

Summary

- **New 3km long gold target** identified at Akoko North with sampling reporting consistent trends >200ppb gold
- 25 hole RC drilling program completed at Akoko South – results awaited
- Sapelliga drilling reports **22m @ 2.04 g/t from 25m** and extensive new soil anomalies defined
- **8,200 km² Newmont gold project acquired** that surrounds and contains the strike extensions of the Julie gold prospect (~300,000 ounces)
- Castle is one of the largest landholders in Ghana with **over 10,000km² under licence** and concurrent exploration programs underway



Castle has eight exploration projects with over 10,000km² under licence

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Capital Structure
Quoted: 31.54 million
Unquoted: 17.19 million
Total: 48.73 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.

A program of extensional surface sampling has identified a new 3km long and up to 1km wide gold target at the Akoko project.

Sampling was completed in December 2007 north of the recently discovered Akoko gold prospect. This first ever sampling of this area was completed on 800m x 100m spacing and has identified a wide zone of surface anomalism over approximately 3km. An area of active artisanal gold mining was observed in the centre of the anomaly.

The area of gold anomalism is interpreted to occur in a similar geological position to Castle's Akoko mineralisation 5km to the south and immediately north of an internal granite contact.

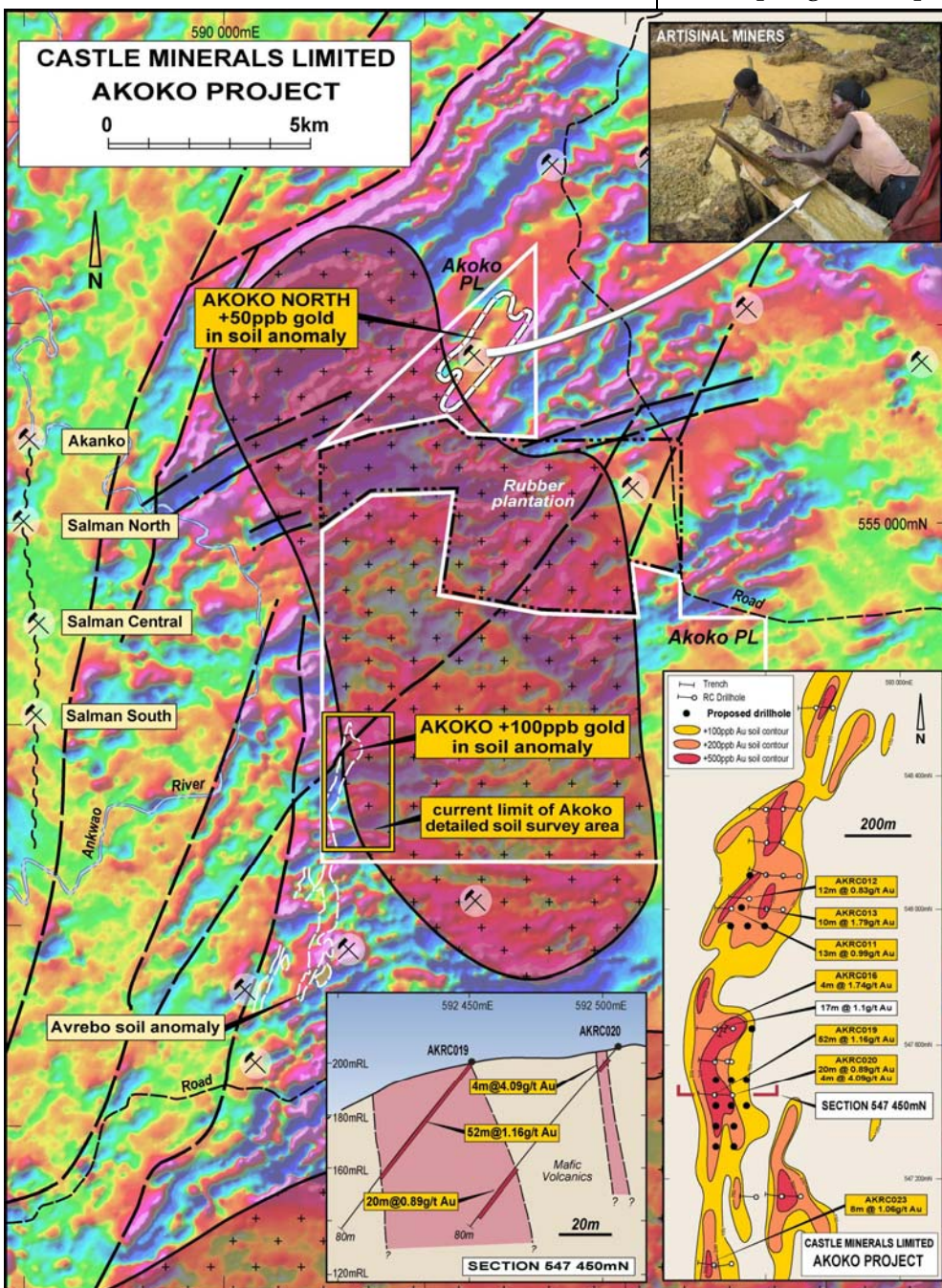
Sampling has reported a number of consistent gold trends with values >200ppb gold which are considered highly prospective. Infill sampling of this area has commenced.

Akoko Drilling Update

A 25 hole reverse circulation drill program (2,098m) was successfully completed at the Akoko prospect on 8th January 2008.

The program was designed to follow up previous intercepts of 52m @ 1.16g/t gold from surface, 4m @ 4.09g/t gold from 6m and 20m @ 0.89g/t gold from 57m down hole.

First results are expected shortly.



SAPELLIGA PROJECT
(Castle Minerals right to earn 100%)

The Sapelliga Project consists of one granted Prospecting Licence 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.

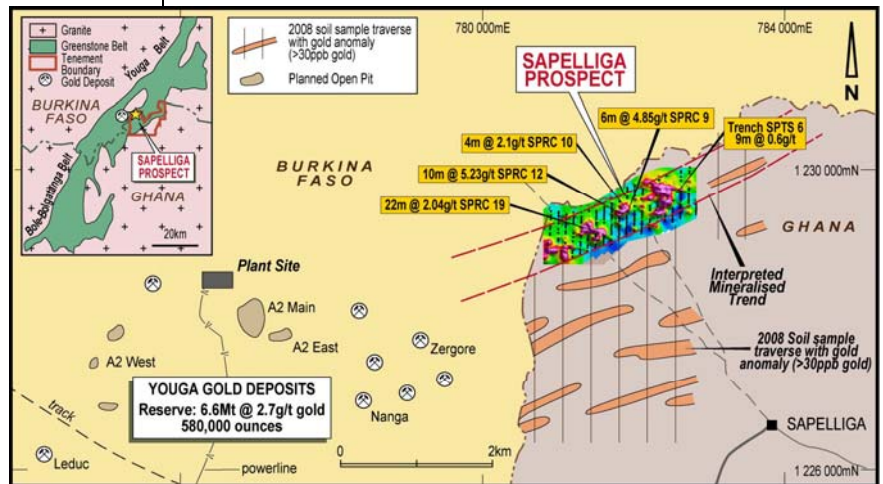
During the quarter nine reverse circulation holes were drilled (SPRC 13-21) to test the T1, T2 and T5 targets previously defined through soil sampling and trenching.

Hole SPRC 19 returned the best result of 22m @ 2.04g/t gold from 25m downhole and SPRC 17 drilled 100m to the west reported 2m @ 5.7g/t gold. The Sapelliga prospect is considered to have good potential to host shallow gold resources.

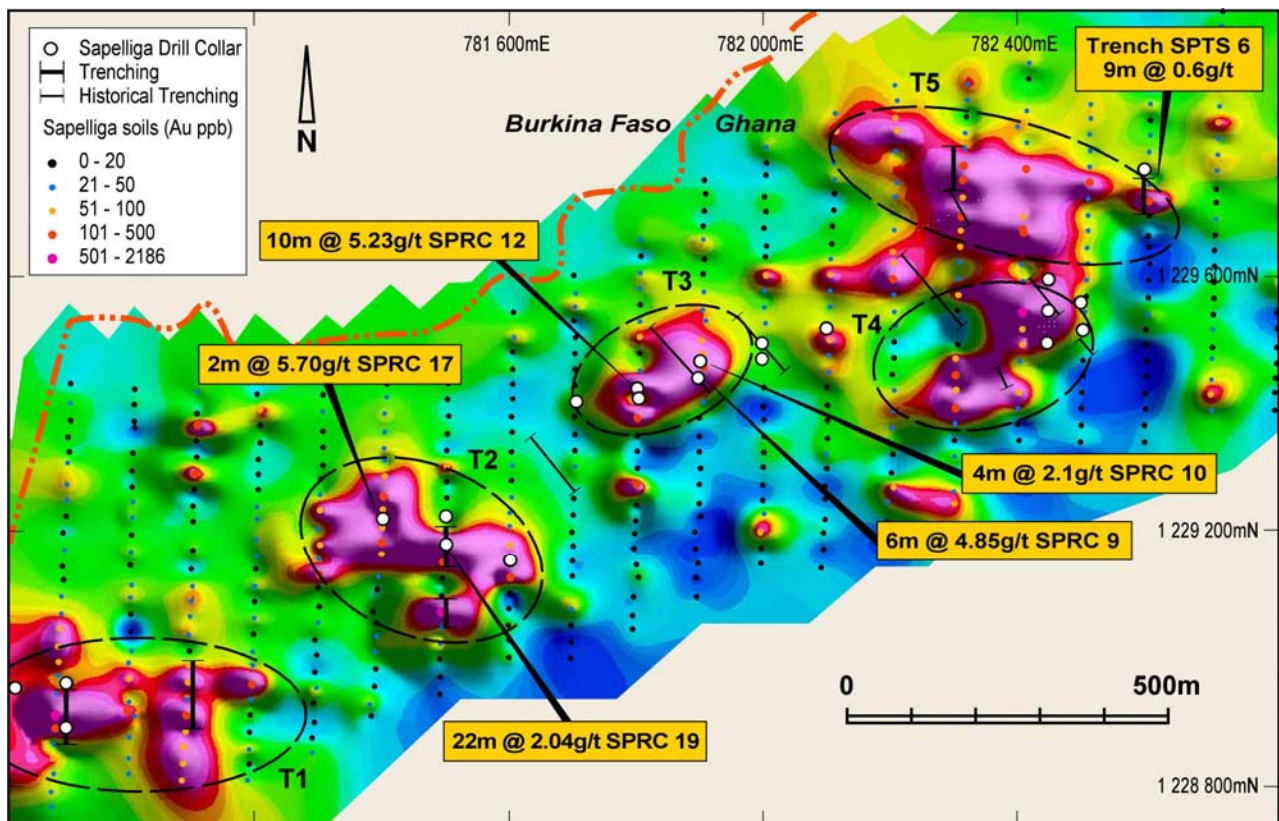
The area south and east of the Sapelliga prospect was subject to a soil sampling program that defined multiple soil anomalies that are interpreted to reflect extensions to

mineralised horizons reported west of the Ghanaian border at the Youga gold deposit. Ground inspection and infill sampling is planned to test these areas.

Castle's Sapelliga project is only 2.5km east of the Youga Gold project (Etruscan Resources) with first gold production expected shortly. 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.



CASTLE MINERALS LIMITED
Sapelliga Project



Sapelliga prospect showing drill hole and trench locations and soil anomalies

Wa PROJECT
(Castle Minerals right to earn 100%)

The Wa Project consists of one large granted Reconnaissance Licence located in north west Ghana. Castle has the right to earn a 100% interest in the project from Newmont Ghana Gold Limited.

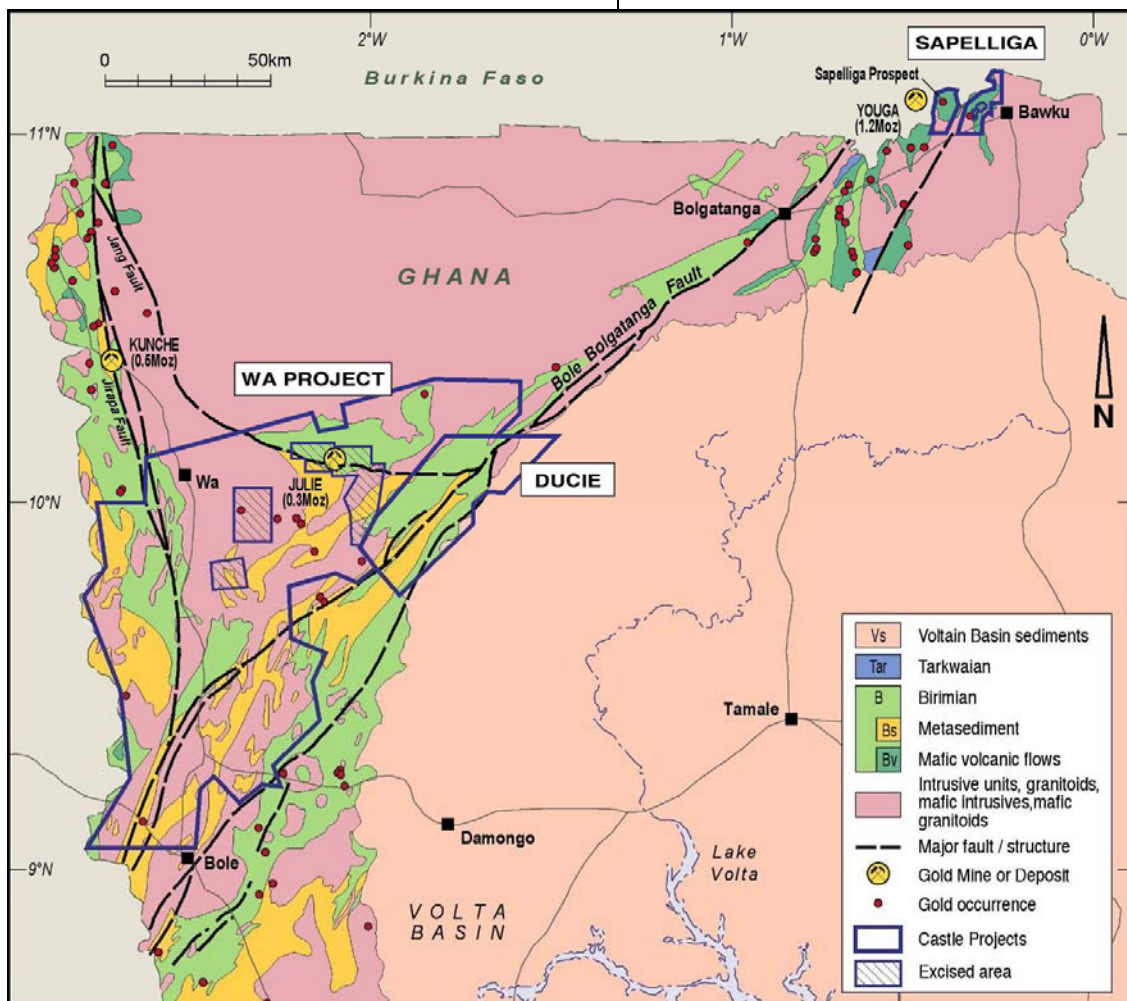
During the December quarter Castle reached agreement with Newmont Ghana Gold Limited to acquire **Newmont's 8,200 km² Wa gold project** in northern Ghana.

The Wa project surrounds the Julie, Josephine and Collette gold prospects (approx. 300,000 ounces) held by London based Crew Gold Corporation and is south along strike of Azumah Resource's 500,000 ounce Kunche gold deposit.

Work by Newmont has identified numerous gold targets based on the collection of over 7,000 soil and stream sediment samples. Anomalous gold zones have been returned from the area west (along strike) of the Julie gold deposit and represents a priority area for Castle follow up work.

The project is an excellent fit with the Company's nearby Ducie project and has potential to deliver economic gold mineralisation. It is an enormous landholding with identified gold targets, particularly the area west along strike of the Julie gold deposit.

Under the key terms of the deal Castle must issue to Newmont 400,000 Castle shares and spend US\$300,000 on exploration. Castle can acquire a full 100% interest by issuing a further 600,000 options (30c exercise price) to Newmont. The agreement is subject to the approval of the Ghanaian Minister of Mines.



The Wa project covers an area of 8,200km² and includes both the Wa-Lawra and Bolgatanga Proterozoic belts that are prospective for gold mineralisation.

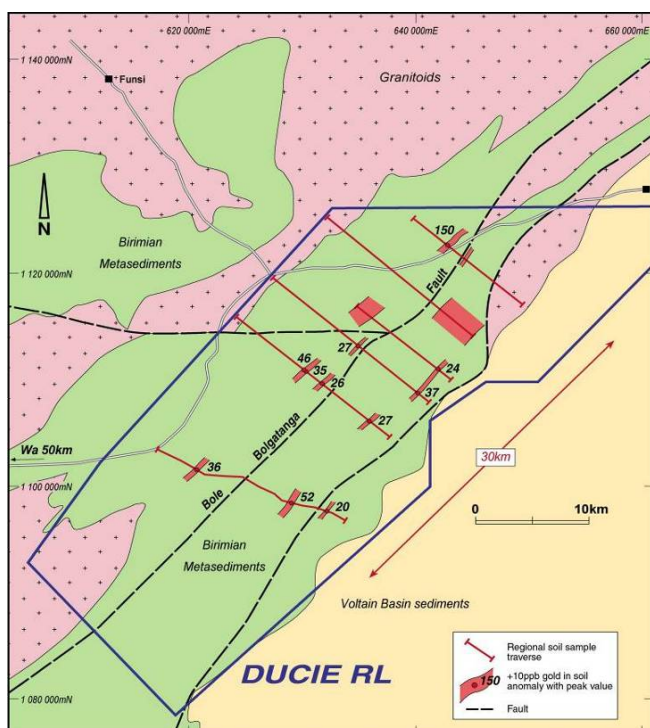
DUCIE PROJECT (Castle Minerals right to earn 100%)

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 with values to 150 ppb gold.

The project is bounded by major regional scale structures that host gold deposits to the north and as such represents an attractive grass roots exploration target.

Gridding has commenced in preparation for infill soil sampling that will be undertaken in February 2008.



CORPORATE

Castle Minerals Limited is a gold exploration Company with eight projects in Ghana covering more than 10,000km². 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 March quarter will focus on;

- completion of RC drilling at Akoko
- infill soil sampling at Akoko north
- Gridding and soil sampling at the Wa project
- Infill soil sampling at Ducie
- New project generation

Castle Minerals Limited has 48.7 million fully paid shares on issue and 6.9 million 35c options.

Cash reserves at 31 December were \$2.4 million.

For further information please contact:

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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.

Significant Drilling Intercepts

Hole Sequence (SPRC013 - SPRC022)

Prospect: **Sapelliga**

Project: **Sapelliga**

Hole Number	Northing	Easting	mRL	Grid Az.	Dip	Hole Depth	Intercept
SPRC013	1,229,414	781,802	200	180	-50	50	1m @ 0.50 g/t Au from 18.00m
SPRC014	1,228,850	780,900	238	180	-50	84	2m @ 1.05 g/t Au from 18.00m 1m @ 0.66 g/t Au from 37.00m
SPRC015	1,228,950	780,800	232	180	-50	84	3m @ 1.25 g/t Au from 2.00m 1m @ 0.56 g/t Au from 16.00m 1m @ 0.57 g/t Au from 52.00m
SPRC016	1,228,940	780,900	229	180	-50	80	2m @ 1.00 g/t Au from 23.00m
SPRC017	1,229,210	781,400	216	170	-50	90	1m @ 0.74 g/t Au from 27.00m 4m @ 0.64 g/t Au from 32.00m 1m @ 0.59 g/t Au from 45.00m 1m @ 0.57 g/t Au from 54.00m 2m @ 5.70 g/t Au from 73.00m <i>includes</i> 1m @ 10.40 g/t Au from 74.00m 1m @ 0.64 g/t Au from 84.00m
SPRC018	1,229,230	781,500	213	170	-50	102	4m @ 1.00 g/t Au from 66.00m 1m @ 0.58 g/t Au from 79.00m 5m @ 1.45 g/t Au from 97.00m
SPRC019	1,229,190	781,500	215	180	-50	72	1m @ 1.16 g/t Au from 11.00m 22m @ 2.04 g/t Au from 25.00m <i>includes</i> 1m @ 28.15 g/t Au from 46.00m 3m @ 1.16 g/t Au from 65.00m
SPRC020	1,229,160	781,600	215	180	-50	84	13m @ 0.68 g/t Au from 20.00m
SPRC021	1,229,400	781,700	211	180	-50	84	1m @ 0.79 g/t Au from 19.00m 1m @ 1.14 g/t Au from 24.00m
SPRC022	1,229,730	782,600	206	180	-50	60	1m @ 0.96 g/t Au from 0.00m

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 50gm Fire Assay by SGS Laboratories, Tarkwa, Ghana.

Reference standards, duplicate and blank samples were routinely submitted and were within acceptable limits.

All drill holes picked up by GPS with accuracy of +/-5m.

All drill holes were down hole surveyed for dip and azimuth at approximately 40m intervals down hole.