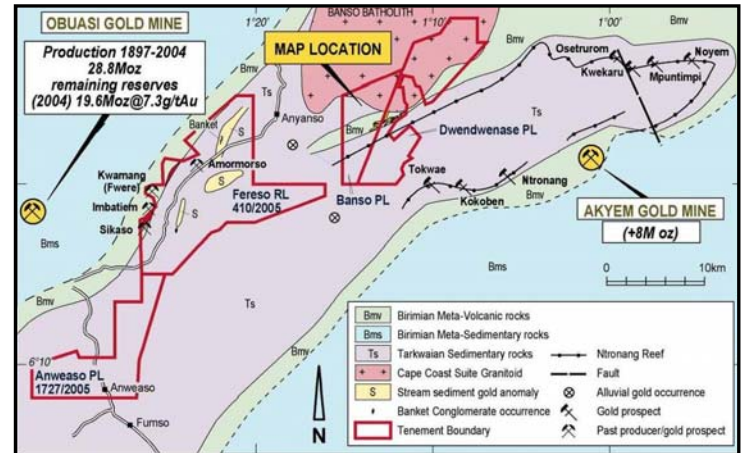
BNRC 04	5m @ 3.49g/t from 18m
BNRC 04	19m @ 1.27g/t from 61m
BNRC 11	3m @ 2.47g/t from 6m
BNRC 26	6m @ 3.13g/t from 44m
BNRC 25	10m @ 11.06g/t from 50m

Gold mineralisation occurs in silicified and pyritic gabbro at the western end of the prospect and on the gabbro/sediment contact in the central portion of the prospect area.

The drilling was completed on 11 drill fences spaced approximately 100, 200 and 400m apart over a strike length of 3 kilometres, designed to test the previously defined gold in soil and pit anomalies generated by Castle.

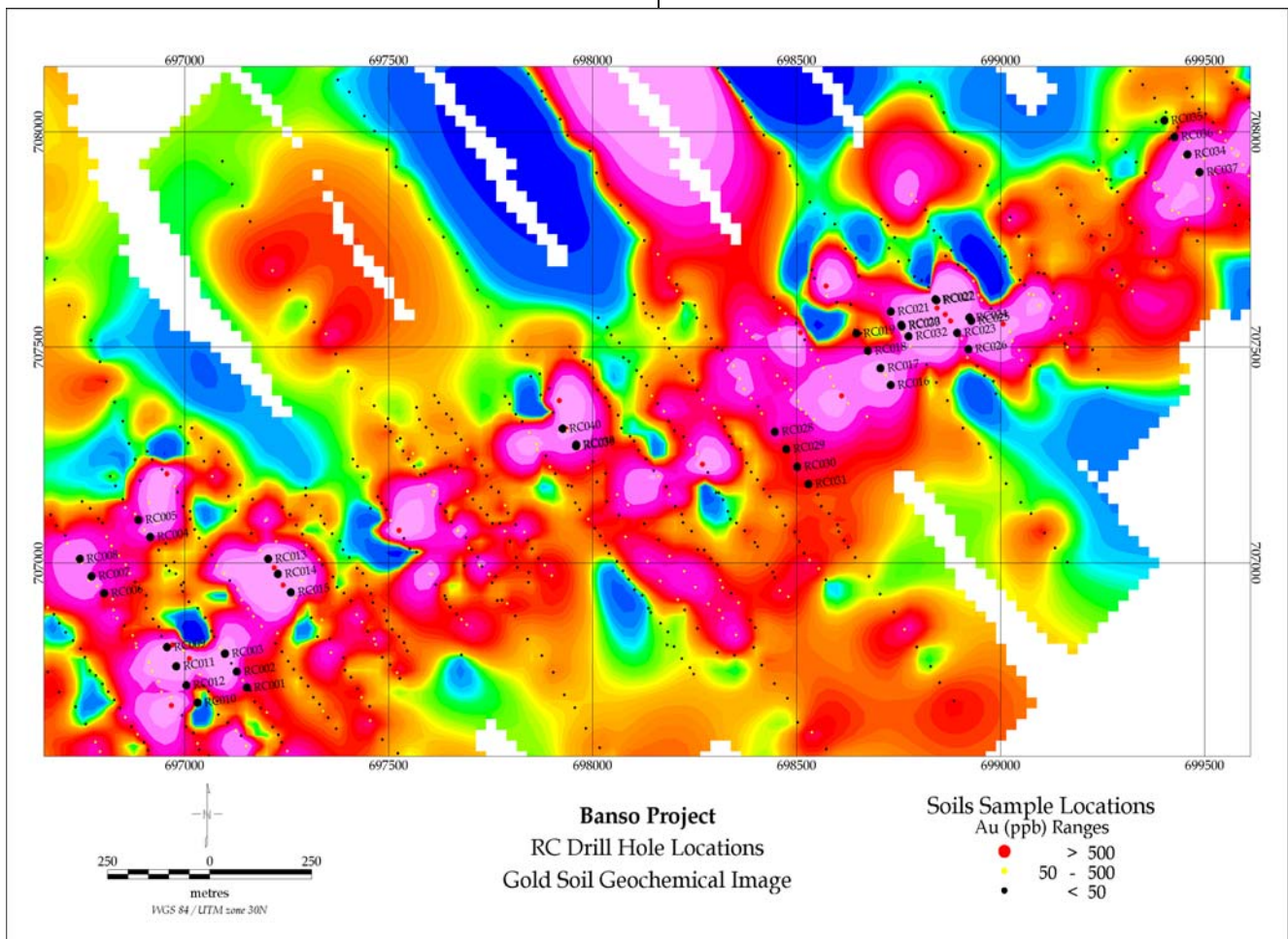
This work has identified several areas that warrant immediate follow-up drilling and there is considerable scope for a substantial mineralised system to exist given the broad drill spacing.

The intercepts in holes BNRC 4, 25 and 26 are of immediate interest being open along strike and down dip and further drilling is currently being planned to test these zones.



The project sits between the world class Akyem and Obuasi gold deposits and also includes over 20 strike kilometres of the highly prospective Ashanti belt contact.

Sampling by Castle along the northwest margin of the belt contact has encountered areas of anomalism and old gold workings that require further investigation.



**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 16Moz Ahafo gold mine operated by Newmont.

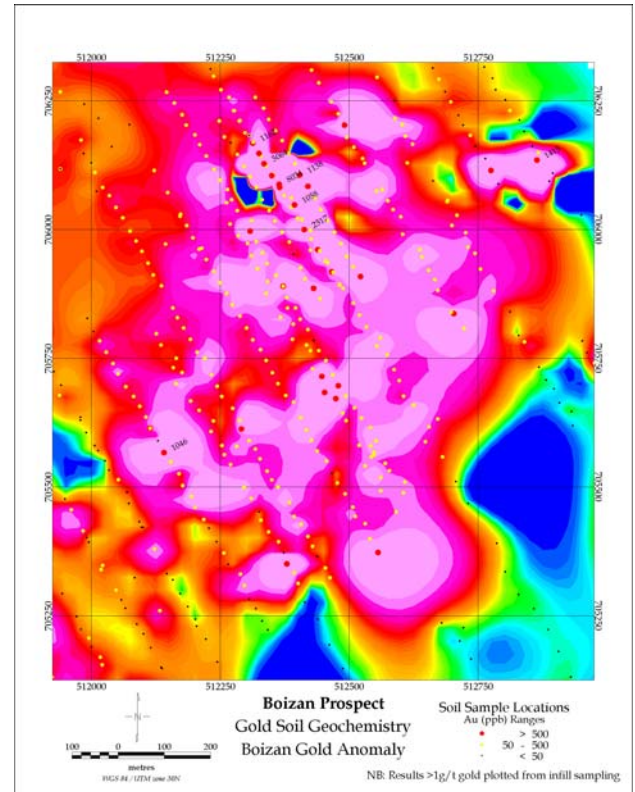
Detailed soil sampling completed during the quarter has confirmed an anomalous gold corridor oriented approximately north – south 4.5 kilometres long.

Within this corridor two areas stand out as being of particular importance, named Boizan and Sumiakrom Hill.

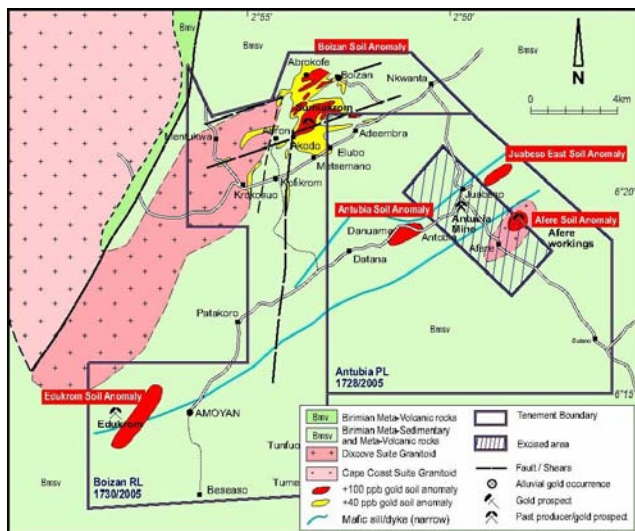
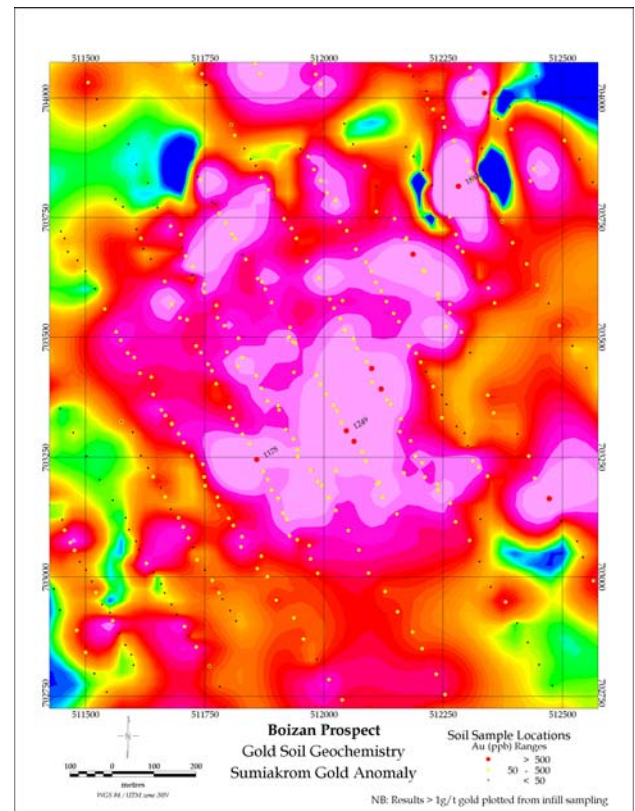
At Boizan, eight values above 1g/t gold were reported including values of 8 g/t, 5g/t and 2.5g/t collected as part of the 100m x 25m infill program. A site visit to the area confirmed it is near the top of a gently sloping hill with no evidence of mining or prospecting having taken place. The Boizan anomaly is approximately 1,000m long and 800m wide.

At Sumiakrom Hill high grade soil values (max. 1.2g/t) were reported on the north side of a small hill and extending north east for over 1,000 metres. Some old workings are evident around the Sumiakrom Hill area.

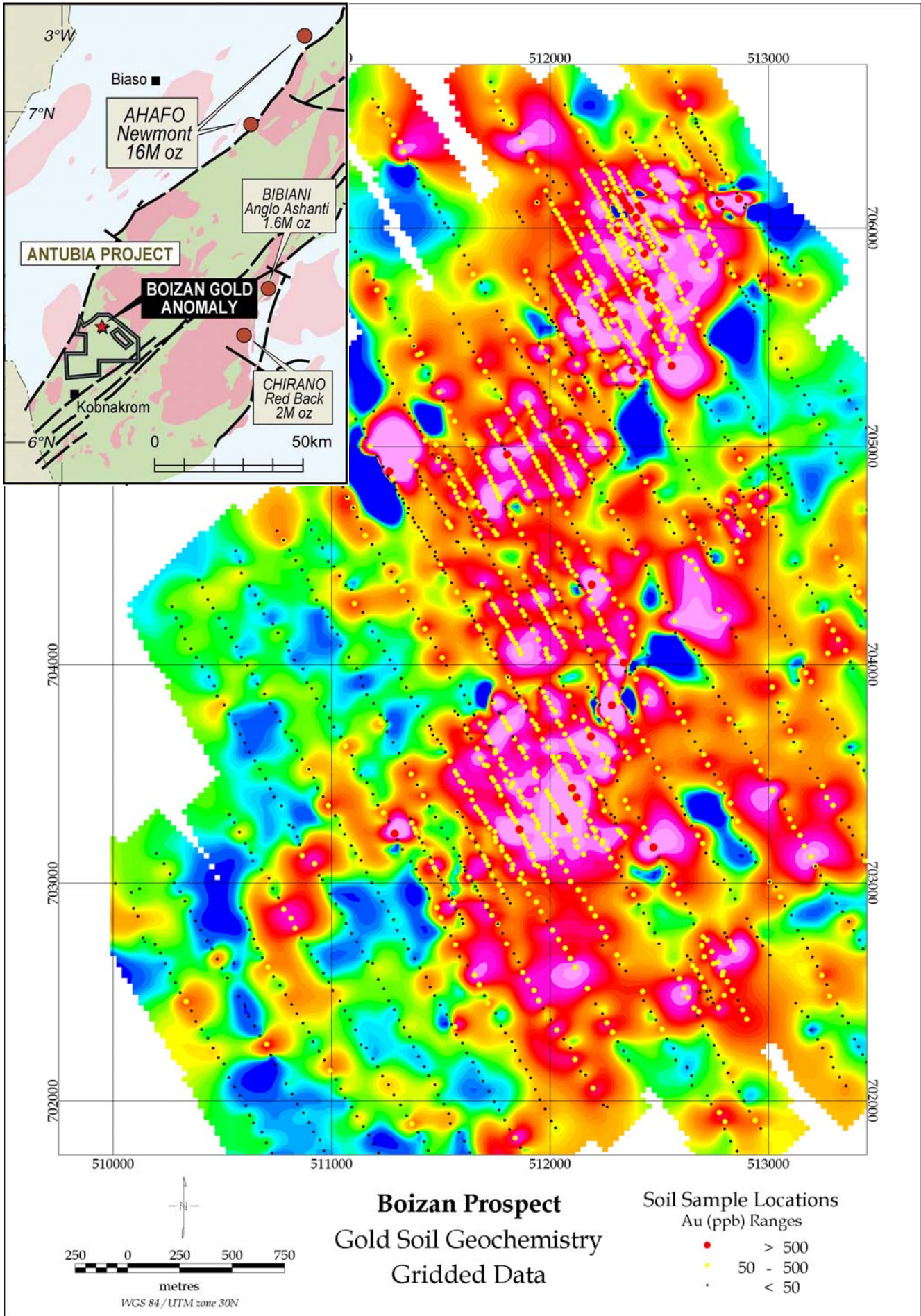
An RC rig has been booked to drill test these areas in December 2006. This drilling is subject to final approvals being sought and Castle is vigorously pursuing these approvals.



Trenching and/or pitting at the Boizan and Sumiakrom anomalies is planned to commence in November in advance of the December drill program.



Antubia Project tenements with soil anomalies



**SUNYANI BASIN PROJECT
(100% Castle Minerals)**

The Sunyani Basin Project consists of two separate granted tenements; Berekum and Bofitire. The project is located approximately 400km northwest of Accra, in the Sefwi gold belt and approximately 40km west of the Newmont's 16Moz Ahafo mine.

Work during the quarter was conducted on the Bofitire tenement where 579 soil samples were taken as part of a wide spaced reconnaissance program (800m x 100/200m sample spacing).

Results have defined a broad area of anomalism in the central portion of the project approximately over a 2,000m x 800m area. A maximum soil value of 369ppb gold was reported. Infill sampling and mapping is proposed to follow-up these results.

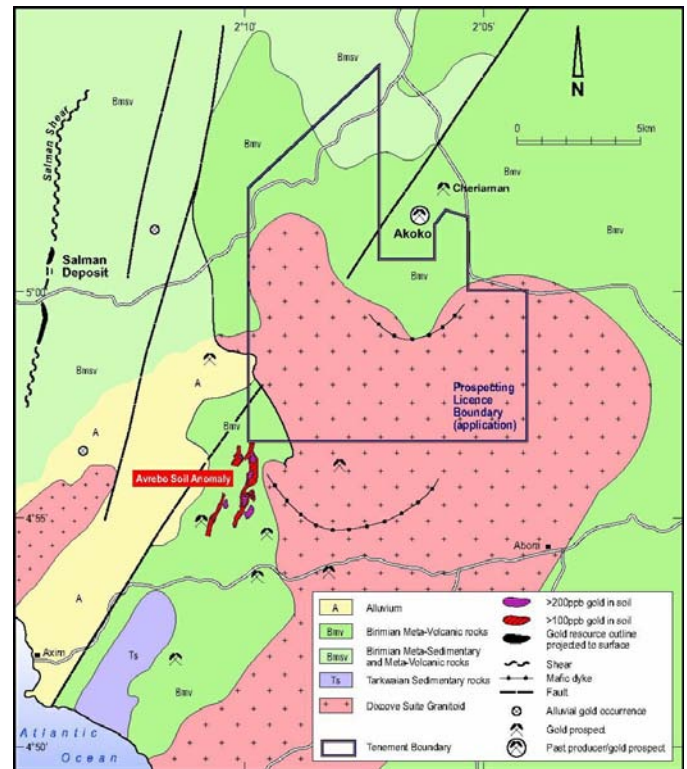
**AKOKO PROJECT
(100% Castle Minerals)**

The Akoko Project consists of one Prospecting Licence application located ~10 km east of Adamus Resources' Salman gold project and 40km south of the 6Moz Prestea gold mine. Adamus has reported a resource of 22mt @ 2.1g/t for 1.5Moz for their combined Salman/Anwia resource.

Upon grant of the Akoko Prospecting Licence, Castle proposes to test for extensions to Adamus's Avrebo soil anomaly. The Avrebo soil anomaly abuts the south west corner of the Akoko application.

The 12km long corridor between the Avrebo soil anomaly and the historic workings at the old Akoko mine (excluded) is considered prospective for gold mineralisation. The old Akoko mine is located only 1.5km north of the project boundary.

Between 1912 and 1928 the Akoko mine produced about 29,000 ounces of gold from 35,600 tonnes of quartz vein hosted ore; representing an average grade of 25.3g/t gold.



Castle Minerals Akoko Prospecting Licence application



Michael Ivey
Managing Director & CEO

Information in this announcement pertaining to exploration results was compiled by Michael Fowler, Castle Minerals Limited Exploration Manager, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Fowler 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 Fowler consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

Statements regarding Castle Minerals' plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Castle Minerals' plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Castle Minerals will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Castle Minerals' mineral properties.

Banso Reverse Circulation Drilling Results

Hole ID	Local North	Local East	UTM North	UTM East	mRL	Depth (m)	Dip	Azimuth Mag	Intersection
BNRC001	20,700	28,200	706,710.5	697,152.3	201.0	80	-50	330	No Significant Intersection
BNRC002	20,750	28,200	706,747.5	697,127.6	206.1	80	-50	330	1m @ 0.94g/t gold from 65m
BNRC003	20,800	28,200	706,789.2	697,098.6	212.5	80	-50	330	2m @ 1.26g/t gold from 1m 2m @ 0.55g/t gold from 56m
BNRC004	21,125	28,200	707,060.0	696,915.4	211.0	80	-50	330	5m @ 3.49g/t gold from 18m including 1m @ 13.7 g/t gold from 18m 1m @ 1.25g/t gold from 42m 19m @ 1.27g/t gold from 61m
BNRC005	21,175	28,200	707,099.8	696,886.2	215.0	80	-50	330	1m @ 1.04g/t gold from 28m
BNRC006	21,075	28,000	706,929.5	696,802.4	206.3	80	-50	330	1m @ 1.42g/t gold from 79m
BNRC007	21,125	28,000	706,968.9	696,771.5	210.6	80	-50	330	4m @ 1.45g/t gold from 62m
BNRC008	21,175	28,000	707,009.2	696,742.8	216.3	80	-50	330	9m @ 0.64g/t gold from 0m 4m @ 2.57g/t gold from 26m 1m @ 1.64g/t gold from 35m 1m @ 1.64g/t gold from 78m
BNRC009	20,875	28,050	706,804.2	696,956.4	206.3	84	-50	330	1m @ 4.67g/t gold from 0m
BNRC010	20,725	28,050	706,675.1	697,031.7	202.4	80	-50	330	No Significant Intersection
BNRC011	20,825	28,050	706,759.9	696,979.0	207.7	84	-50	330	3m @ 2.47g/t gold from 6m 1m @ 1.16g/t gold from 37m
BNRC012	20,775	28,050	706,715.8	697,003.8	206.3	84	-50	330	2m @ 1.01g/t gold from 8m 2m @ 1.20g/t gold from 15m 3m @ 0.57g/t gold from 28m
BNRC013	20,925	28,400	707,009.3	697,204.5	222.8	80	-50	330	No Significant Intersection
BNRC014	20,875	28,400	706,974.3	697,228.1	219.1	80	-50	330	No Significant Intersection
BNRC015	20,825	28,400	706,931.7	697,260.0	210.9	84	-50	330	2m @ 1.65g/t gold from 44m
BNRC016	20,425	29,900	707,411.5	698,730.5	260.5	80	-50	330	3m @ 0.93g/t gold from 3m 1m @ 1.48g/t gold from 18m 2m @ 0.90g/t gold from 29m
BNRC017	20,475	29,900	707,450.8	698,705.3	256.5	80	-50	330	1m @ 1.22g/t gold from 29m
BNRC018	20,525	29,900	707,491.1	698,674.4	246.7	80	-50	330	No Significant Intersection
BNRC019	20,575	29,900	707,531.5	698,646.3	239.7	80	-50	330	No Significant Intersection
BNRC020	20,525	30,000	707,551.3	698,756.3	245.4	80	-50	330	No Significant Intersection
BNRC021	20,575	30,000	707,582.4	698,730.8	238.8	80	-50	330	No Significant Intersection
BNRC022	20,525	30,100	707,608.6	698,842.5	258.3	80	-50	150	No Significant Intersection
BNRC023	20,425	30,100	707,533.0	698,893.2	286.4	80	-50	330	3m @ 3.54g/t gold from 0m
BNRC024	20,425	30,200	707,568.3	698,923.0	278.5	80	-50	330	1m @ 0.97g/t gold from 24m
BNRC025	20,425	30,200	707,561.4	698,927.8	279.4	84	-50	150	10m @ 11.06g/t gold from 50m Inc. 1m @ 102.1 g/t gold from 59m
BNRC026	20,375	30,100	707,495.0	698,920.9	288.1	84	-50	330	6m @ 3.13g/t gold from 44m

									1m @ 0.94g/t gold from 59m
BNRC027	20,525	30,100	707,610.6	698,839.9	257.9	80	-50	330	No Significant Intersection
BNRC028	20,450	29,600	707,303.1	698,446.2	239.3	77	-50	330	2m @ 0.91g/t gold from 0m
									1m @ 1.65 g/t gold from 10m
BNRC029	20,400	29,600	707,262.9	698,474.4	246.8	83	-50	330	1m @ 0.88 g/t gold from 59m
BNRC030	20,350	29,600	707,221.8	698,501.2	249.7	80	-50	330	No Significant Intersection
BNRC031	20,300	29,600	707,181.7	698,528.8	243.0	80	-50	330	6m @ 0.96g/t gold from 52m
BNRC032	20,500	30,000	707,524.8	698,774.2	252.1	120	-45	150	1m @ 1.52g/t gold from 82m
									1m @ 0.79g/t gold from 111m
BNRC033	20,525	30,000	707,548.3	698,757.5	246.0	60	-50	150	1m @ 1.94g/t gold from 34m
BNRC034	20,375	30,800	707,947.2	699,457.9	235.9	80	-50	330	No Significant Intersection
BNRC035	20,475	30,800	708,026.4	699,401.1	235.8	80	-50	330	No Significant Intersection
BNRC036	20,425	30,800	707,988.0	699,426.2	230.1	80	-50	330	No Significant Intersection
BNRC037	20,325	30,800	707,906.2	699,487.5	237.7	80	-50	330	No Significant Intersection
BNRC038	20,700	29,200	707,273.1	697,959.4	215.8	84	-50	150	1m @ 1.21g/t gold from 49m
									1m @ 0.92g/t gold from 59m
BNRC039	20,700	29,200	707,269.9	697,959.5	215.5	80	-50	330	No Significant Intersection
BNRC040	20,750	29,200	707,310.3	697,926.0	221.5	80	-50	330	No Significant Intersection

Notes :

- Final assay results from reverse circulation drilling 1m riffle splits.
- 3m maximum internal dilution, 0.5 g/t Au lower cut, no upper cut.
- Gold analyses performed using BLEG Leachwell Method/ AAS finish by Transworld Laboratories, Tarkwa, Ghana.
- Reference standards, duplicate and blank samples were routinely submitted and were within acceptable limits.
- All drill holes picked up by DGPS with accuracy of 50mm.
- All drill holes were down hole surveyed for dip and azimuth at approximately 40m intervals.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Castle Minerals Limited

ACN

116 095 802

Quarter ended ("current quarter")

30 September 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(345) - - (106)	(345) - - (106)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	59	59
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(392)	(392)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (15)	- - (15)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(15)	(15)
1.13 Total operating and investing cash flows (carried forward)	(407)	(407)

- + See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(407)	(407)
Cash flows related to financing activities			
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(407)	(407)
1.20	Cash at beginning of quarter/year to date	3,341	3,341
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,934	2,934

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	55
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

- + See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300,000
4.2 Development	-
Total	300,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	384	341
5.2 Deposits at call	2,550	3,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,934	3,341

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

- + See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

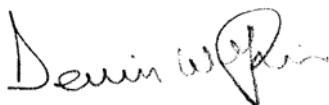
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	38,335,005	15,334,645		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	6,490,000	-	Exercise price 35 cents	Expiry date 31 March 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

- + See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Date: 23 October 2006

(Director/Company secretary)

Print name: **Dennis Wilkins**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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