

March 2011 Quarterly Report

Highlights

Significant New Gold Discovery along Kandia Trend

- » RC drilling has confirmed persistent bedrock gold mineralisation over 2.5km of strike along Kandia Trend
- » Results include **40m @ 1.17g/t gold** from 20m (inc. **25m @ 1.52g/t** from 30m) and **25m @ 0.7g/t gold** from surface (inc. **10m @ 1.25g/t** from 5m)
- » Mineralisation up to 45m wide and open along strike and down dip. Infill and extensional drilling completed. Results awaited.

Wide Zones of Bedrock Gold Mineralisation Intersected at Koda Hill

- » First RC drilling at Koda Hill intersects;
50m @ 0.5g/t gold from surface, **56m @ 0.30g/t gold** from 10m, **20m @ 0.43g/t gold** from surface
- » Mineralisation open down dip and along strike. Felsic intrusive hosted mineralisation represents a new host lithology along the Julie-Jang Trend
- » Extensional and deeper RC drilling underway

Substantial Bedrock Gold Target at Bulenga Prospect

- » A mapping and trenching program at the 3km long Bulenga prospect reported significant bedrock gold mineralisation with results including;
- » **19m @ 1.14g/t gold from 10m**, inc. **3m @ 2.63 g/t gold** from 10m and **13m @ 1.17 g/t gold** from 16m

New Baayiri Gold Anomaly Defined along Julie – Jang Trend

- » 5 x 3km area of strong gold anomalism in an area never previously explored or sampled with surface soils up to 2,671ppb gold representing highest tenor and size reported so far along Julie- Jang Trend

Three drill rigs currently operating on double shift

Cash reserves \$4.9 million

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Capital Structure
Quoted FPO: 99.6 million
Unlisted Options: 3.5m @ 35c

ASX Code: CDT

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

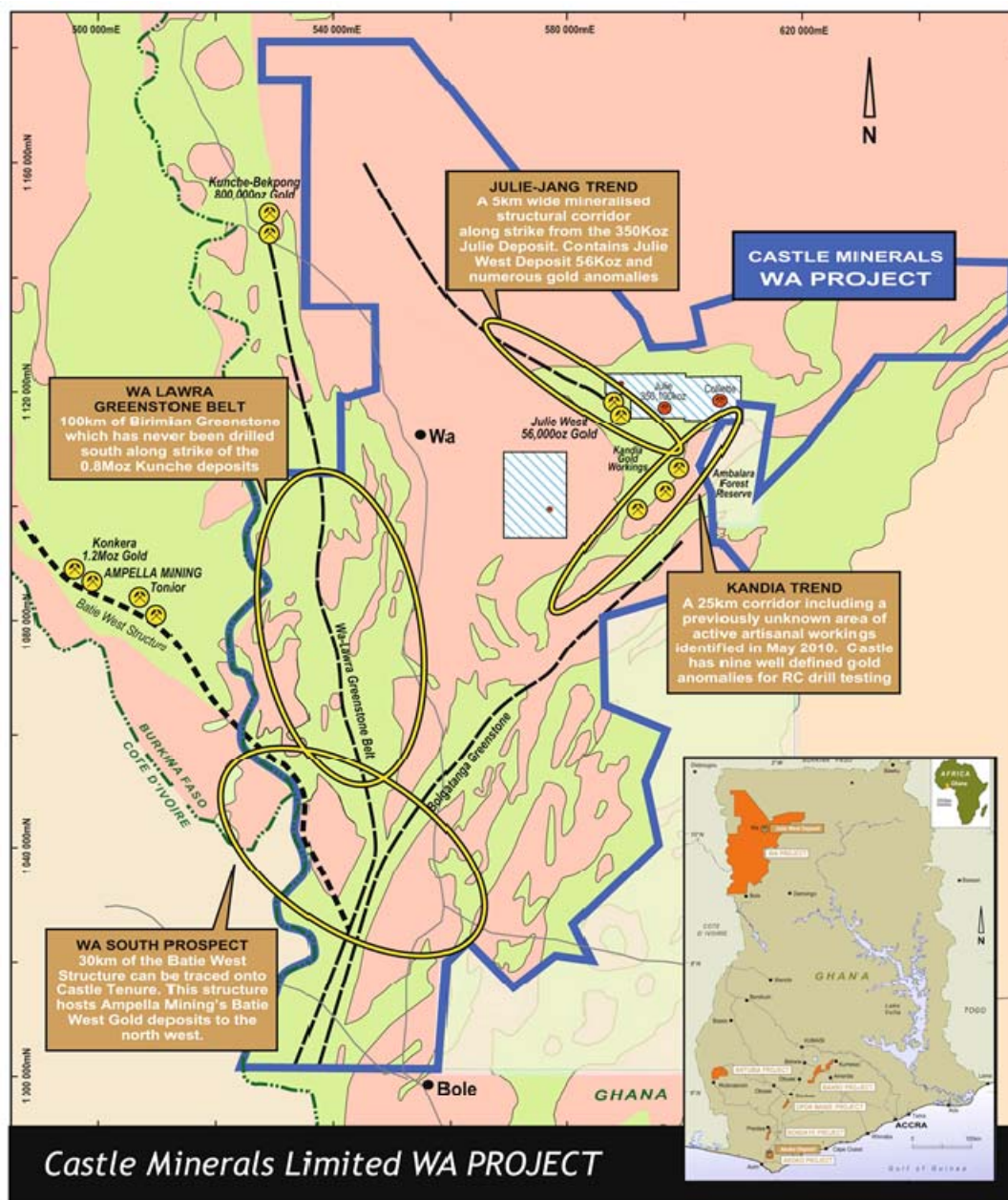
WA PROJECT

(Castle Minerals 100%)

The Wa Project covers approximately 11,000km² in NW Ghana near the border with Burkina Faso and consists of three large Reconnaissance Licences and two Prospecting Licences. The outcropping Julie West gold vein was discovered by Castle in June 2008, exploration since then has led to a gold resource of 415,000 tonnes @ 4.2g/t gold being established for a total of 56,200 ounces.

Exploration is focused on four regional scale highly prospective gold corridors known as;

- Julie-Jang Trend 50km long trend
- Kandia new 30km corridor of anomalous gold in soils
- Wa South (Batie West trend) 60km long corridor
- Wa-Lawra Greenstone Belt 80km of untested greenstone belt stratigraphy



Castle's Wa Project showing both Wa-Lawra and Bolgatanga Greenstone Belts

Significant New Gold Discovery along Kandia Trend

- RC drilling has confirmed persistent bedrock gold mineralisation over 2.5km of strike along Kandia Trend
- Results include 40m @ 1.17g/t gold from 20m (inc. 25m @ 1.52g/t from 30m) and 25m @ 0.7g/t gold from surface (inc. 10m @ 1.25g/t from 5m)
- Mineralisation up to 45m wide and open along strike and down dip
- Virgin gold discovery made from drill testing soil anomalism
- Excellent potential to define a bulk tonnage sediment hosted gold resource

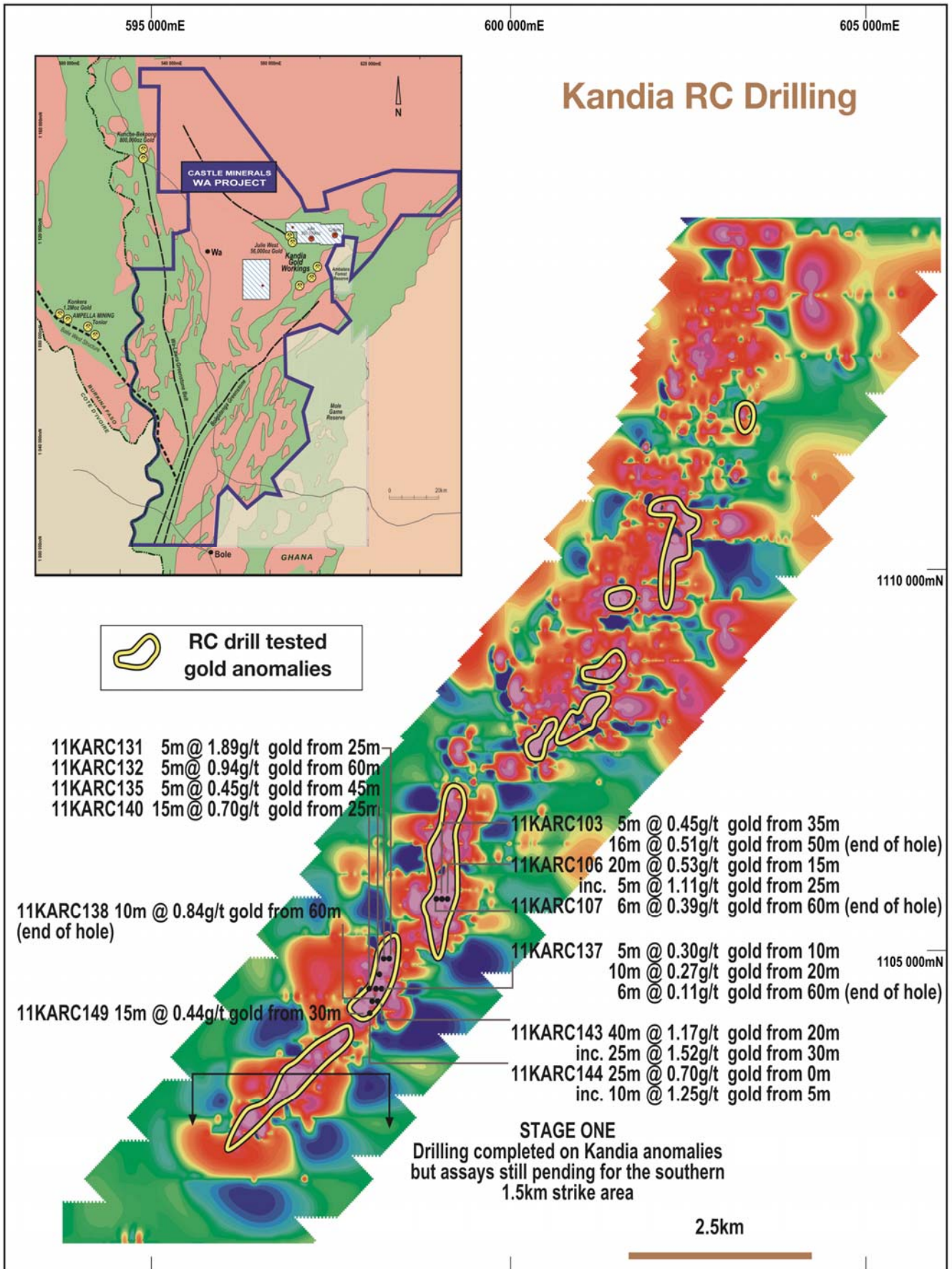
RC drilling testing nine geochemical targets along the 12km long Kandia trend intersected significant gold mineralisation within silicified and pyritic shales with five-metre composite assays reporting widespread near surface gold mineralisation up to 45m wide.

The results confirm a new gold discovery that has excellent potential to host a substantial resource. Drilling was completed on 160m spaced lines with an infill and extensional drill program recently completed. These results are very encouraging in their own right and also enhance the prospectivity of Castle's massive landholding in north-west Ghana that remains in the very early stages of exploration.

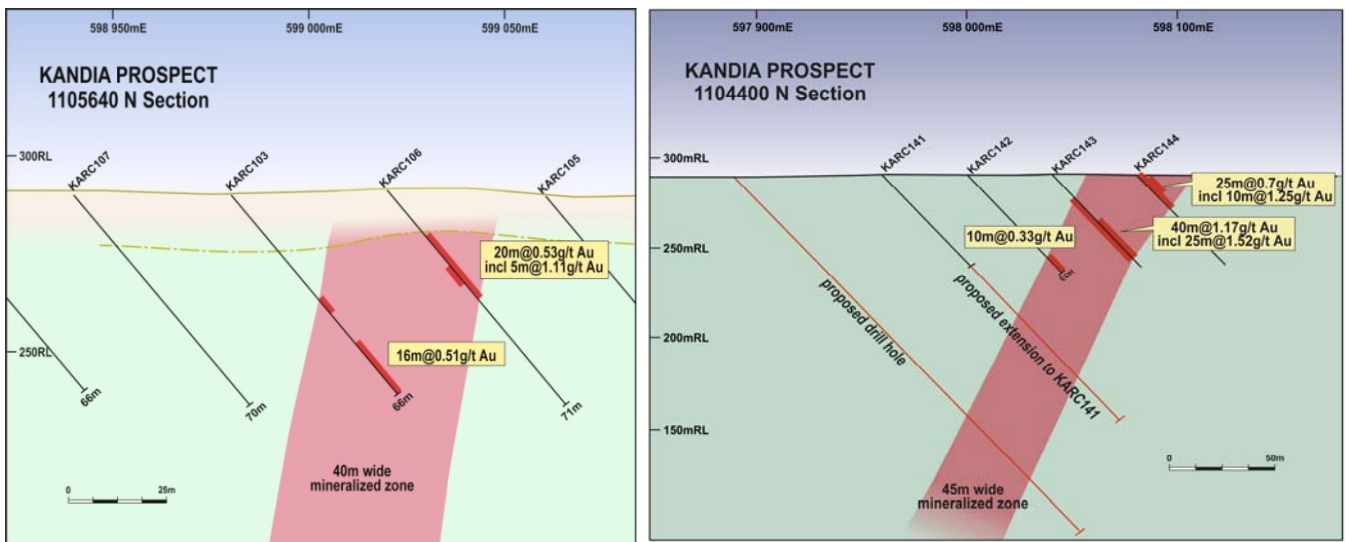
RC drill traverses spaced 160m apart have reported results* including;

| | |
|-----------|--|
| 11KARC140 | 15m @ 0.70 g/t gold from 25m |
| 11KARC142 | 5m @ 0.39 g/t gold from 0m |
| and | 10m @ 0.33 g/t gold from 60m (end of hole) |
| 11KARC143 | 40m @ 1.17 g/t gold from 20m |
| inc. | 25m @ 1.52 g/t gold from 30m |
| 11KARC144 | 25m @ 0.70 g/t gold from 0m |
| inc. | 10m @ 1.25 g/t gold from 5m |
| 11KARC149 | 15m @ 0.44 g/t gold from 30m |
| 11KARC099 | 5m @ 0.44 g/t gold from 60m |
| 11KARC103 | 5m @ 0.45 g/t gold from 35m |
| | 16m @ 0.51 g/t gold from 50m (end of hole) |
| 11KARC106 | 20m @ 0.53 g/t gold from 15m |
| inc. | 5m @ 1.11 g/t gold from 25m |
| 11KARC107 | 6m @ 0.39 g/t gold from 60m (end of hole) |
| 11KARC131 | 5m @ 1.89 g/t gold from 25m |
| 11KARC132 | 5m @ 0.94 g/t gold from 60m |
| 11KARC135 | 5m @ 0.45 g/t gold from 45m |
| 11KARC137 | 5m @ 0.30 g/t gold from 10m |
| | 10m @ 0.27 g/t gold from 20m |
| | 6m @ 0.11 g/t gold from 60m (end of hole) |
| 11KARC138 | 10m @ 0.84 g/t gold from 60m (end of hole) |

*Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples have been submitted for analysis.



RC drilling has defined a zone of bedrock gold mineralisation on the southern part of the Kandia Trend. Image above shows locations of significant drill hole collars over contoured gold soil geochemistry.



Cross sections of RC drilling within the new 2.5km long Kandia gold discovery. A persistently mineralised zone of bedrock gold mineralisation has been discovered which is now the focus of infill and extensional drilling.

This is a virgin gold discovery made by Castle Minerals from wide spaced drilling of anomalous soil geochemistry. Gold mineralisation is hosted within pyritic and silicified meta sediments and excellent potential exists to define a substantial gold resource. A program of infill and deeper RC drilling has been recently completed and assay results are awaited.

Wide Zones of Bedrock Gold Mineralisation Intersected at Koda Hill

- RC drilling intersects wide zones of primary gold mineralisation at the Koda Hill prospect including;
 - 50m @ 0.5g/t gold from surface
 - incl. 15m @ 1.01g/t gold from 35m
 - 56m @ 0.30g/t gold from 10m
 - incl. 16m @ 0.56g/t gold from 50m
 - 20m @ 0.43g/t gold from surface
- Mineralisation open down dip and along strike
- Felsic intrusive hosted mineralisation with carbonate-silica-pyrite alteration represents a new host lithology along the Julie-Jang Trend
- Extensional and deeper RC drilling underway

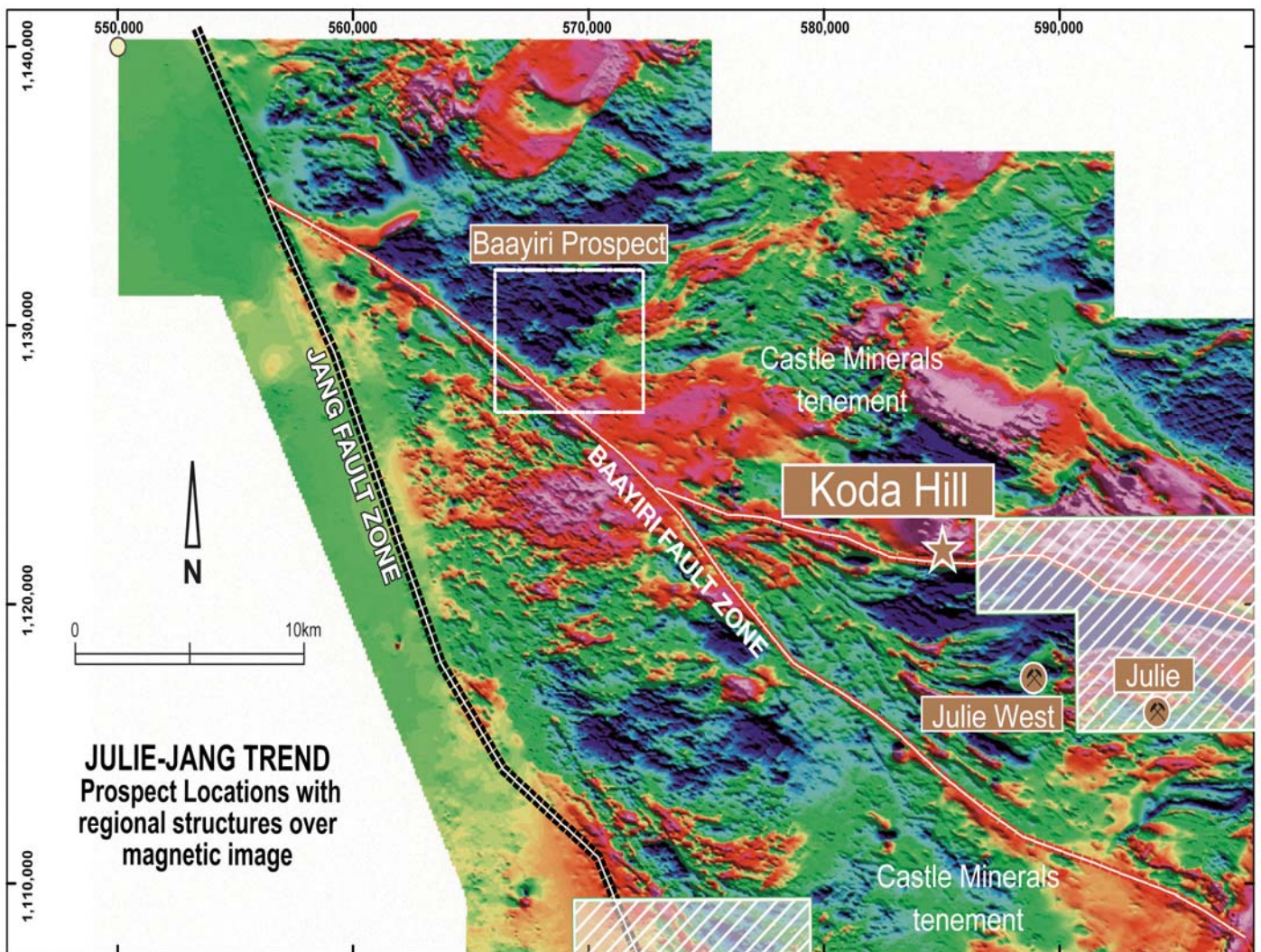
The first drill testing of the Koda Hill soil geochemical anomaly has intersected wide zones of gold mineralisation* hosted by a pyrite-carbonate altered felsic intrusive lithology that represents a new host for gold mineralisation along the Julie-Jang corridor.

These results are considered very encouraging and confirm the potential of the Julie-Jang Trend as being prospective for bulk tonnage style gold deposits. The results are early stage, but the wide intersections support potential for a large mineralised system and provide confidence that the Wa Project is in the right geological setting.

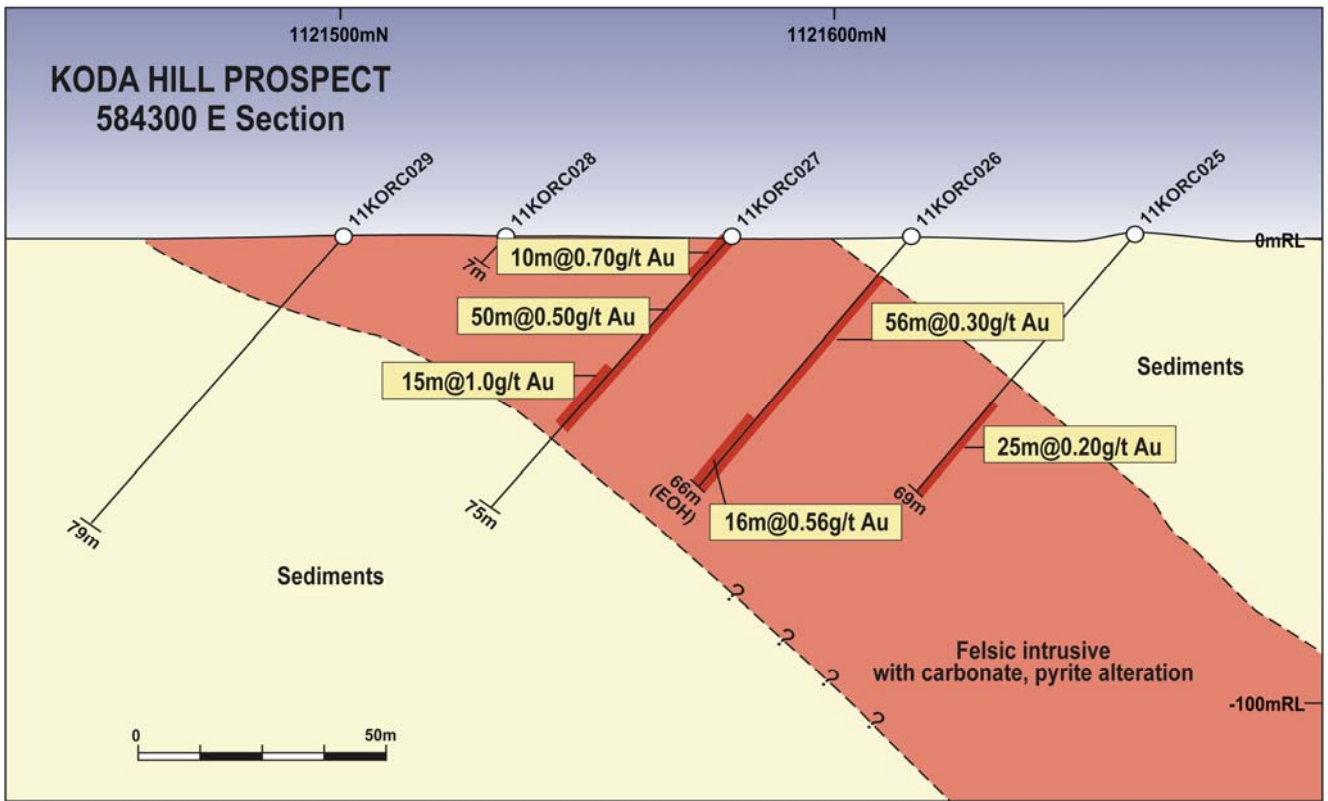
RC drilling has recommenced at Koda Hill, in addition Castle has a large number of other gold targets still to be tested along this corridor including the recently announced Baayiri prospect.

Koda Hill forms part of the 50km long Julie - Jang Trend in north-west Ghana within the larger Wa Gold Project.

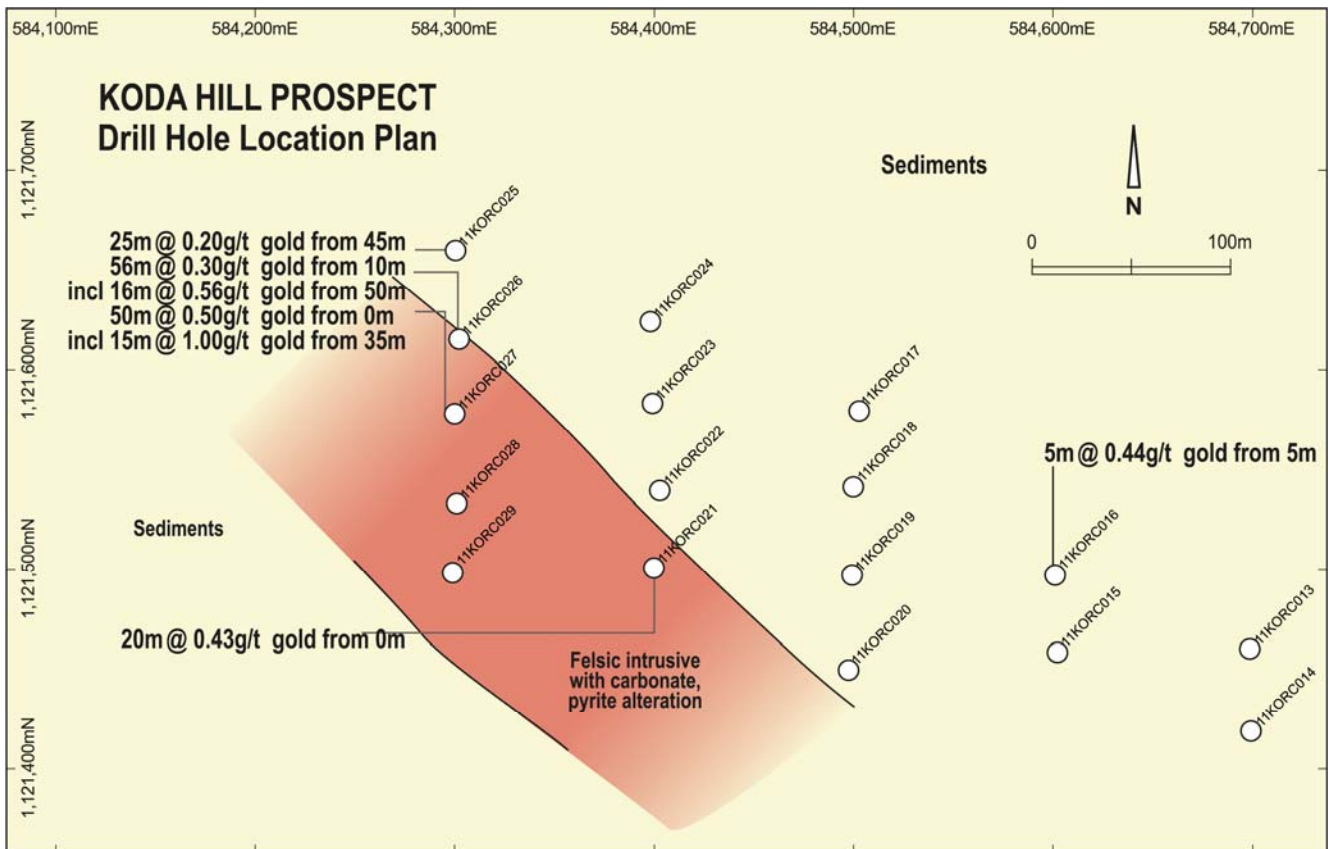
*Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples will be submitted for analysis.



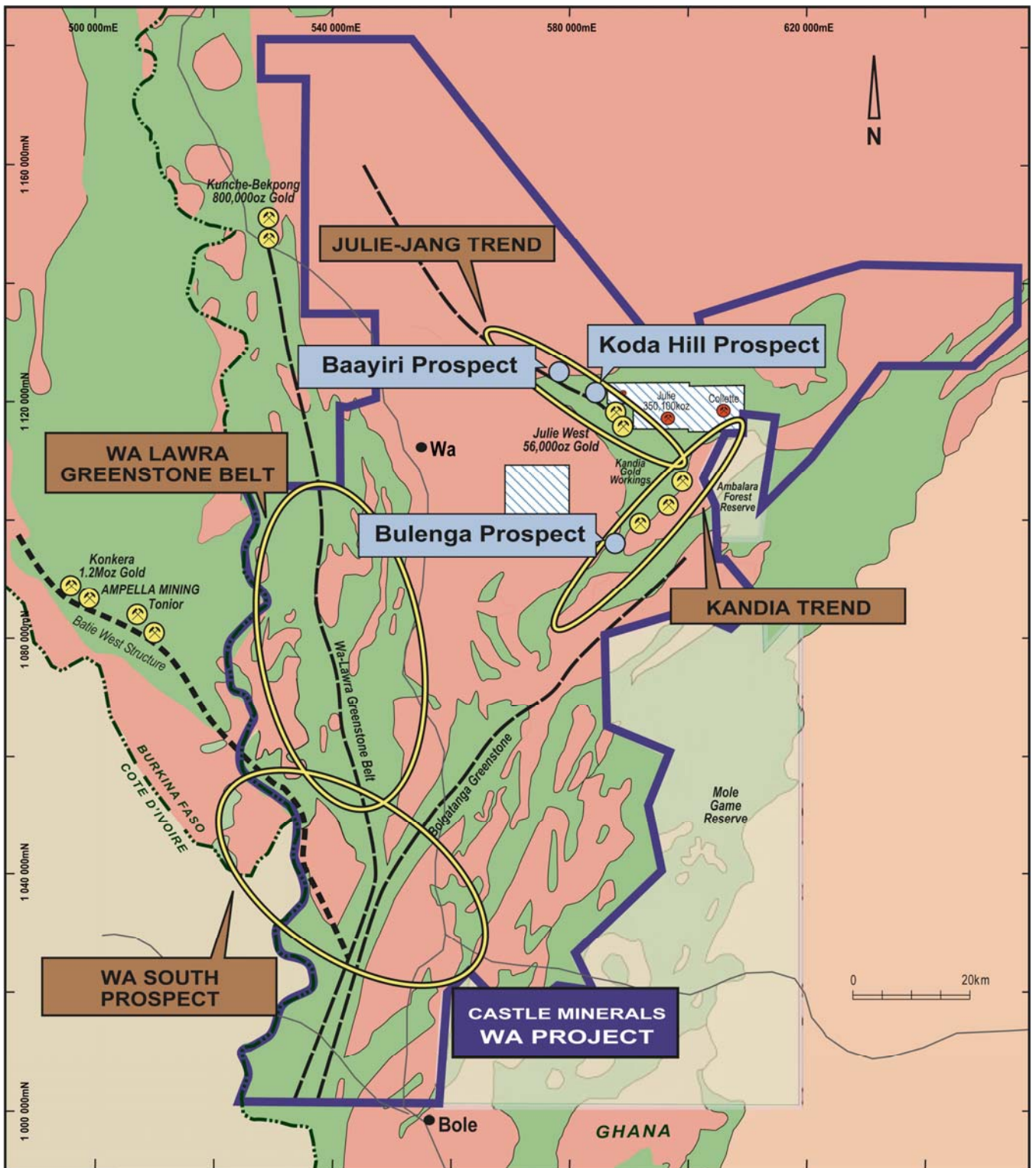
Regional aeromagnetic image along Julie-Jang Trend showing locations of Koda Hill and Baayiri prospects.



Cross section of Koda Hill drilling showing wide zones of intrusive hosted gold mineralisation



Drill hole plan of western area of RC drilling at Koda Hill. The wide zone of gold mineralisation intersected remains open along strike and further RC drilling is underway



During the quarter a new gold discovery was made along the Kandia Trend, and substantial new gold prospects were identified at Bulenga, Baayiri and Koda Hill.

Substantial Bedrock Gold Target Defined at New Bulenga Prospect

A mapping and trenching program at the Bulenga prospect reported significant bedrock gold mineralisation within sheared and quartz veined meta-sediments in contact with sheared granodiorite.

Significant results include;

19m @ 1.14g/t gold from 10m
inc. 3m @ 2.63 g/t gold from 10m
and 13m @ 1.17 g/t gold from 16m

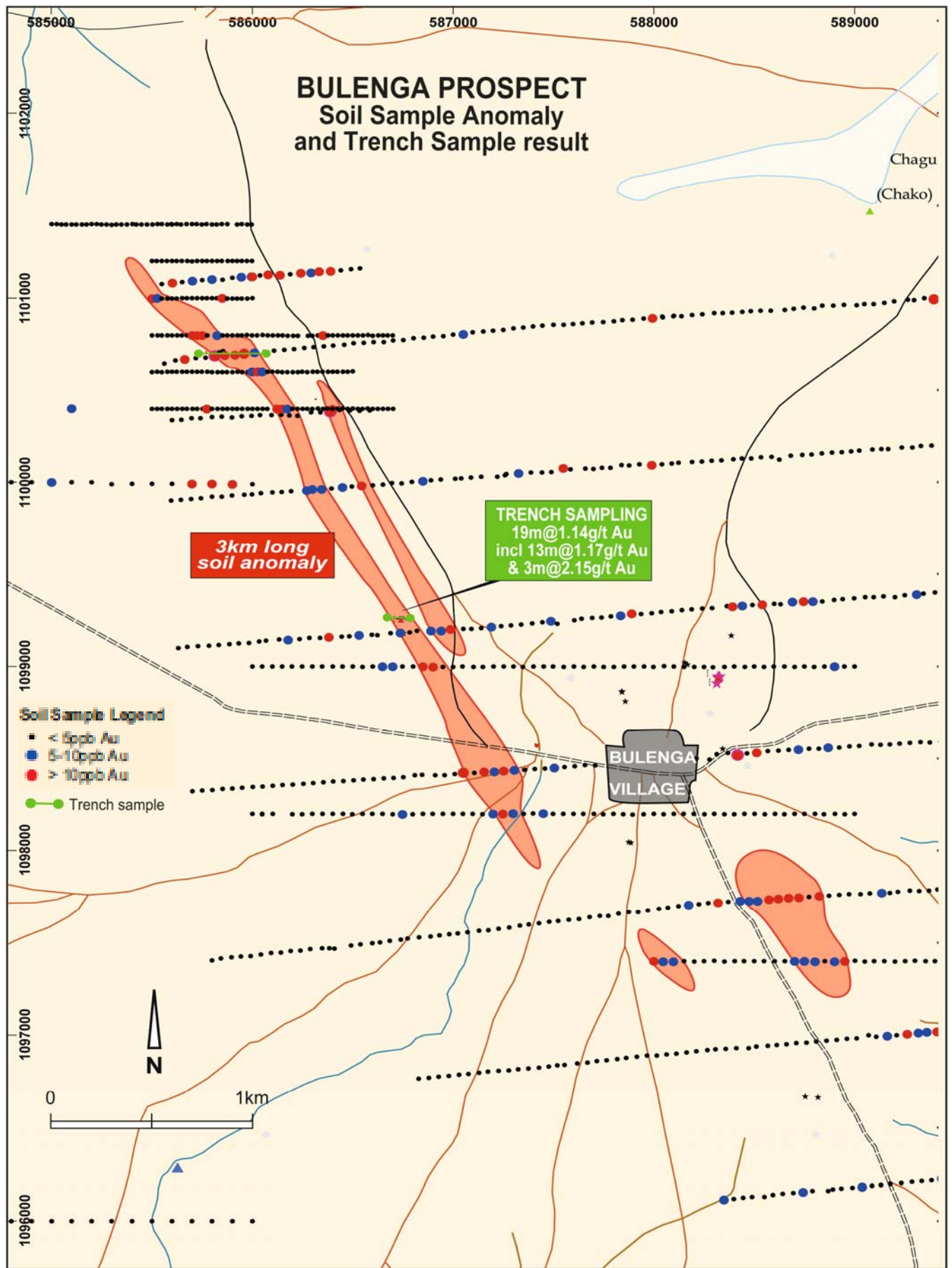
This work was completed to test a strike continuous soil anomaly and reaffirms the untapped potential of the vast Wa Project that continues to produce new areas of gold mineralisation in areas that have been never or only sparsely explored.

Two trenches were completed 1.7km apart to test a +3km long gold geochemical anomaly located north west of Bulenga village. The trenches exposed variably graphitic and siliceous, weakly quartz veined sediments that dip steeply to the east. The southern trench was completed in an area where some shallow artisanal workings have been developed and previously worked. The trench intercepts are considered to approximate true width of the mineralisation.

The results define an immediate drill target that will be scheduled into the current field exploration program.



Backfilled trench at Bulenga Prospect



Trenching at the Bulenga Prospect has returned significant bedrock gold mineralization coincident with a +3km long soil anomaly that will now be subject to drill testing

Baayiri Gold Anomaly Defined along Julie – Jang Trend

- 5 x 3km area of strong gold anomalism in an area never previously explored or sampled
- Surface soils up to 2,671ppb gold
- Highest tenor and size reported so far along Julie- Jang Trend
- Excellent structural position enhances prospectivity

Gold values up to 2,671 ppb gold (2.67g/t gold) were reported from soil geochemical sampling, defining a new area of strong surface gold anomalism over a 5km x 3km area known as Baayiri.

This reconnaissance exploration work has generated significant new gold anomalism in an area where no exploration had been previously undertaken. This now confirms the Julie - Jang trend to host substantial gold mineralisation over 20km of strike, with a further 30km of the corridor to progressively explore.

In addition, the Baayiri anomalism is in a structurally complex area where aeromagnetic data clearly show NE trending rocks intersecting a regional NW striking fault zone that can be traced for over 30km and is interpreted as a splay off the Jang Fault. This splay, known as the Baayiri Fault Zone is interpreted to be associated with and possibly controlling, the gold mineralisation at the Julie West and Julie gold deposits. This intersection point is therefore considered highly prospective and enhances the significance of the Baayiri anomaly.

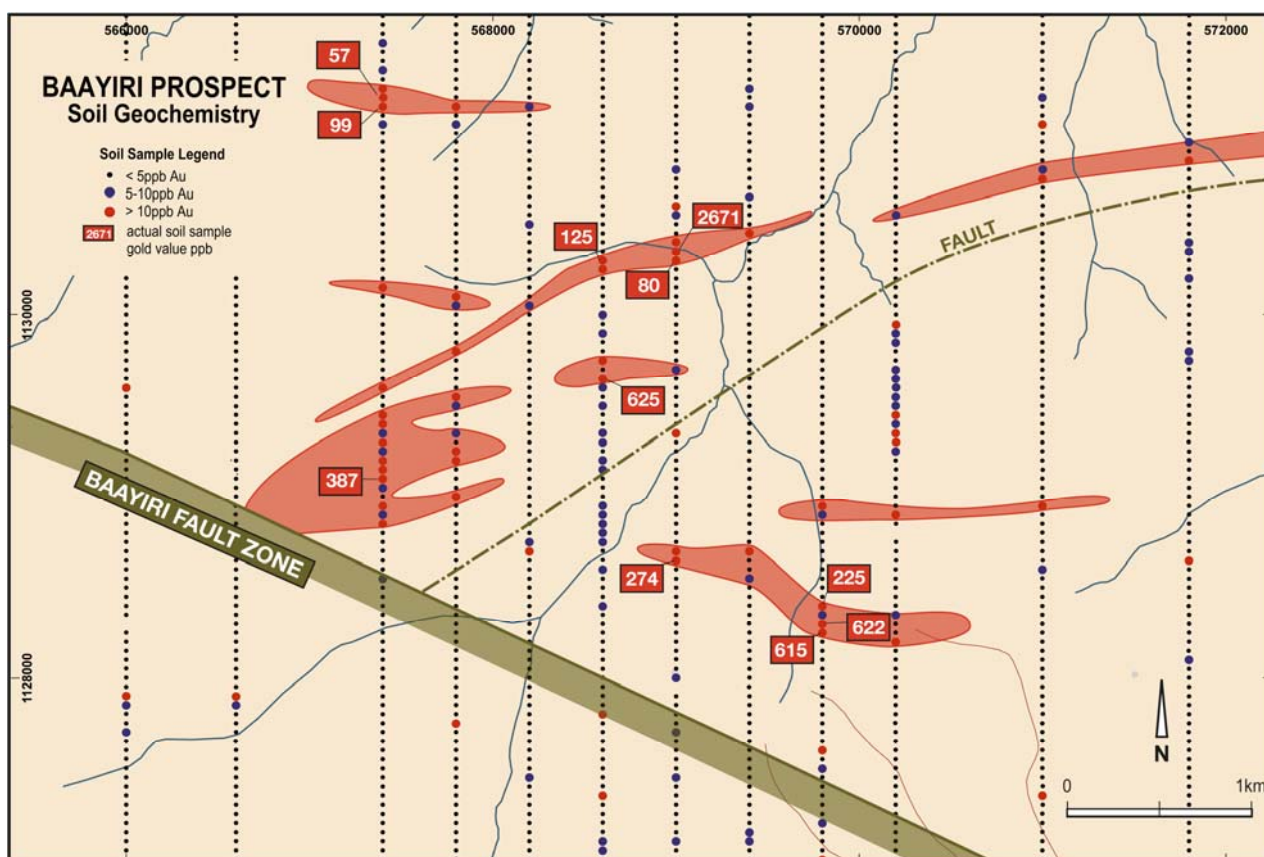
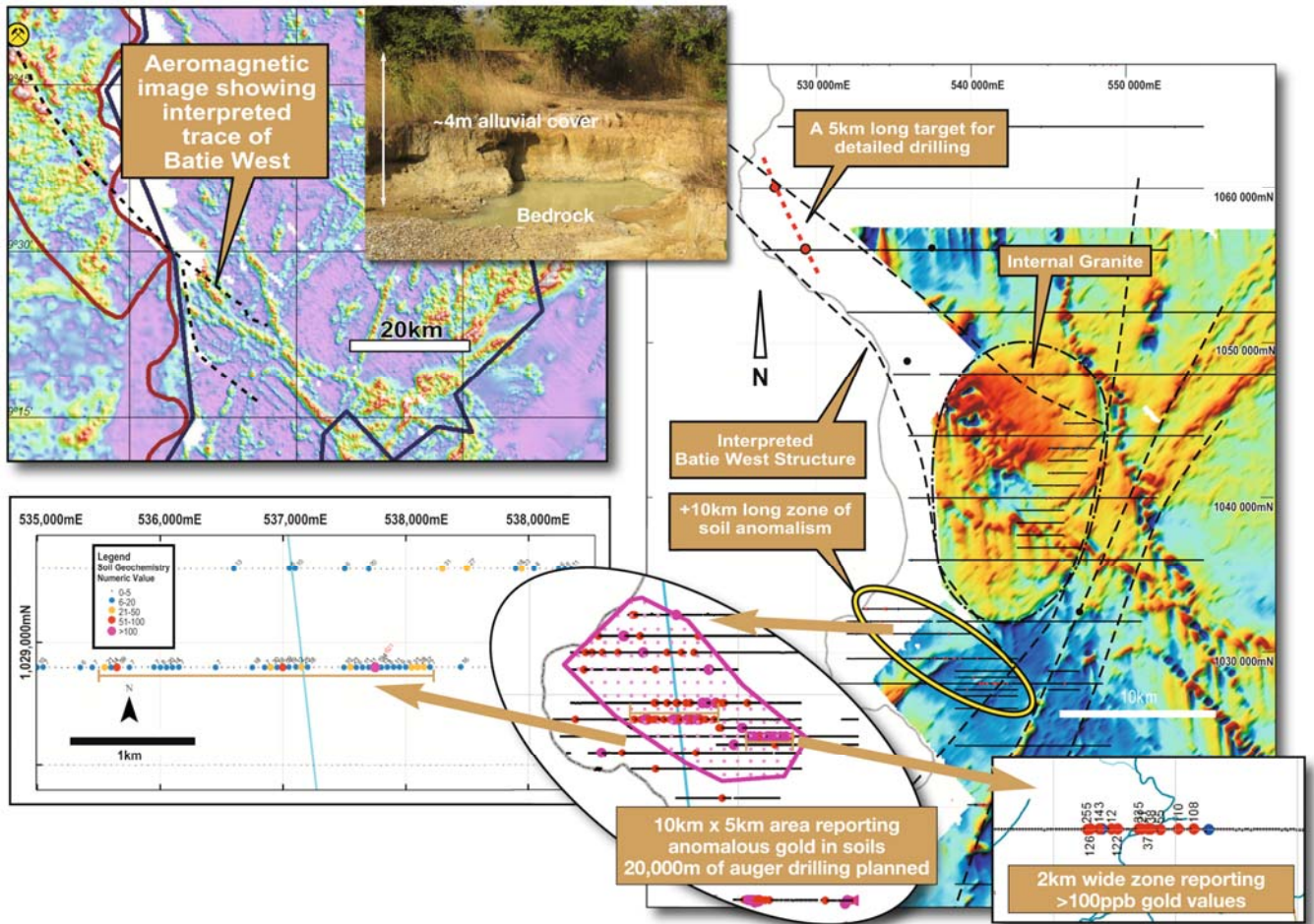


Image above shows soil data for the +5km long NE trending Baayiri prospect intersecting the Baayiri Fault Zone which is interpreted to be an important regional scale structure associated with gold mineralisation.

Wa South (Batie West Trend)

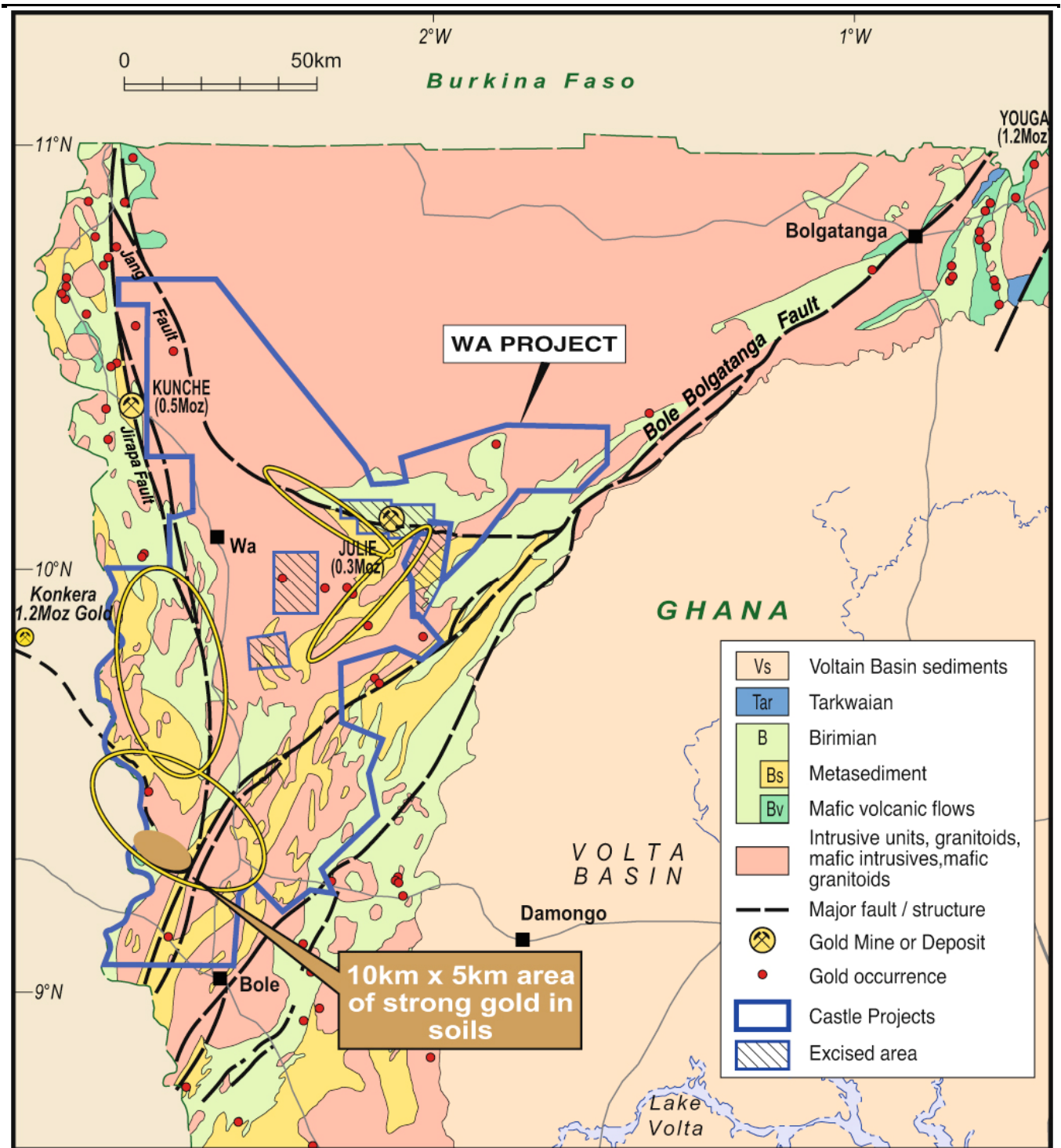
Auger drilling commenced during the quarter testing the interpreted Batie West Extension corridor that has reported a 3km wide zone of anomalous soils. Approximately 75% of the phase one 20,000m auger program has been completed to date. Assays are awaited.



The Batie West Extension target is within the South Wa prospect where regionally the Bolgatanga and Wa Lawra greenstone belts intersect at the southern end of an internal granite along the interpreted extension to the Batie West shear zone.



Auger drilling, sampling and logging at the South Wa soil anomaly



Corporate

At Quarter end Castle had total issued capital of 99.6 million shares and 3.5 million options on issue. During the quarter 2,364,000 options were exercised raising \$777,400. Cash reserves at quarter end were \$4.9 million.

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Kandia RC Drill Results

| Hole No. | Northing | Easting | RL | EOH (m) | Azimuth | Dip | Intercept | |
|-----------|----------|---------|-----|---------|---------|------|----------------------------|-------------|
| 11KARC094 | 1106120 | 599200 | 305 | 66 | 90 | -50 | 5m @ 0.12 g/t Au from 10m | |
| 11KARC095 | 1105960 | 599040 | 300 | 73 | 90 | -50 | 5m @ 0.26 g/t Au from 50m | |
| 11KARC098 | 1105960 | 599160 | 301 | 70 | 90 | -50 | 5m @ 0.15 g/t Au from 30m | |
| 11KARC099 | 1105800 | 599000 | 298 | 73 | 90 | -50 | 5m @ 0.44 g/t Au from 60m | |
| 11KARC103 | 1105640 | 598980 | 290 | 66 | 90 | -50 | 5m @ 0.45 g/t Au from 35m | |
| | | | | | | | 16m @ 0.51 g/t Au from 50m | |
| 11KARC104 | 1105640 | 598940 | 290 | 70 | 90 | -50 | 5m @ 0.13 g/t Au from 0m | |
| 11KARC106 | 1105640 | 599020 | 291 | 71 | 90 | -50 | 20m @ 0.53 g/t Au from 15m | |
| | | | | | | inc. | 5m @ 1.11 g/t Au from 25m | |
| 11KARC107 | 1105640 | 598900 | 291 | 66 | 90 | -50 | 6m @ 0.39 g/t Au from 60m | end of hole |
| 11KARC111 | 1105640 | 598640 | 276 | 67 | 90 | -50 | 5m @ 0.11 g/t Au from 30m | |
| 11KARC115 | 1105480 | 598920 | 283 | 66 | 90 | -50 | 5m @ 0.55 g/t Au from 5m | |
| 11KARC116 | 1105480 | 598960 | 284 | 66 | 90 | -50 | 5m @ 0.18 g/t Au from 20m | |
| 11KARC125 | 1105040 | 598360 | 275 | 66 | 90 | -50 | 5m @ 0.11 g/t Au from 40m | |
| 11KARC131 | 1104880 | 598280 | 278 | 66 | 90 | -50 | 5m @ 1.89 g/t Au from 25m | |
| | | | | | | | 5m @ 0.12 g/t Au from 45m | |
| | | | | | | | 5m @ 0.13 g/t Au from 55m | |
| 11KARC132 | 1104877 | 598240 | 278 | 67 | 90 | -50 | 10m @ 0.13 g/t Au from 20m | |
| | | | | | | | 5m @ 0.15 g/t Au from 45m | |
| | | | | | | | 5m @ 0.94 g/t Au from 60m | |
| 11KARC135 | 1104720 | 598200 | 277 | 67 | 90 | -50 | 5m @ 0.11 g/t Au from 0m | |
| | | | | | | | 5m @ 0.45 g/t Au from 45m | |
| 11KARC137 | 1104560 | 598160 | 280 | 66 | 90 | -50 | 5m @ 0.30 g/t Au from 10m | |
| | | | | | | | 10m @ 0.27 g/t Au from 20m | |
| | | | | | | | 6m @ 0.11 g/t Au from 60m | end of hole |
| 11KARC138 | 1104560 | 598120 | 280 | 70 | 90 | -50 | 10m @ 0.84 g/t Au from 60m | end of hole |
| 11KARC140 | 1104560 | 598040 | 280 | 67 | 90 | -50 | 15m @ 0.70 g/t Au from 25m | |
| 11KARC142 | 1104400 | 598000 | 280 | 70 | 90 | -50 | 5m @ 0.39 g/t Au from 0m | |
| | | | | | | | 10m @ 0.33 g/t Au from 60m | end of hole |
| 11KARC143 | 1104400 | 598040 | 280 | 66 | 90 | -50 | 40m @ 1.17 g/t Au from 20m | |
| 11KARC144 | 1104400 | 598080 | 280 | 67 | 90 | -50 | 25m @ 0.70 g/t Au from 0m | |
| 11KARC149 | 1104240 | 597960 | 280 | 66 | 90 | -50 | 15m @ 0.44 g/t Au from 30m | |

Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples have been submitted for analysis. Minimum Intersection Length = 5m, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.10 ppm Au, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.10 ppm. Gold analysis performed by Intertek Laboratories Tarkwa Ghana on 5m RC drill samples using 50gm fire assay technique with AAS finish. Assays for a total of 153 RC holes have been received to date - holes not mentioned above did not report significant results.

Koda Hill RC Drill Results

| Hole No. | Northing | Easting | RL | EOH (m) | Azimuth | Dip | Intercept | |
|-----------|----------|---------|-----|---------|-----------|-----|----------------------------|-------------|
| 11KORC016 | 1121498 | 584,601 | 275 | 73 | 180 | -50 | 5m @ 0.44 g/t Au from 5m | |
| 11KORC021 | 1121501 | 584400 | 284 | 75 | 180 | -50 | 20m @ 0.43 g/t Au from 0m | |
| 11KORC025 | 1121650 | 584300 | 281 | 69 | 180 | -50 | 24m @ 0.20 g/t Au from 45m | end of hole |
| 11KORC026 | 1121615 | 584302 | 276 | 66 | 180 | -50 | 56m @ 0.30 g/t Au from 10m | end of hole |
| | | | | | including | | 16m @ 0.56 g/t Au from 50m | |
| 11KORC027 | 1121578 | 584300 | 283 | 73 | 180 | -50 | 50m @ 0.50 g/t Au from 35m | |
| | | | | | including | | 15m @ 1.00 g/t Au from 0m | |

Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples will be submitted for analysis.

Minimum Intersection Length = 5m, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.10 ppm Au,

Gold analysis performed by Intertek Laboratories Tarkwa Ghana on 5m RC drill samples using 50gm fire assay technique with AAS finish

Assays for a total of 27 RC holes have been received - holes not mentioned above did not report significant results

Bulenga Trench Results

| Trench Number | Start Northing | Start Easting | mRL | Az. | Intercept |
|---------------|----------------|---------------|-----|-----|--|
| Trench 2 | 1099260 | 586721 | 400 | 90 | 19m @ 1.14 ppm Au from 10m Inc. 3m @ 2.15 ppm Au from 10m Inc. 13m @ 1.17 ppm Au from 16m 2m @ 0.31 ppm Au from 32m |
| Trench 3 | 1100702 | 585700 | 400 | 90 | 5m @ 0.12 ppm Au from 146m 2m @ 0.12 ppm Au from 156m 5m @ 0.11 ppm Au from 180m 5m @ 0.23 ppm Au from 217m 2m @ 0.22 ppm Au from 226m |

Information in this announcement that relates to Exploration Results is based on information compiled by Michael Fowler, Castle Minerals Limited Exploration Manager, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Fowler is a permanent employee of 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 2004 JORC Code. Michael Fowler consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.