

Highlights

Ghana Gold Exploration

Multiple EM targets identified at Bundi Prospect

- **Helibourne electromagnetic (EM) survey identifies 13 high priority electromagnetic conductors at Bundi Prospect in NW Ghana**
- **Conductors possibly represent massive sulphides with most conductors being adjacent to, or along strike from Bundi gold/zinc sulphide mineralisation discovered in March 2013**
- **Initial phase of approximately 5,000m of RC and 20,000m of RAB drilling proposed to commence before year end**

Antubia Project (Merah Resources Limited - Option to Purchase)

- Merah Resources Limited completed a VTEM and magnetic survey over the large Boizan gold anomaly that has identified a deep seated NNW conductive zone that represents a target for RC drill testing. A ground magnetic survey is planned in preparation for Merah's maiden drill program at Boizan.

Kong Project (Merah Resources Limited - Option to Purchase)

- Licence documents have been received for six of the eight prospecting licence applications covering the Kong Project. Receipt of the final two licences will satisfy Stage 1 of the option agreement that includes the issue of 2 million Merah Resources shares to Castle.

Corporate

- End of quarter cash position of \$1.35m with 124,247,452 fully paid shares on issue.

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Capital Structure
Quoted Shares: 124.2 million
Unlisted Options: 1.05m @ 40c

ASX Code: CDT

Board Members
Michael Ashforth
Non Executive Chairman

Michael Ivey
Managing Director & CEO

Campbell Ansell
Non Executive Director

Des Kelly
Company Secretary

Wa Project (Castle Minerals 100%)

Exploration on the Company's Wa Project in north west Ghana focussed on the new gold discoveries made earlier in the year at Bundi and Kpali. Work at the Bundi prospect has defined a high grade gold and zinc horizon over at least 1100m strike that provides significant potential for a gold resource. Kpali is located 4km south of Bundi and drilling has defined a 650m long continuous zone of near surface gold mineralisation.

Bundi Prospect

Drilling at Bundi has defined a gold/zinc horizon over 1100m of strike. The zone identified may represent the distal portion of a VMS (volcanogenic massive sulphide) horizon and provides considerable scope for the definition of a high grade gold and or zinc deposit.

Significant RC intercepts from the gold/zinc horizon at Bundi include;

2m @ 7.87g/t gold and 0.15% Zn from 40m 13SWRC028
3m @ 6.01g/t gold and 1.04% Zn from 40m 13SWRC027
3m @ 3.19g/t gold and 1.20% Zn from 25m 13SWRC026
2m @ 9.11g/t gold and 1.36% Zn from 68m 13SWRC032

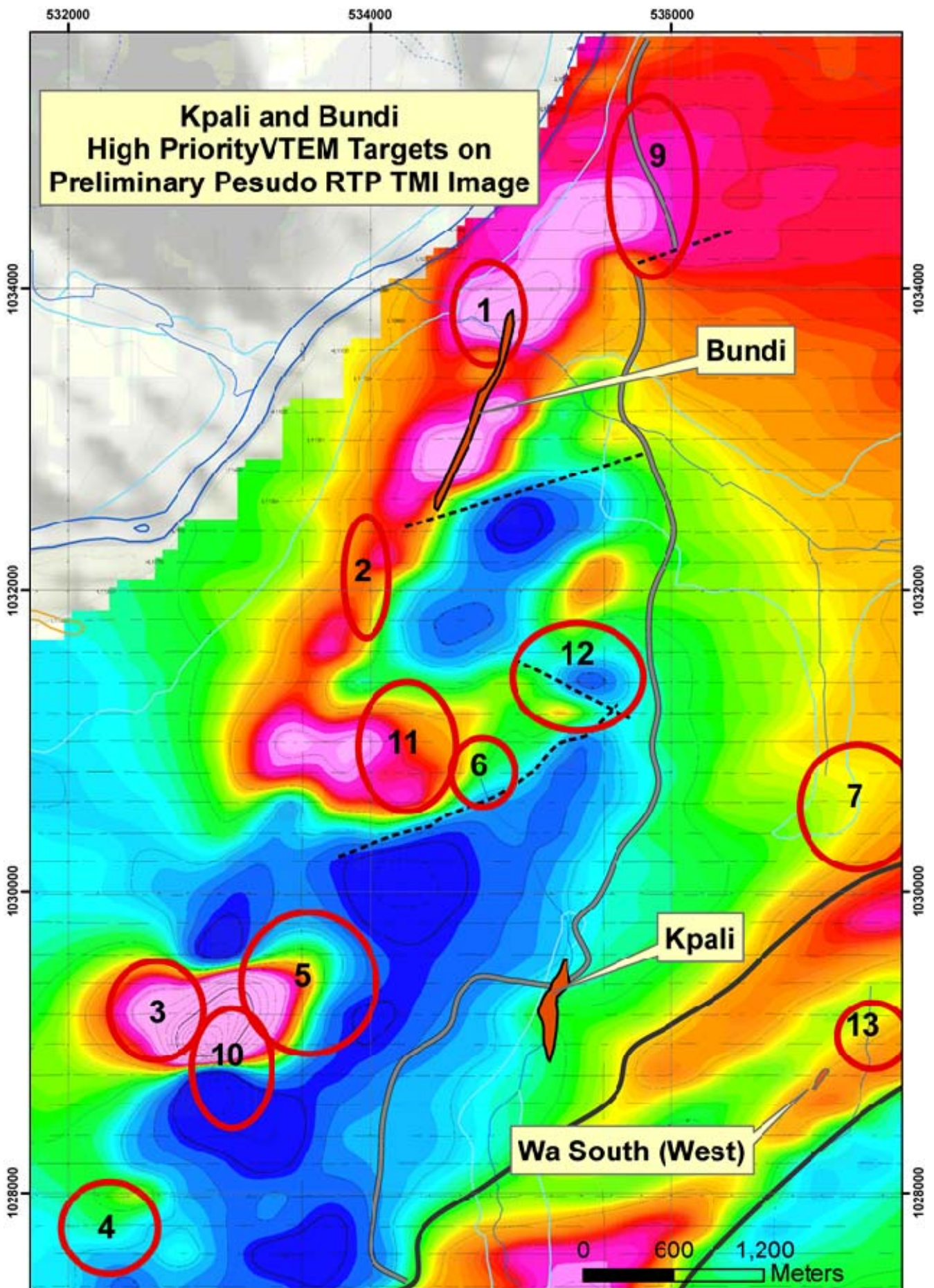
The gold/zinc metal association is unusual for Birimian rocks in West Africa and the geological model will be refined as the project advances.

During the quarter a VTEM Airborne Electromagnetic survey was flown by Geotech Airborne Limited over the Bundi and Kpali prospects. The survey aimed to define anomalies indicative of bedrock conductors with potential to represent massive sulphide associated with the Bundi zinc sulphide mineralisation discovered by Castle. This is the first survey of this type in the area and was designed to identify structures, magnetic and geological units associated with the Bundi and Kpali gold mineralisation. Final magnetic data is still being interpreted however preliminary data show a structurally complex area between the Bundi and Kpali mineralisation.

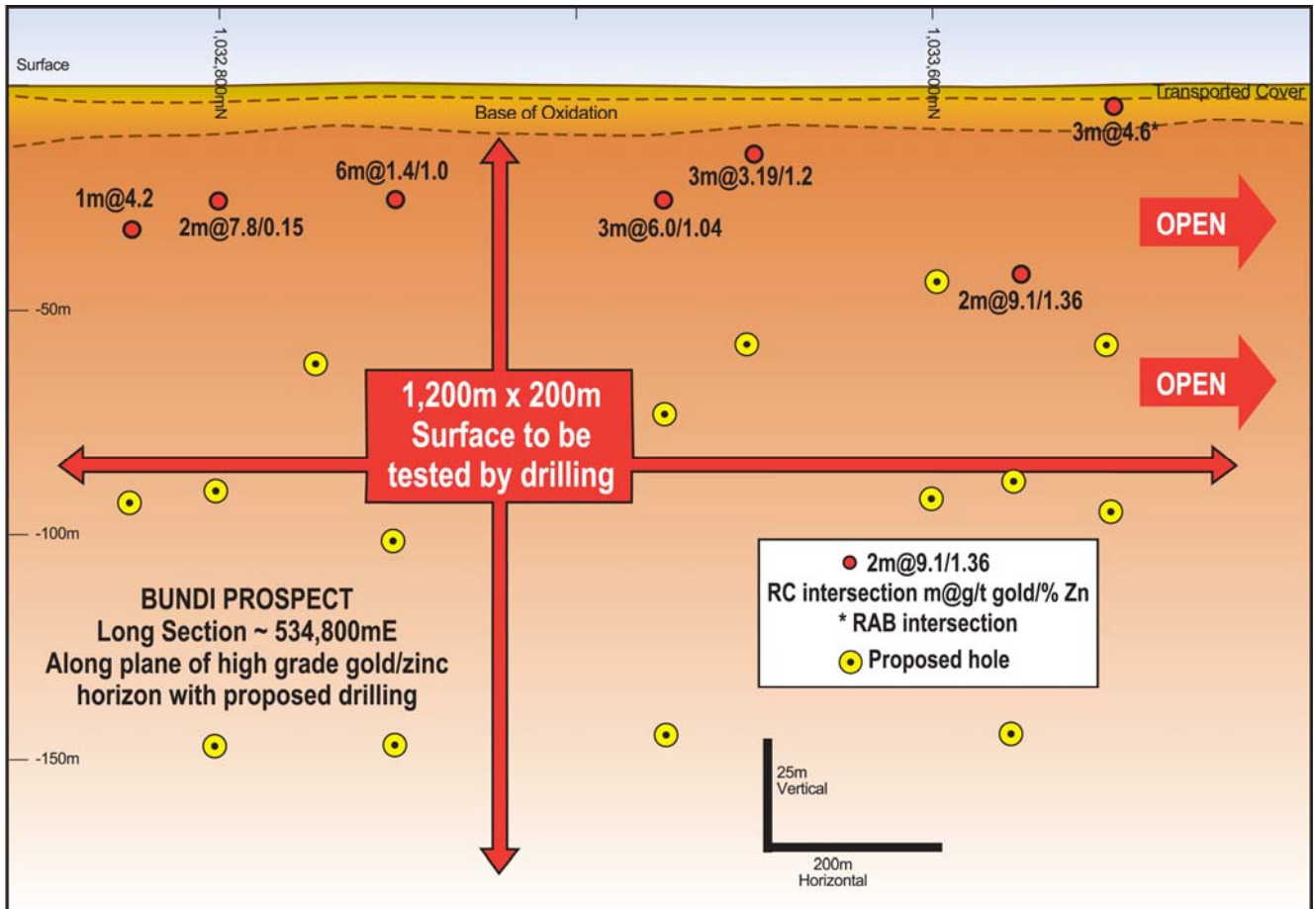
Thirteen (13) high priority targets have been subsequently identified including;

- Target VTEM-7, represents the possible direct detection of an isolated bedrock conductor and is located in a similar magnetic position to Kpali on the felsic volcanic and sediment contact.
- Target VTEM-12 is centred over a magnetic anomaly within a structurally complex area 2km along strike from the Kpali gold mineralisation.
- Targets 1-6, and 8 are based upon increased amplitudes within the graphitic schist possibly indicating enhancement of the conductor through massive sulphide.

The results have generated multiple new drill targets in addition to the program planned for the Bundi gold/zinc prospect and Kpali gold prospect. An initial phase of approximately 5,000m of RC and 20,000m of RAB drilling is proposed to commence before the end of the year.



Kpali and Bundi VTEM targets over preliminary Pseudo RTP Total Magnetic Intensity Image
 Kpali and Bundi gold mineralisation projected to surface



Long section above shows RC drill pierce points along the 1,200m mineralised surface at Bundi and proposed holes. Bundi hosts high grade gold mineralisation along with zinc sulphide mineralisation which is a very unusual association and is not known to exist elsewhere in Ghana

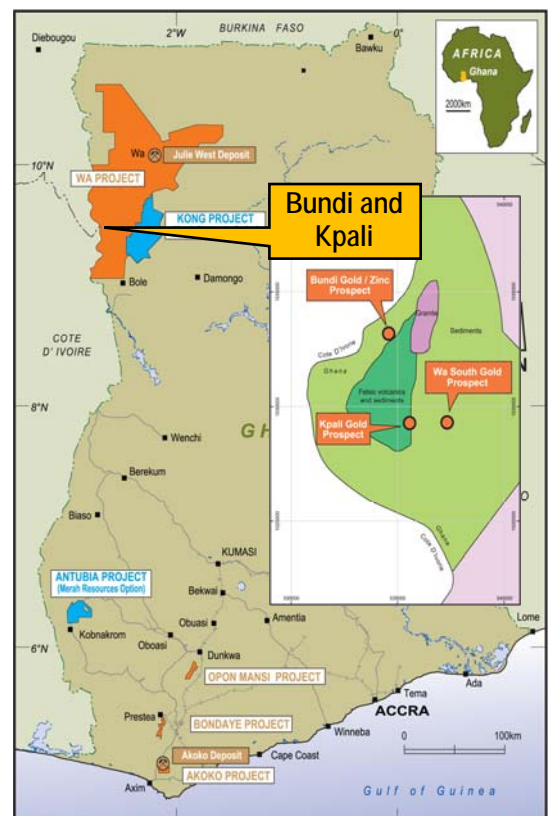
Kpali Prospect

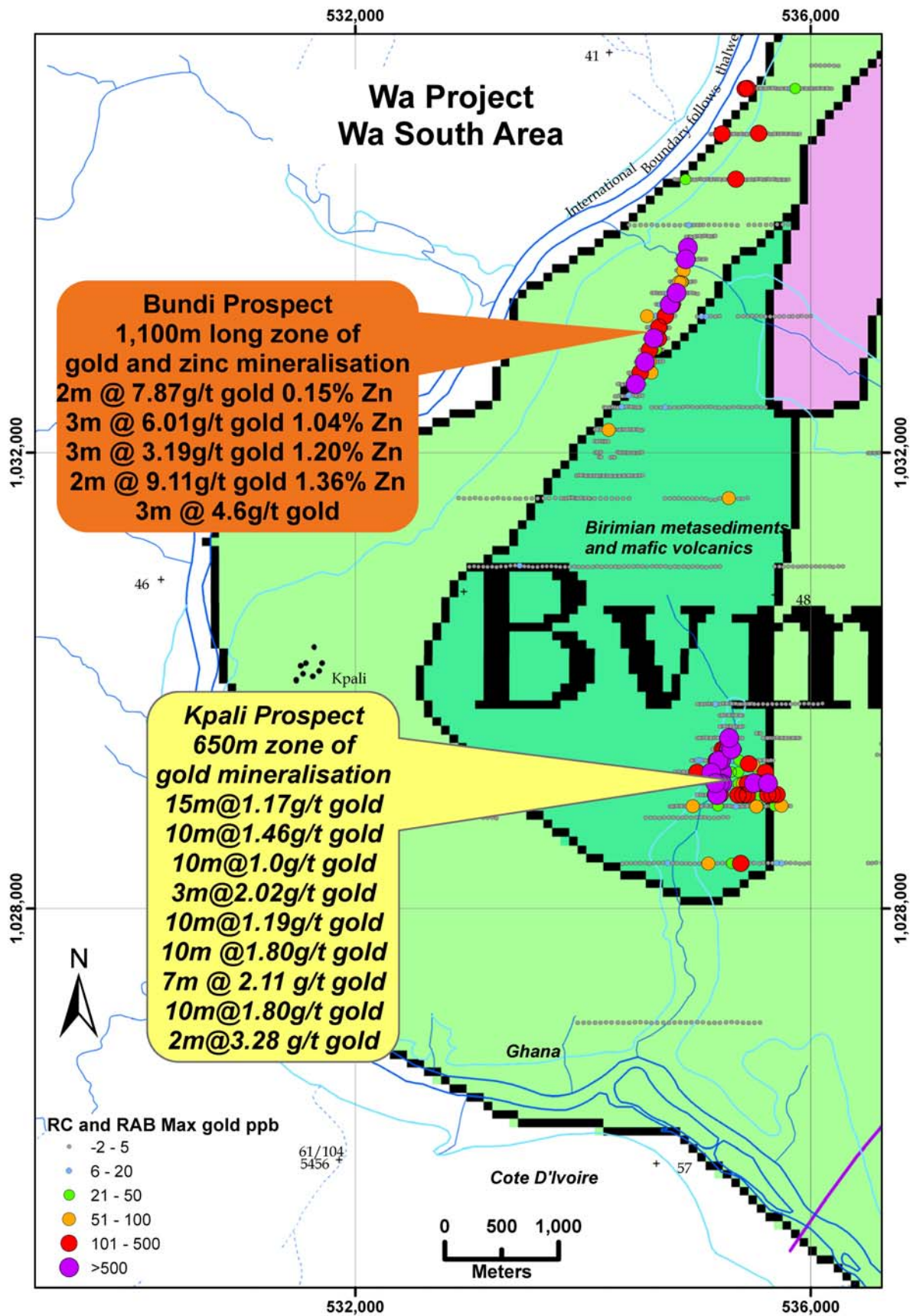
Kpali is 4km south of Bundi and is a 650m long gold anomaly defined by 100m spaced RAB traverses and 3 RC holes. Kpali is hosted within similar host rocks to Bundi but does not display the high zinc and base metals association.

Alteration at Kpali is observed as predominantly pyrite-silica-sericite. RC drilling has only tested the southern 200m of the 650m long anomaly.

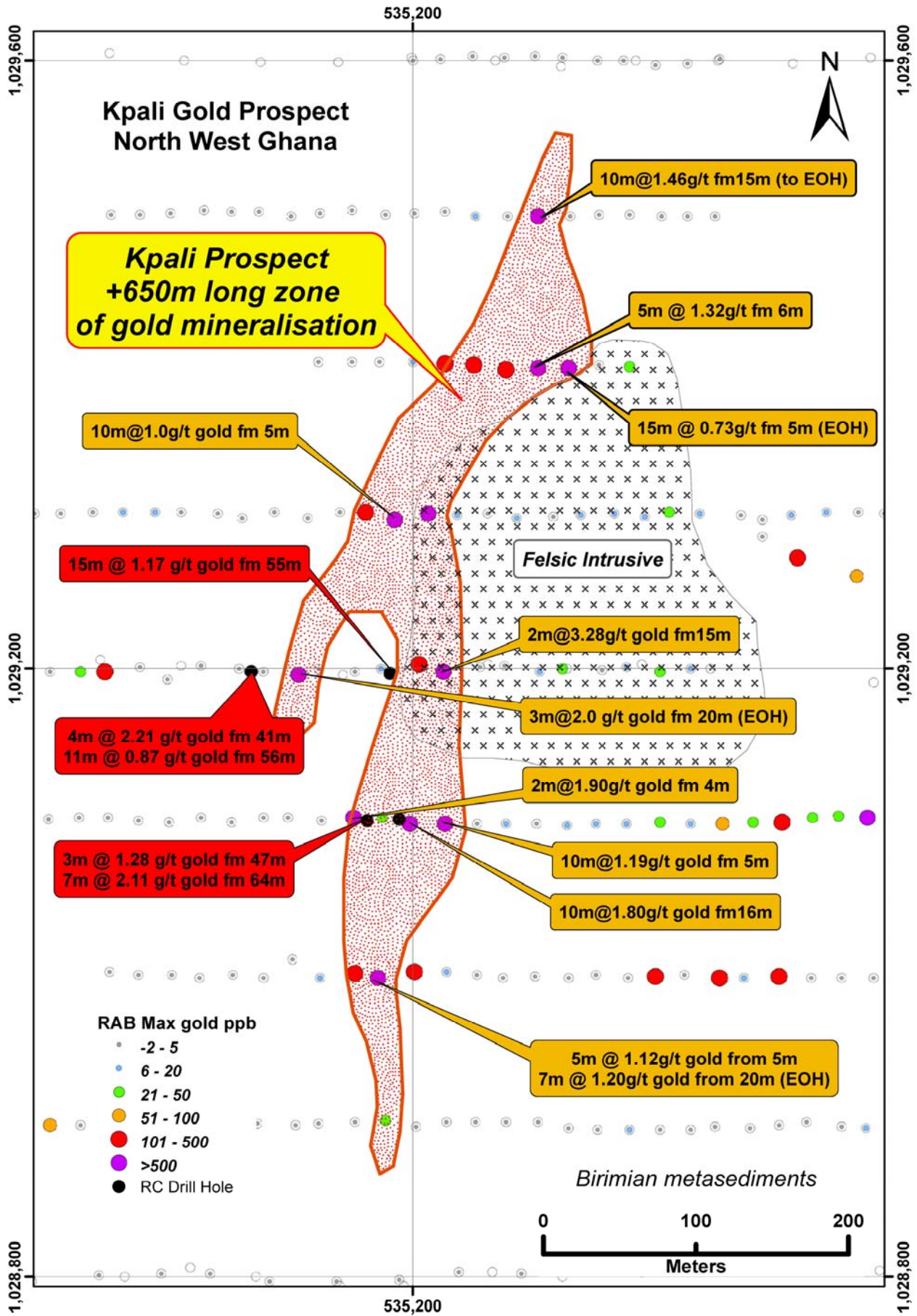
The proposed drilling at Kpali will be completed with the strong expectation that a maiden gold resource will be defined following this work.

Bundi/Kpali prospect location in NW Ghana

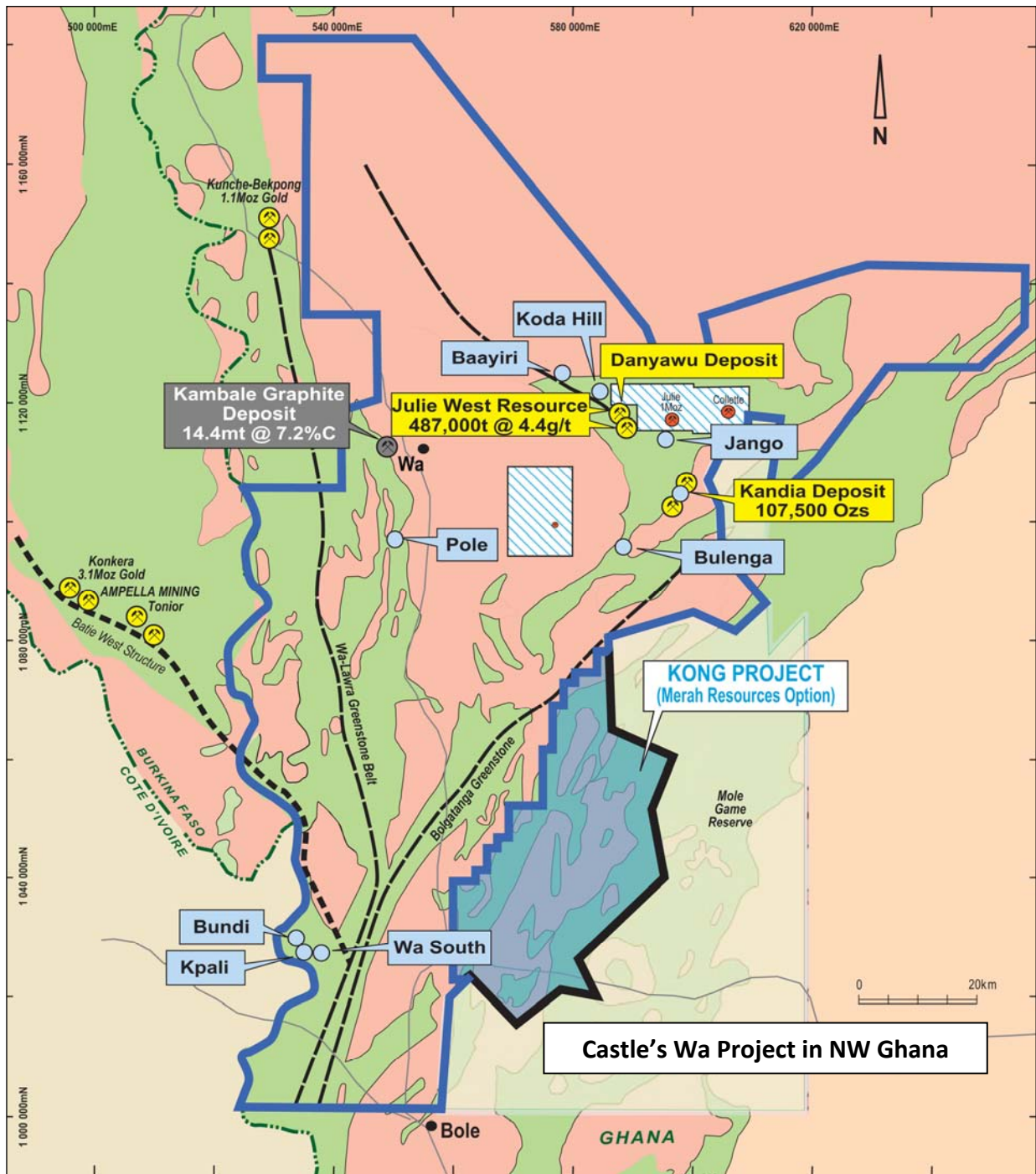




Location and drill hole plan for Bundi and Kpali with significant drill results. The proposed drill program will test the new VTEM targets generated plus aims to establish maiden resources at both prospects



RC drilling is proposed to test the full 650m strike extent of the gold mineralisation as defined by shallow RAB drilling



Ghana Project locations with detail for the Wa South area showing location of Bundi and Kpali prospects. They are both grassroots discoveries made in a previously unexplored area

Antubia and Kong Projects

In March 2013 Castle signed option agreements with Merah Resources Limited (ASX:MEH) to acquire Castle's 100% interest in the Antubia and Kong gold Projects. Under the key terms of the agreements, Merah must (subject to statutory approvals) issue up to 6 million Merah shares to Castle for each project in three equal tranches based on (i) tenement grant and/or ministerial consent; (ii) definition of a JORC resource and (iii) completion of a PFS and mining lease grant. Merah must also make staged cash payments to Castle totalling \$270,000 and commit to spending a minimum \$350,000 per annum on exploration.

The agreements with Merah will allow renewed exploration activity over the Antubia and Kong Projects whilst providing significant upside for Castle shareholders through a substantial equity position in Merah.

Merah has completed a VTEM and magnetic survey over the large Boizan gold anomaly that has identified a deep seated NNW conductive zone that represents a target for RC drill testing. Merah is proposing a ground magnetic survey in preparation for their maiden drill program at Boizan.

Licence documents have been received for six of the eight prospecting licence applications covering the Kong Project. Receipt of the final two licences will satisfy Stage 1 of the option agreement that includes the issue of 2 million Merah Resources shares to Castle. Castle is pursuing the final two licences that are understood to be ready for signing by the Ghana Resources Minister.

Corporate

Cash Position

End of quarter cash position was \$1.35m with a total of 124,247,452 shares on issue. Overhead, corporate and exploration cost reductions continue to be implemented.

For further information please contact:

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About Castle:

Castle Minerals listed on the Australian Stock Exchange in May 2006 (ASX code 'CDT') and has five mineral projects in Ghana, West Africa including Akoko, Antubia, Bondaye, Opon Mansi (application) and Wa covering more than 11,000km².

The Wa and Akoko projects are 100% owned by Castle Minerals (subject to Ghanaian Government right to a free-carried 10% interest). Bondaye and Opon Mansi are applications and the Kong and Antubia Projects are subject to a sale agreement with Merah Resources (ASX: MEH). Castle's corporate objectives are exploration and development of its projects in Ghana and the acquisition and exploration of other mineral resource opportunities, particularly in West Africa. The country of Ghana has a long history of gold mining and exploration and is Africa's second largest gold producer behind South Africa.

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Information in this announcement that relates to Exploration Results is based on information compiled by Haydn Hadlow, Castle Minerals Limited Exploration Manager, who is a Member of The Australasian Institute of Mining and Metallurgy. Haydn Hadlow 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. Haydn Hadlow consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Information in this announcement that relates to Gold Mineral Resources is based on information compiled by Michael Ivey, Castle Minerals Limited Managing Director, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Ivey 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 Ivey consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.