

Summary

- **Akoko North drilling intersects significant open ended shallow gold mineralisation over 1,000m of strike**

Five, 200m spaced drill fences were completed at Akoko North with **significant gold mineralisation intersected on all lines**. The mineralised zone is open in all directions.

Intercepts of note include:

- 2m @ 2.66 g/t gold from 15m (ANRC 04)
- 17m @ 2.29 g/t gold from 5m (ANRC 06)
- 18m @ 2.17 g/t gold from 3m (ANRC 07)
- 10m @ 1.11 g/t gold from 42m (ANRC 07)
- 11m @ 6.65 g/t gold from 50m (ANRC 08)
- 6m @ 2.01 g/t gold from 40m (ANRC 13)
- 9m @ 1.31 g/t gold from 31m (ANRC 17)

A second phase of drilling was completed late in the quarter and results are awaited.

- **Sampling at the Wa project confirms high grade quartz vein 500m long and up to 20m wide**

Forty four rock chip samples of a laminated quartz vein have now been collected reporting an **average grade of 13.2g/t gold**. Recent sampling included two channel samples across the interpreted true width of the vein that averaged

- 20m @ 7.39 g/t gold and
- 10m @ 8.41 g/t gold

- **New Project Acquired**

Castle's new **Papase** project is located 65km south west of Newmont's 'world class' Ahafo gold operation. It is interpreted to lie within the same structural corridor as Ahafo and is considered highly prospective.

- **Castle becomes the largest landholder in Ghana**

Castle now has ten active exploration projects in Ghana covering more than 10,000 km² making Castle the largest exploration licence holder in Ghana.

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Capital Structure
Quoted: 48.73 million
Unlisted Options: 6 million 35c
1 million 25c

ASX Code: CDT

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

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 1.97Moz for their combined Salman/Anwia resource¹.

First pass drilling during the quarter targeted the core of a 1.5km long surface gold anomaly previously defined at Akoko North. This drilling intersected significant open ended shallow gold mineralisation over 1,000m of strike.

Five, 200m spaced drill fences were completed with **significant gold mineralisation intersected on all lines. The mineralised zone is open in all directions.**

Intercepts of note include:

- 2m @ 2.66g/t gold from 15m (ANRC 04)
- 17m @ 2.29g/t gold from 5m (ANRC 06)
- 18m @ 2.17g/t gold from 3m (ANRC 07)
- 10m @ 1.11g/t gold from 42m (ANRC 07)
- 11m @ 6.65g/t gold from 50m (ANRC 08)
- 6m @ 2.01 g/t gold from 40m (ANRC 13)
- 9m @ 1.31 g/t gold from 31m (ANRC 17)

The drilling reported consecutive intercepts at

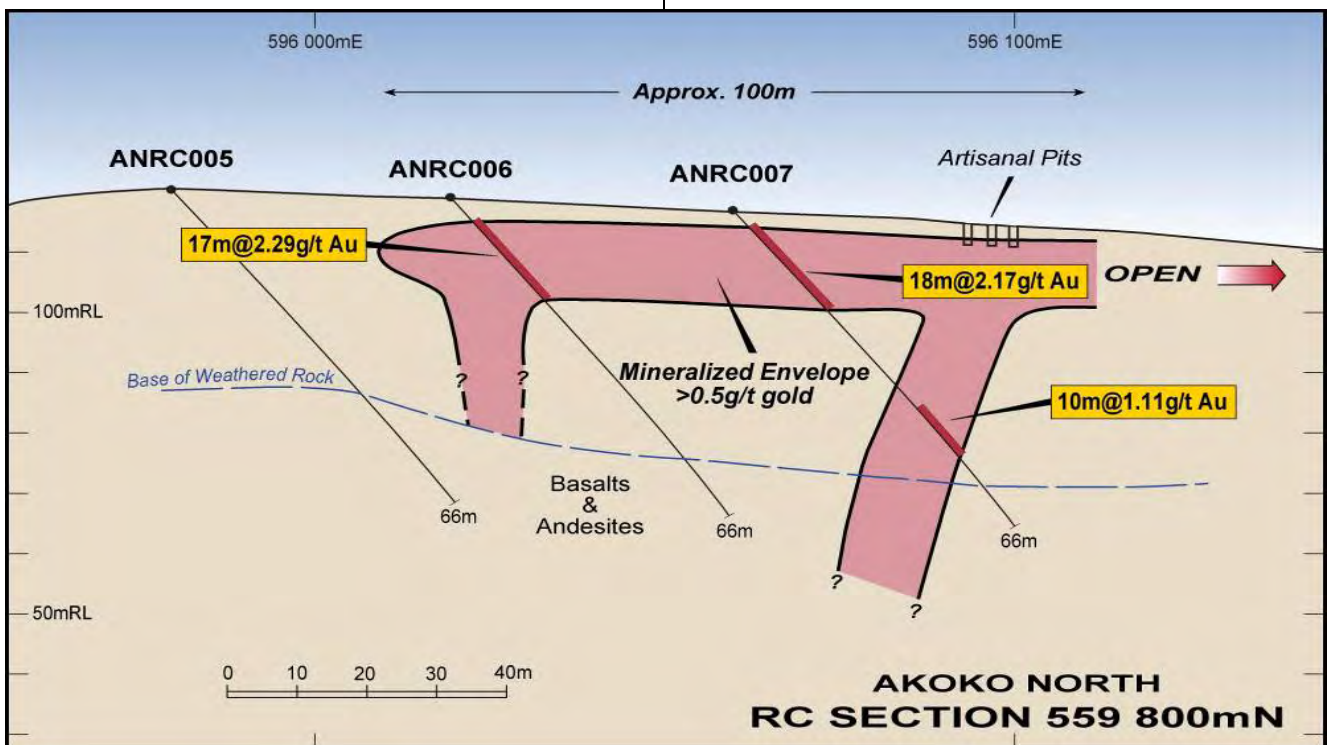
200m line spacing suggesting a large gold system may exist. The near surface results have obvious economic potential whilst the deeper intercept in hole ANRC 08 (11m @ 6.65 g/t) is from a sulphide zone that provides promise of high grade primary gold mineralisation.

These results are considered very promising and a second phase of drilling was completed in June; results for this work are awaited.

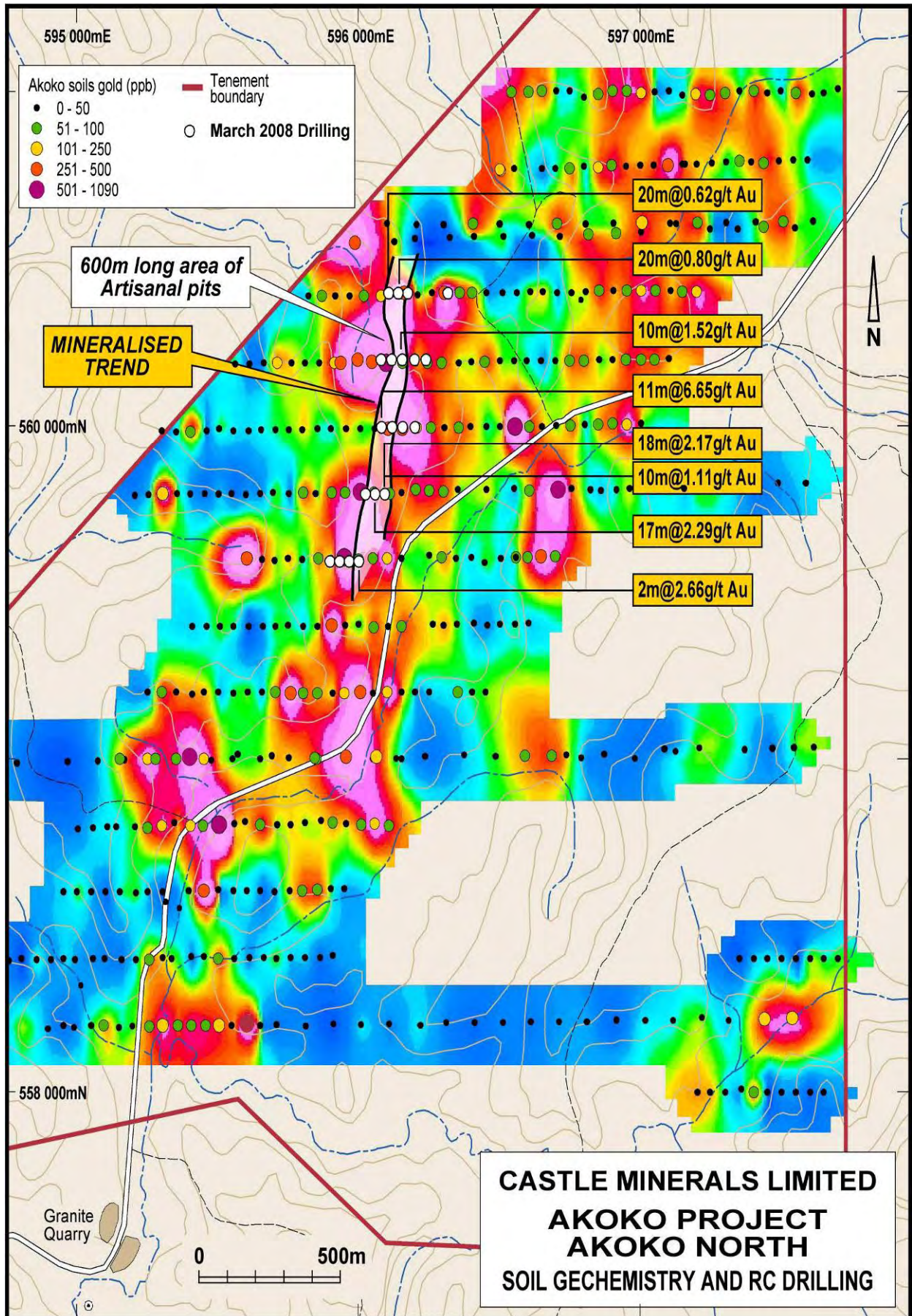
Mineralisation is hosted by lateritized to strongly altered fresh basalts and coarse sediments with variable amounts of quartz veining, silicification and pyrite.

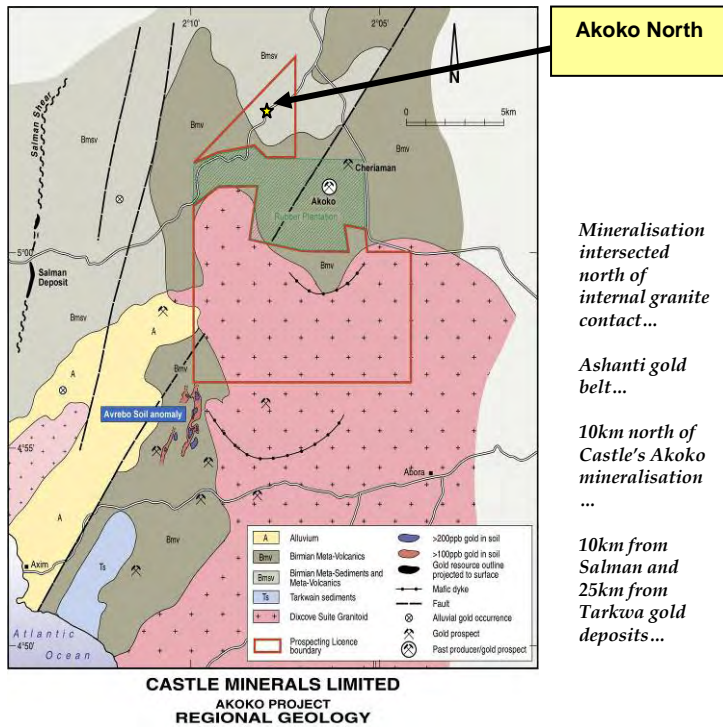
Background

The 20 hole reverse circulation drilling program was designed to test a well defined 1.5km long (+250ppb gold) gold in soil anomaly and represents the first ever drilling in this area. The northern half of this anomaly contains numerous historic prospecting pits and shafts over a +600m x 75m area. The area has excellent access being 600m west of an all weather gravel road and 25km south of the large mining town of Tarkwa. The Akoko North prospect is situated on a low ridge. Minor subsistence farming is carried out but the nearest village is at Esaaman approximately 8km to the southeast.



¹ Adamus Resources Limited website





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.

The Wa project surrounds the Julie, Josephine and Collette gold prospects (approx. 300,000 ounces gold.²) held by London based Crew Gold Corporation and is south along strike of Azumah Resource's 500,000 ounce³ Kunche gold deposit.

An extensive sampling and mapping program was undertaken in February and March 2008 with 2,269 samples collected from a variety of areas. This work has produced a number of highly anomalous target areas that require further investigation and sampling. The Julie West area is the first such area to be investigated by Castle Minerals.

During the quarter two phases of rock chip sampling were completed. This work confirmed high grade gold results from a 500m long outcropping laminated pyritic quartz vein.

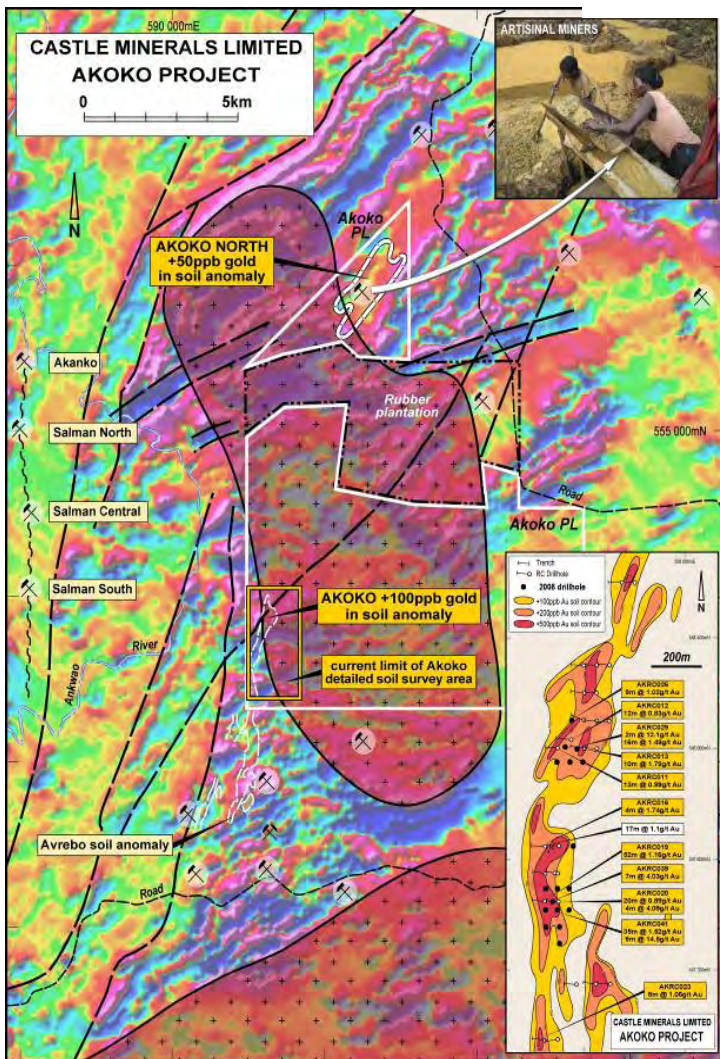
Forty four rock chip samples of the laminated quartz vein were collected during the two programs and reported an **average grade of 13.2g/t gold.**

This sampling included two channel samples across the interpreted true width of the vein that averaged

**20m @ 7.39 g/t gold and
10m @ 8.41 g/t gold.**

The vein outcrops (or is exposed in shallow workings) for over 500m.

The vein reports as a single continuous laminated pyritic quartz vein. Vein contacts are well defined and true width generally varies from ~0.8-2 m, however in the central part of the exposure a 200m section along a granite/mafic volcanic contact exposes vein widths up to 20m.



Aeromagnetic image of the Akoko Project

² Crew Gold Corporation website

³ Azumah Resources Limited website

This area hosts extensive shallow pits from recent artisanal mining activity.

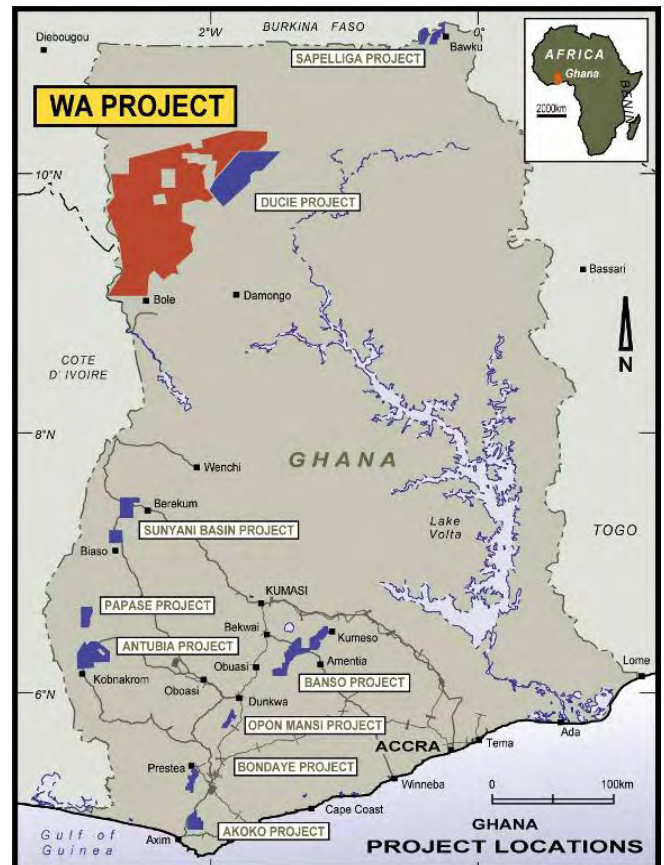
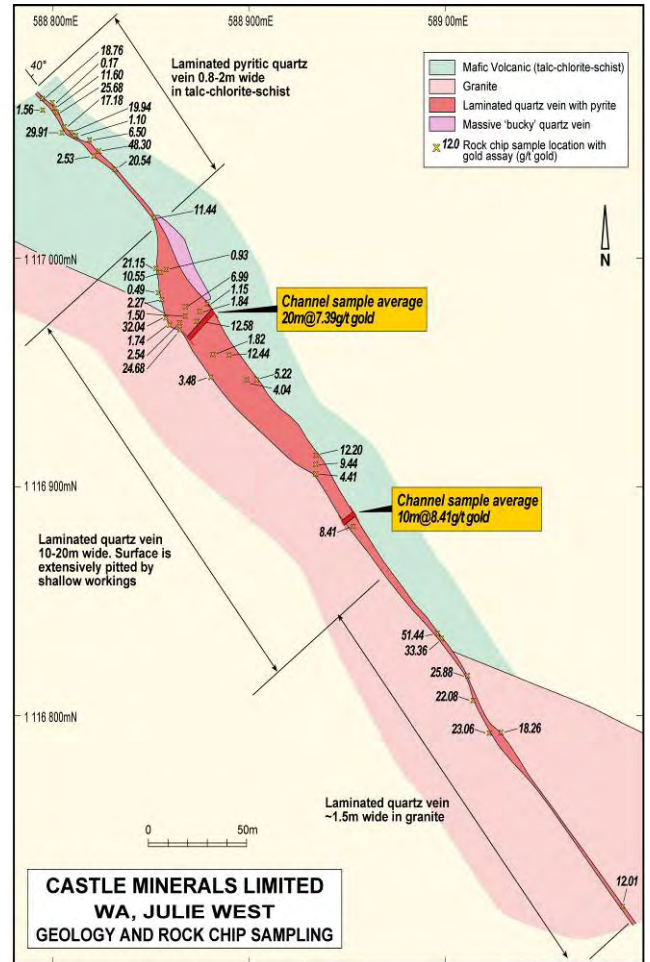
This prospect now offers **excellent potential for high value near surface mineralisation**. Drill testing to confirm the grade and vein continuity at depth is now a priority and is planned for the end of the current wet season (~November).



Laminated quartz vein from Julie West



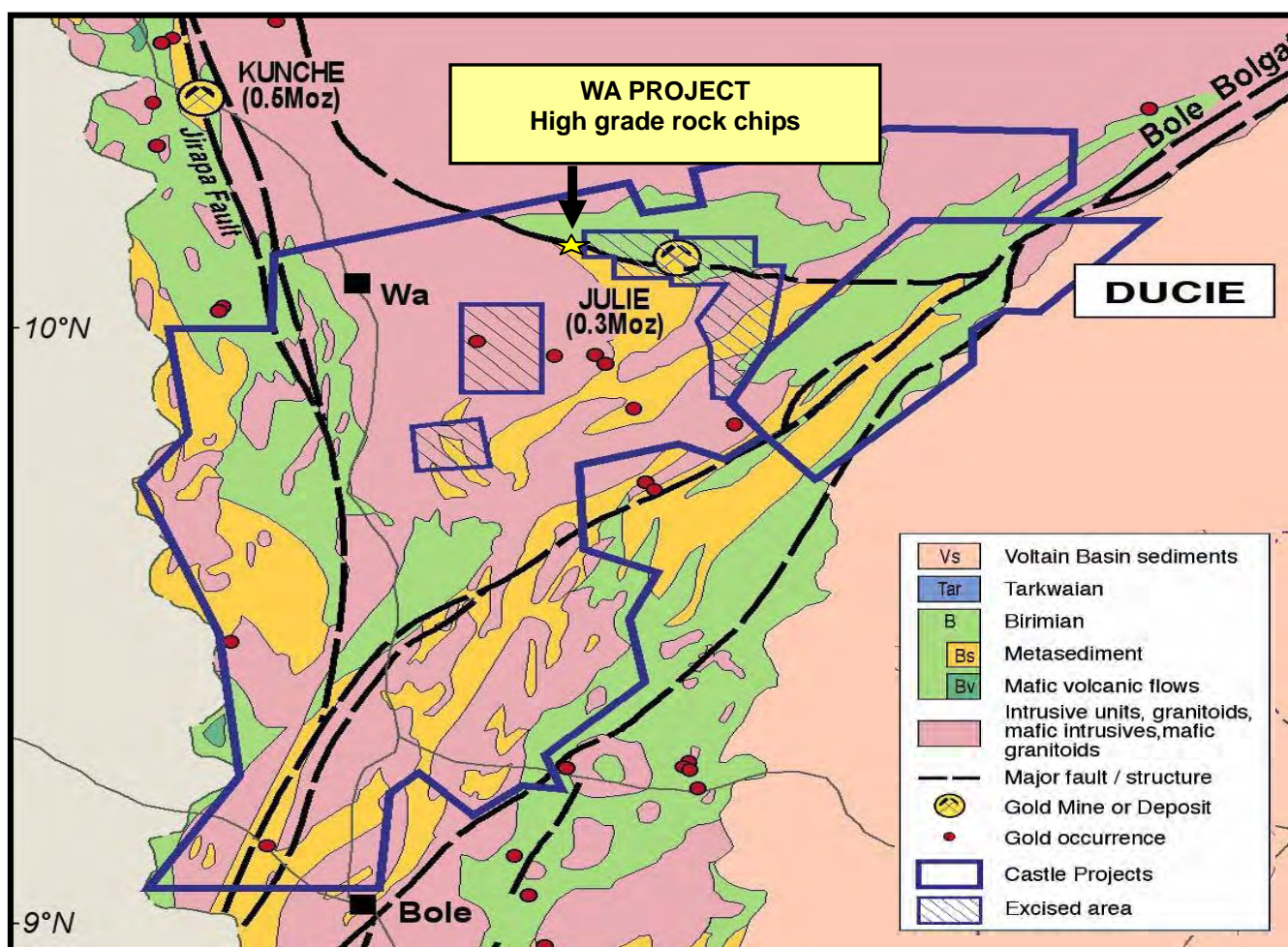
Artisanal working in quartz. The quartz vein assayed 23.13g/t gold.



Castle project locations in Ghana



Photomosaic over part of the Julie west quartz vein where it reaches 20m width



Wa project location and regional geology

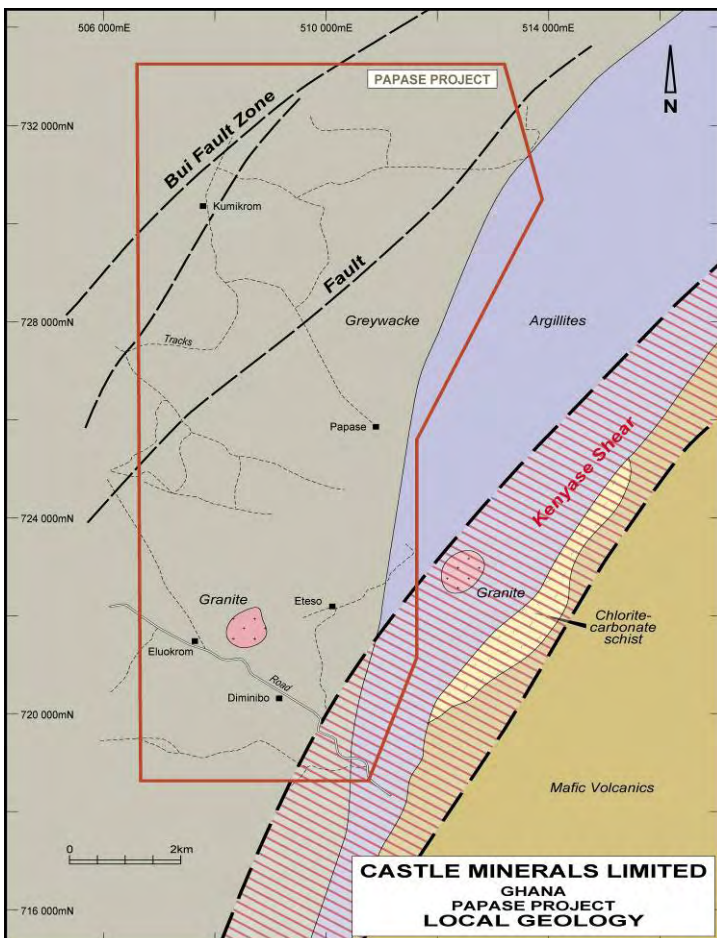
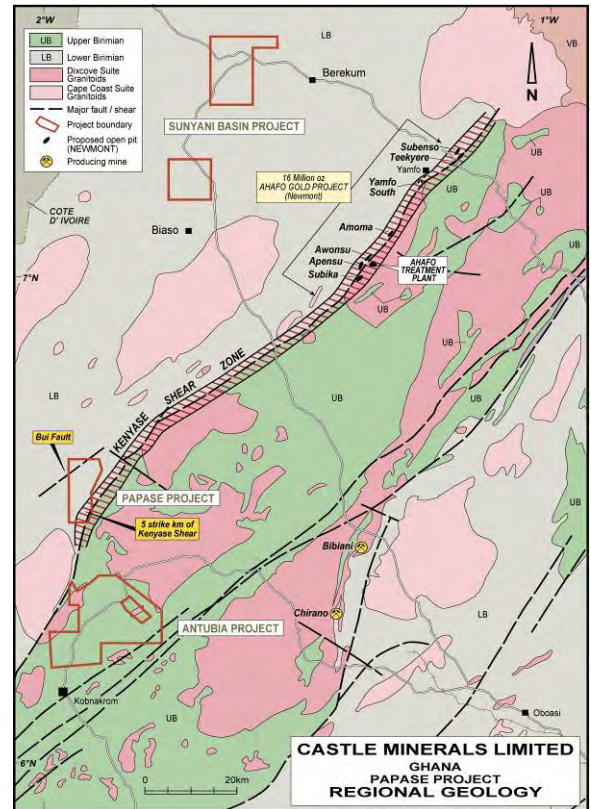
PAPASE PROJECT
(Castle Minerals right to earn 100%)

The Papase Project consists of one granted Reconnaissance Licence located in south west Ghana. Castle has the right to earn a 100% interest in the project from a local Ghanaian company.

During the quarter Castle announced that it has signed an agreement to acquire its tenth exploration project in Ghana.

The **Papase project** is located 65km south west of Newmont's 'world class' Ahafo gold operation and is interpreted to contain the Kenyase shear zone and the Bui fault.

The Kenyase shear zone is one of the most prospective and sought after exploration areas in Ghana. As far as Castle is aware, no sampling or drilling has ever been conducted over the area. It sits over a change in orientation of the



Sefwi belt/basin contact that offers a potentially important structural setting for gold mineralisation. The regional scale Bui Fault crosses the north-west portion of the licence and represents another obvious and high priority target. Castle has commenced on-ground exploration at Papase involving, regolith mapping and soil sampling.

The agreement was executed with a local private mining company to acquire a 100% interest in the Papase licence. The agreement is subject to the approval of the Ghanaian Minister of Mines.

The Papase project is strategically located 65km south west of Newmont's 'world class' Ahafo gold operation and is interpreted to contain the Kenyase shear zone and the Bui fault.

The Kenyase shear zone is a major structure that is associated with Newmont's +16 million ounce Ahafo gold project that includes the proposed development of at least 15 open pit mines.*

*Newmont Corporation website

OPON MANSI IRON ORE DEPOSIT (Application)

The Opon Mansi Project consists of one Prospecting Licence application located ~120 km north of the port city of Takoradi in south west Ghana.

In March 2008 Castle lodged an application over the Opon Mansi lateritic iron ore deposit in south west Ghana. The Opon Mansi iron ore deposits are located on the top of a range of hills that extend from Opon Valley in the south towards Dunkwa in the north.

Subsequent to the application being lodged Castle applied for and received, a permit from the Ghana Minerals Commission to conduct due diligence, including validation of the historic drill data, over the Opon Mansi deposit.

The Permit allows for pitting, trenching and drilling and other forms of exploration activity. The Permit does not confer ownership rights but provides an opportunity to complete exploration and due diligence whilst Castle's Prospecting Licence application is considered.

Historic drill data for the deposit has been located and entered into a database. Perth based metallurgical consultants METS were engaged by Castle and have proposed a sampling and testing program to determine if the historically identified mineralisation can be beneficiated to a commercial product. Castle is pursuing an entry permit to undertake this work.

CORPORATE

Castle Minerals Limited is a gold exploration Company with ten 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 September quarter will focus on;

- receipt and assessment of RC drilling results from Akoko North
- drill planning for Julie West prospect
- soil sampling at Papase project
- metallurgical sampling at Opon Mansi
- new project generation

Castle Minerals Limited has 48.7 million fully paid shares, 6 million 35c options and 1 million 25c options on issue as at the date of lodgement of this report.

Cash reserves at 30 June 2008 were \$1.4 million.

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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.