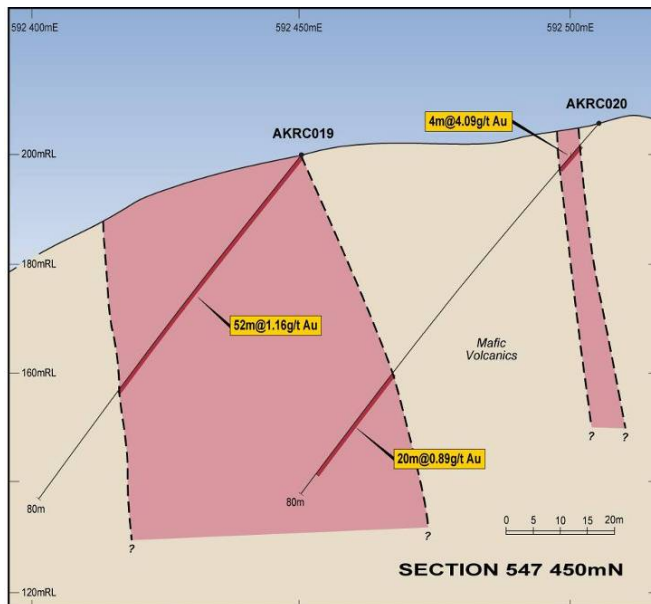


SUMMARY

▪ Akoko Project

- Maiden wide spaced drilling at Akoko intersects multiple gold zones including 52m @ 1.16g/t (AKRC 19) from surface.
- Trenching 200m north of AKRC 19 returns 17m @ 1.1g/t
- mineralised zone over 3km
- drilling to recommence in December



Drilling at Akoko has returned wide, near surface gold intercepts

- Sapelliga trenching returns 23m @ 0.97g/t gold (including 15m @ 1.24 g/t)
- Ducie sampling reports strong anomaly

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Share Registry Enquiries
Security Transfer Registrars Pty
PO Box 535
Applecross WA 6953
Tel: (08) 9315 2333
Fax: (08) 9315 2233
www.securitytransfer.com.au

Capital Structure
Quoted: 31.14 million
Unquoted: 17.19 million
Total: 48.33 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

EXPLORATION ACTIVITIES

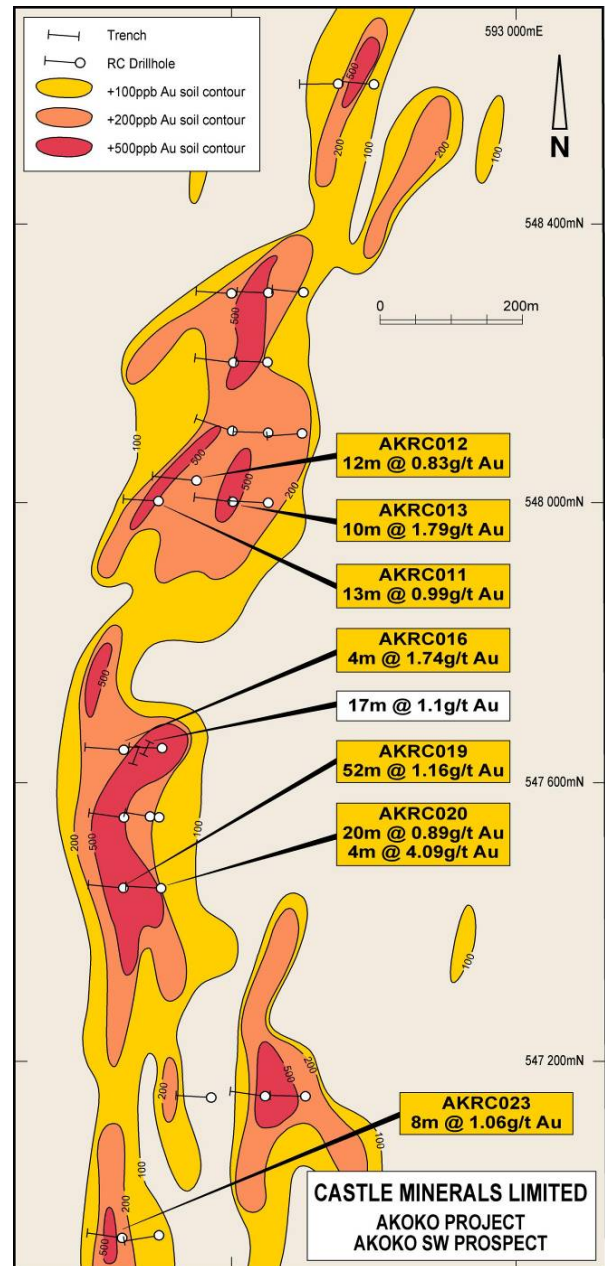
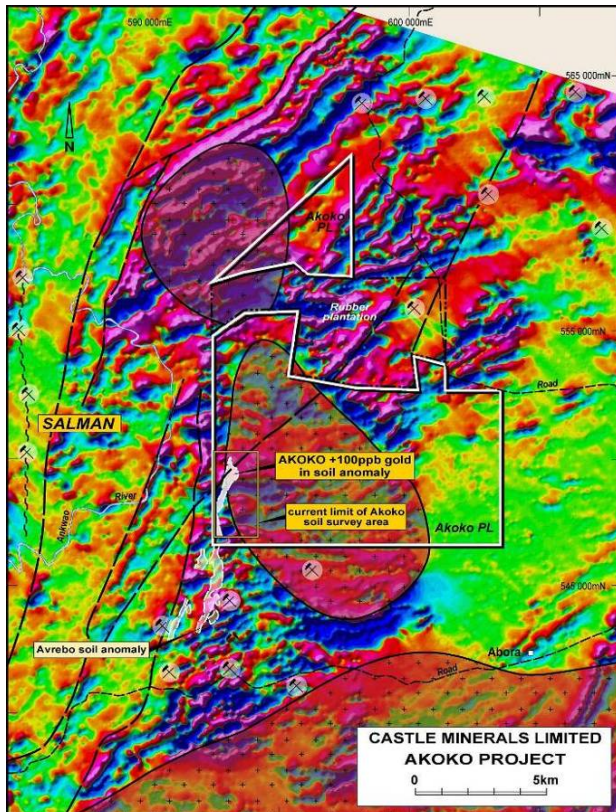
**AKOKO PROJECT
(100% Castle Minerals)**

The Akoko Project consists of one granted Prospecting Licence 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 23mt @ 2.1g/t gold for 1.6Moz for their combined Salman/Anwia resource.

RC drilling in September reported a significant intercept of **52m @ 1.16g/t gold from surface** at Akoko. The adjacent hole (collared 50m to the east) reported **4m @ 4.09g/t gold from 6m** and **20m @ 0.89g/t gold from 57m** down hole.

Other anomalous intercepts reported include 4m @ 1.74g/t from 8m (0-8m interval was not sampled due to hole collar blow out) and 8m @ 1.06g/t from 12m.

A total of 25 RC holes were drilled on ten sections over 1.7km of strike and represents the first ever drilling on the project. The drilling targeted part of a significant gold in soil anomaly over 3km long.



Mineralisation is associated with variably altered mafic volcanic rocks. The geometry of the mineralised zones is not well understood however the zones are currently interpreted to be steeply east dipping.

Recent trenching has returned an intercept of **17m @ 1.1g/t gold** 200m north along strike from drillhole AKRC 19 (52m @ 1.16g/t gold).

The drill rig has been rebooked to return to site in December to follow up these results.

The mineralisation appears to occur in at least two and possibly three separate, parallel zones within a 3km long zone.

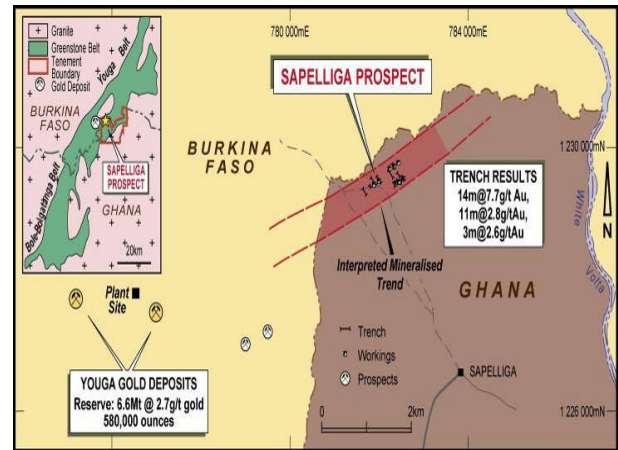
SAPELLIGA PROJECT
(Castle Minerals right to earn 100%)

The Sapelliga Project consists of one granted Reconnaissance Licence and One Prospecting Licence application situated in NE Ghana near the border with Burkina Faso. Castle has an option to acquire a 100% interest in the project from a local Ghanaian Company. The 1.2Moz Youga Gold Deposit is being developed about 2.5km west of Sapelliga.

During the quarter trenching at the Sapelliga project reported a best intercept of **23m @ 0.97g/t gold including an interval of 15m @ 1.24g/t gold** from the T2 target.

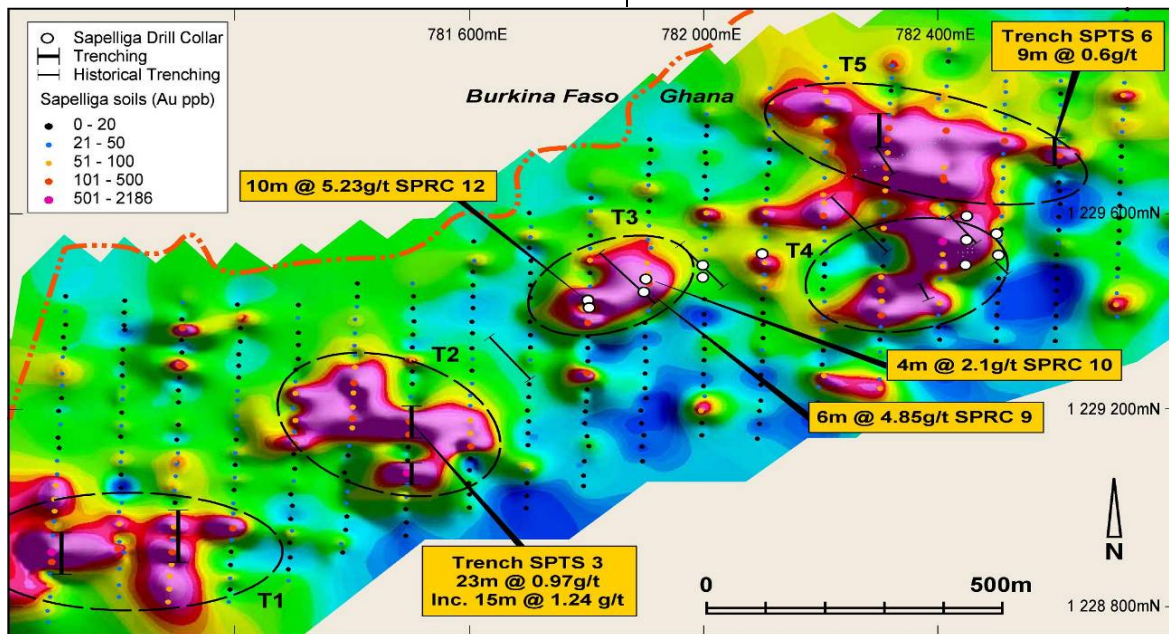
Six trenches were excavated for a total 383m and tested parts of the T1, T2 and T5 soil anomalies (see plan below). The trenching exposed several zones of quartz veined and sheared metasediments.

Previous drilling by Castle to the east of T2 returned encouraging results with best intercepts of 6m @ 4.85g/t from 20m, 4m @ 2.1 g/t gold from 43m and 10m @ 5.23g/t from 62m.



The trench results provide an immediate drill target that along with the earlier results, demonstrates that Sapelliga remains capable of hosting near surface gold mineralisation. A drill rig is currently being sourced to test this zone.

Castle's Sapelliga project is only 2.5km east of the Youga Gold project (Etruscan Resources) with first gold production scheduled for December 2007. Youga's mineable reserves are currently 6.6 million tonnes with an average grade of 2.7 g/t containing 580,000 ounces of gold.



Sapelliga soil anomalies (T1-T5). Trenching has been completed over the T1, T2 and T5 targets

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

Results from a program of trenching were received during the quarter and 15 reverse circulation drill holes were completed.

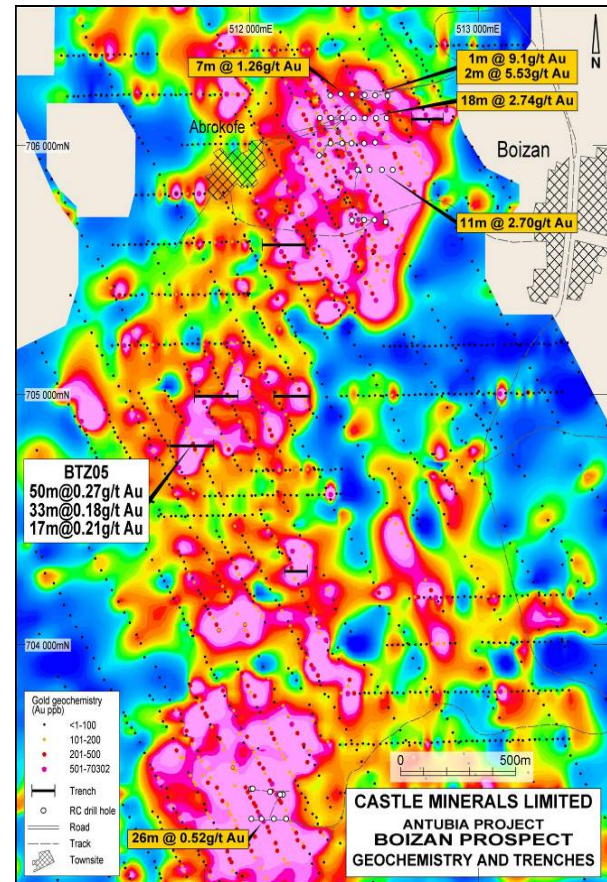
Six trenches were excavated (1,002m) being designed to test spot high soil anomalies and to provide structural and geological information for RC drilling.

The trenches reported wide zones of gold mineralisation including **50m @ 0.27g/t**, **33m @ 0.18g/t**, **17m @ 0.21g/t gold** within the very large 5x2km Boizan soil anomaly.

The trench intercepts have identified a number of parallel zones additional to the two mineralized zones (Boizan and Sumiakrom Hill) that were drilled earlier this year.

Fifteen RC holes were drilled late in the September quarter testing the trench results and a number of soil anomalies throughout the project area. Initial composite sample results have returned low order gold intercepts hosted by felsic to intermediate rocks.

Soil sampling was completed south of Sumiakrom hill and defined several new discrete soil anomalies that require further investigation.



Soil geochemistry with trench and drill intercepts



DUCIE PROJECT (Castle Minerals right to earn 100%)

The Ducie Project consists of one large granted Reconnaissance Licence situated in NW Ghana. Castle has an option to acquire a 100% interest in the project from a local Ghanaian Company.

Regional soil sampling (the first known exploration on the project area) has reported anomalous gold results over 30km of strike at the Ducie Project.

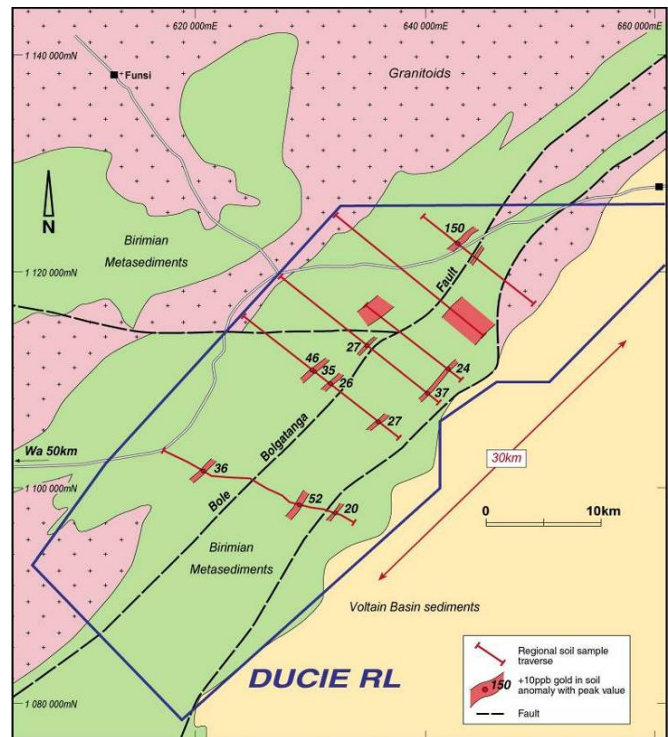
Sampling was conducted on six regionally spaced traverses (three to ten km apart) and reported a strongly anomalous peak value of 150 ppb gold. The samples are also being analysed for copper, lead, zinc, arsenic and silver to test the base metal potential of the area.

The Ducie results highlight the potential of the belt to host gold mineralisation – the project area is bounded by major regional scale structures that host gold deposits to the north and as such represents an attractive grass roots exploration target.

Follow-up sampling is planned for the forthcoming dry season

A total of 1003 samples were collected from 6 regionally spaced soil traverses with samples collected every 100m along the lines. Samples were analysed using bulk leach extractable gold (BLEG) analysis from 1kg samples.

Ducie is one of the few areas that seem to have been bypassed by modern exploration in Ghana. The Bole-Bolgatanga Fault which the Licence straddles is host to significant gold mineralisation at Bolgatanga and Youga approximately 150km to the NE. Gold mineralisation was indicated by a Russian mapping project in the 1960's at Ducie and Chasia immediately SW of the licence.



CORPORATE

Castle Minerals Limited is a gold exploration Company with seven projects in Ghana covering more than 2,000km². Castle maintains a very active in-country exploration program, aggressively exploring its gold properties with the aim of discovering and developing a world class gold deposit.

Exploration activities for the December quarter will focus on;

- RC drilling at Akoko
- RC drilling at Sapelliga
- Reconnaissance exploration along the Akoko trend and around the contacts of the Akoko internal granite.

Castle Minerals Limited has 48.3 million fully paid shares on issue and 6.9 million 35c options. Cash reserves at 30 September were \$3.03 million.

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.

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 2007

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 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	(522) - - (98)	(522) - - (98)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	46	46
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	(574)	(574)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (14)	- - (14)
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	(14)	(14)
1.13 Total operating and investing cash flows (carried forward)	(588)	(588)

1.13	Total operating and investing cash flows (brought forward)	(588)	(588)
Cash flows related to financing activities			
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	1,400	1,400
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) Share issue transaction costs	(154)	(154)
Net financing cash flows		1,246	1,246
Net increase (decrease) in cash held		658	658
1.20	Cash at beginning of quarter/year to date	2,372	2,372
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,030	3,030

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	61
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
<div style="border: 1px solid black; padding: 5px;"> Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation. </div>		

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.

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		500,000
4.2 Development		-
Total		500,000

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	65	1,467
5.2 Deposits at call	2,965	905
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,030	2,372

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			

ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

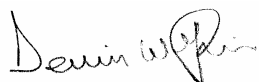
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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	48,335,005	31,144,725		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,000,000	5,000,000	28 cents	28 cents
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>	440,000 500,000 6,050,000	- - -	Exercise price 35 cents 25 cents 35 cents	Expiry date 2 May 2008 31 March 2011 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>				

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: _____
(Director/Company Secretary)

Date: 29 October 2007

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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