

Highlights

Julie West Sale Agreement

During the quarter Castle executed a put option/sale agreement with private Australian company, Bunda Resources Pty Ltd (Bunda) over Castle's Julie West Project in north west Ghana.

Castle subsequently exercised the put option to sell the Project to Bunda in consideration for a cash payment of A\$500,000 plus a four percent net smelter gold royalty. The cash component of the purchase price is payable in two tranches

The first tranche comprises a non refundable A\$250,000 deposit which has been paid to Castle. The remaining A\$250,000 component is payable to Castle upon Ministerial approval for the transfer of the Julie West Prospecting Licence to Bunda.

The sale provides immediate funding for Castle plus potential future royalty payments that, depending upon ultimate gold production, could be in the order of several million dollars.

Ghana Tenements

Project tenure in Ghana was reviewed with a number of mineral licences either reduced in size or or surrendered outright to minimise fees and expenditure commitments.

Corporate

End of quarter cash was \$0.36M. Castle also owns one million Minquest shares (ASX: MNQ) following the disposal of one million shares.

Castle's 2015 Annual General Meeting will be held at 11am on the 23rd November at 38 Station Street Subiaco WA.

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Capital Structure
Quoted Shares: 131 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

Ghana Gold Projects (Castle Minerals 100%)

Castle continued to focus its efforts on its 100% owned gold projects in Ghana. Castle's concessions are located within the historic Ashanti and Sefwi gold belts of South West Ghana and in the Wa–Lawra and Bolgatanga greenstone belts in the north. Castle has five distinct projects known as Antubia, Bondaye, Akoko, Wa and Opon Mansi. Sale agreements have been executed over the Akoko and Julie West Projects. Castle's Wa and Akoko Projects remain the focus of exploration activities.

Wa Project

Castle's large Wa Gold Project (~10,000km²) in north west Ghana hosts two Birimian greenstone belts covering over 200 strike kilometres of prospective rocks. Since 2008 Castle has explored this previously untested area and discovered six new areas of gold mineralisation with five of these having a defined gold resource; (Julie West, Danyawu, Kandia (2) and Kpali)

Julie West Sale Agreement

A put option/sale agreement was executed with private Australian company, Bunda Resources Pty Ltd (Bunda) over the Julie West Project in north west Ghana.

Under the terms of the agreement Castle had a 14 day option to sell the Julie West Project to Bunda in consideration for a cash payment of A\$500,000 plus a four percent net smelter gold royalty (the Put Option). The put option was exercised by Castle in early October 2015.

The cash component of the purchase price is payable in two tranches. The first tranche comprised a non refundable A\$250,000 deposit which has been paid to Castle. The remaining A\$250,000 component is payable to Castle upon Ministerial approval for the transfer of the Julie West Prospecting Licence to Bunda.

Apart from securing Ministerial consent in Ghana to the transfer of the Julie West Prospecting Licence to Bunda, there are no other conditions that need to be satisfied before completion can take place.

The parties have agreed a "drop dead date" of 2 years in which to secure the Minister's approval. In the unlikely event that Ministerial approval is not obtained by that date, then the agreement would come to an end, Castle would continue to hold all rights in the Julie West Prospecting Licence and Bunda would be released from the obligation to pay the second tranche of the purchase price. Castle would not be required to refund any part of the first tranche non refundable deposit.

The agreement with Bunda was structured as a Put Option to ensure that if Castle received a higher competing offer for the project, it would have been able to accept that offer. In this regard, prior to entering into the agreement with Bunda, Castle held discussions with Azumah Resources Limited to test whether Azumah wished to acquire the project. Azumah expressed interest in doing so but was not able to table terms which were as attractive as those offered by Bunda.

The sale provides immediate funding for Castle plus potential future royalty payments that could be in the order of several million dollars, depending upon ultimate gold production. Under the terms of the agreement Bunda is responsible for the Julie West Project tenure including paying all fees, rents, rates and other charges levied or assessed under the Mining Act and to comply with the requirements of the Mining Act and Mining Regulations.

About Julie West

The Julie West Project forms part of Castle's Gold Project in NW Ghana and is located about 720 km northwest of Accra. It consists of one prospecting licence and one mining lease application where Castle has discovered two high grade gold deposits; the Julie West deposit hosts a defined gold resource of 56,200 ounces (415,000t @4.2g/t gold) and the Danyawu deposit has a gold resource of 72,100 tonnes @ 5.5 g/t gold for 12,800 ounces. These high grade shallow resources total 487,100t @ 4.4 g/t gold for 69,000 ounces.

Wa South Project – Kpali Prospect

The 150km² Degbiwu Prospecting Licence in NW Ghana is host to the Bundi (Au/Zn) and the Kpali (Au) prospects. Kpali is considered the most prospective target and was discovered by Castle Minerals in 2013 beneath a thin veneer of alluvial cover. No previous gold occurrence or artisanal workings were known. RC drilling over a 600m strike has identified an open ended high grade gold zone. Gold mineralisation appears as hydrothermal lode style (pyrite-sericite-silica) hosted by Birimian sediments. In 2014 Castle reported a Mineral Resource Estimate 107,200 Oz for Kpali (2.9Mt @ 1.1g/t gold).

Relogging of all Kpali RC holes was undertaken in 2015 and an updated geological model developed. A strong trend is evident particularly on the southern sections with the grade and width of the mineralisation increasing with depth. Significant gold intercepts from Kpali include:

28m @ 2.26 g/t gold from 81m (13SWRC049), inc. 13m @ 3.87 g/t gold from 81m and 5m @ 8.41g/t gold from 89m; 21m @ 1.55 g/t gold from 86m (13 SWRC053) inc. 15m @ 2.08 g/t gold from 87m, inc. 10m @ 2.84 g/t gold from 92m and 3m @ 6.52 g/t gold from 97m; 14m @ 2.29 g/t gold from 98m (13 SWRC054) inc. 5m @ 4.53 g/t gold from 99m; 16m @ 3.23 g/t gold from 9m (13SWRC 057) and 10m @ 2.01 g/t gold from 22m (13SWRC059)

These intercepts are considered the most significant drill results received to date from Castle's gold exploration and provide real promise that a substantial gold deposit could be defined. Drilling is wide spaced, being completed on approximately 80m spaced sections with mineralisation displaying excellent continuity. Twenty four new RC and/or diamond holes are proposed for 4,115m. Sixteen holes (3,005m) are considered Priority one and eight holes (1,110m) as Priority two. There is a very strong expectation that this work will yield further significant gold intersections. Castle is currently investigating equity or JV participation to undertake this work.

Joint Venture with Dundee Precious Metals Inc.

Castle Minerals and Dundee Precious Metals Inc. first announced a proposed joint venture over its Wa South property in June 2015 that was subject to a 60 day due diligence period. One of the key areas of focus by Dundee was to obtain confirmation of correspondence previously issued to Castle by the Ghana Minerals Commission (Mincom) regarding the proposed joint venture tenements. Unfortunately, by the end of the initial due diligence period the Mincom had not responded and both parties agreed to a 30 day extension to the due diligence period.

In early September 2015, Castle advised Dundee that it was unlikely to extend the due diligence period any further. Unfortunately despite repeated requests, the Mincom confirmation had not been received and on 17 September 2015, Dundee advised that it would not continue with its due diligence enquiries and had decided not to proceed with the joint venture.

Corporate

Cash Position

End of quarter cash of \$0.36M. Castle also holds one million Minquest shares (ASX:MNQ) (formerly Merah Resources) representing a 1.2% holding in MNQ. Castle has 131 M shares on issue. Overhead, corporate and exploration cost reductions continue to be implemented.

Castles 2015 Annual General Meeting will be held at 11am on the 23rd November at 38 Station Street Subiaco WA

For further information please contact:

Michael Ivey

Managing Director & CEO

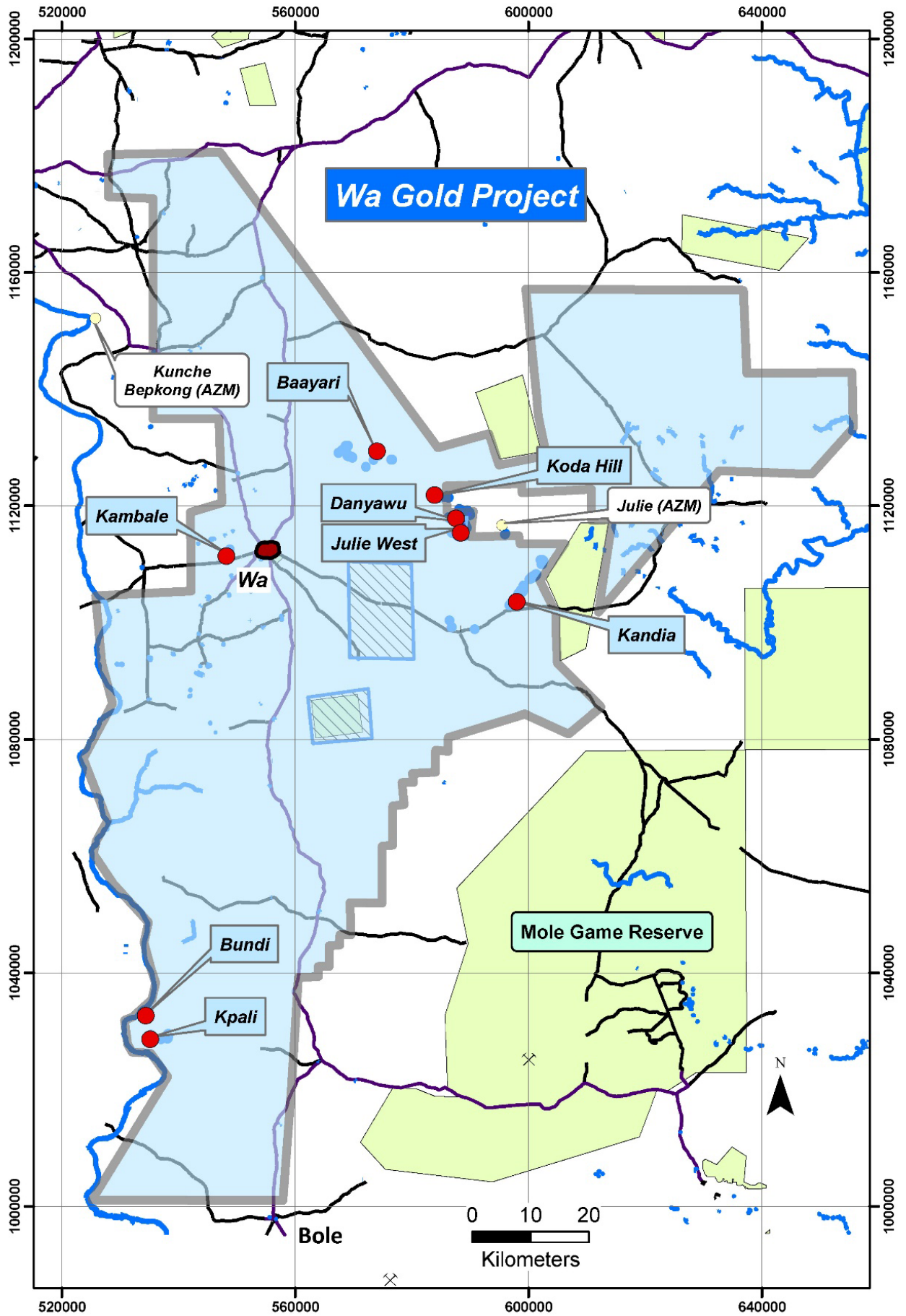
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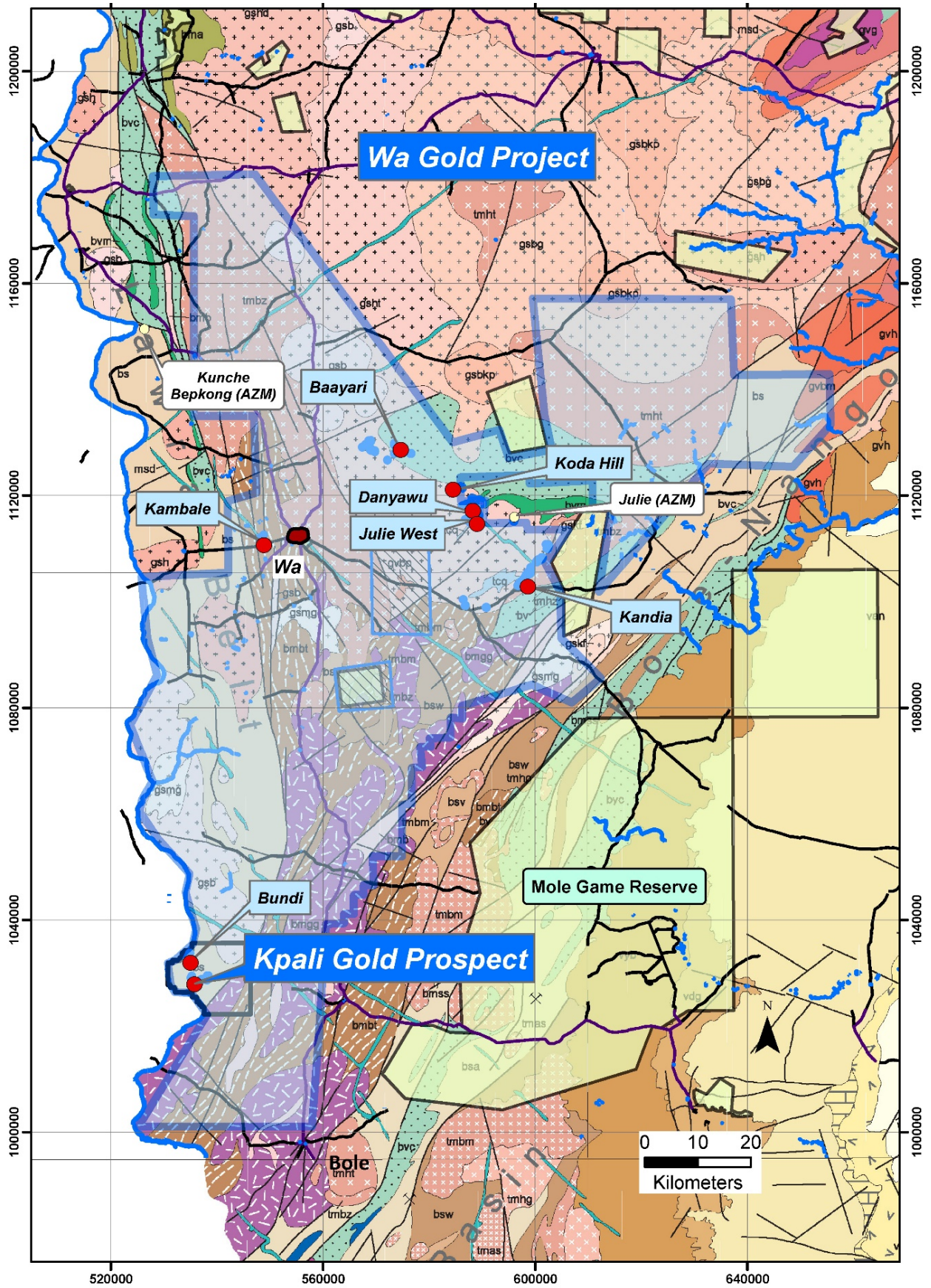
About Castle:

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 Akoko Project is subject to a sale agreement with London based Goldcrest Resources. 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.



Wa Project tenure and prospect locations



Regional Geology and prospect locations for the Wa Gold Project

Summary of Exploration Tenements at 30 September 2015

Location	Tenement Name	Tenement Reference	% Held
Antubia, Ghana	Boizan	PL2/400	100
Bondaye, Ghana	Bondaye	Application	100
Akoko, Ghana	Akoko	PL. 2/398	100 [#]
Akoko, Ghana	Akoko West	PL. 2/425	100
Opon Mansi, Ghana	Opon Mansi	Application	100
Wa, Ghana	Wonachiyiri	Application	100
Wa, Ghana	Jang	RL. 10/23	100
Wa, Ghana	Julie West	PL. 10/13	0 [^]
Wa, Ghana	Wa	RL. 10/13	100
Wa, Ghana	Degbiwu	PL 10/26	100
Wa, Ghana	Bulenga	PL 10/23	100
Wa, Ghana	Charingu	PL 10/25	100
Wa, Ghana	Kandia	Application	100
Wa, Ghana	Baayiri	PL 10/24	100
Wa, Ghana	Kunche Trend 1	Application	100
Wa, Ghana	Kunche Trend 2	Application	100
Wa, Ghana	Gbinyiri	RL. 8/27	100
Wa, Ghana	Gurungu	RL. 8/28	100
Wa, Ghana	Jumo	RL. 8/31	100
Wa, Ghana	Chasia	RL. 8/30	100
Wa, Ghana	Perisi	RL. 8/29	100
Wa, Ghana	Funsi	Application	100
Wa, Ghana	Kambale	PL10/47	100

Government of Ghana has the right to acquire a 10% free carried interest in all licences. Licences are held in Carlie Mining Limited and Topago Mining Limited. Carlie and Topago are 100% owned subsidiaries of Castle Minerals Limited. Where required Castle has lodged applications for extension of the licences and in those cases is awaiting renewal or extension of the licences.

[#]A sale agreement has been executed with Goldcrest Resources where Goldcrest may acquire a 100% interest in the Akoko Project.

[^] Put Option to sell the Julie West PL was executed in September 2015 and the put option was exercised in October 2015 to sell a 100% interest.

COMPETENT PERSONS STATEMENT

Information in this announcement that relates to Exploration Results and 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 consultant to 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 2012 JORC Code. Michael Ivey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Castle Minerals Limited

ABN

83 116 095 802

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(23)	(23)
(b) development	-	-
(c) production	-	-
(d) administration	(85)	(85)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
• R&D tax concession	-	-
• Other	16	16
Net Operating Cash Flows	(92)	(92)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	250	250
(b) equity investments	30	30
(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	280	280
1.13 Total operating and investing cash flows (carried forward)	188	188

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	188	188
1.20	Cash at beginning of quarter/year to date	173	173
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	361	361

Payments to directors of the entity, associates of the directors, 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	34
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation	

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

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- 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

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+ See chapter 19 for defined terms.

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	30
4.2 Development	-
4.3 Production	-
4.4 Administration	40
Total	70

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	280	73
5.2 Deposits at call	81	100
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	361	173

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	8 Kong Project PL's Surrendered.		100%	Nil
	Antubia Prospecting Licence		100%	Nil
	Boizan PL area reduced		100%	100%
	Akoko PL	Conditional Sale Agreement to sell 100%	100%	100%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	Julie West PL	Sale agreement	100%	Nil

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

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	130,992,519	130,992,519		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	1,050,000	-	<i>Exercise price</i> 40 cents	<i>Expiry date</i> 1 September 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Performance Rights	2,000,000	-	<i>Expiry date</i> 22 November 2016	
7.12 Issued during quarter				
7.13 Exercised during quarter				
7.14 Expired/cancelled during quarter				

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 5).
- 2 This statement does ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:

Date: 23 October 2015

(Company secretary)

Print name:

Desmond J Kelly

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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