

September 2009 Quarterly Report



Wa Project

- Soil geochemistry sampling program has commenced along the 80km long Jang Fault structure
- Ground reconnaissance, mapping and 5,000 sample geochemistry program along the 40km long Batie West structure to commence first week of November
- RC and diamond drilling at the Julie West deposit and related quartz vein targets scheduled to commence November/December
- 185 RC drill samples from the Julie West deposit were submitted for 1kg Bulk Leaching Extractable Gold (BLEG) analysis over 36 hours with following outcomes;
 - High grade assays up to 213g/t and 199g/t gold were returned compared to previous fire assay analysis that reported 30.9g/t and 71.9g/t gold respectively
 - Average cyanide recoverable gold over 36 hrs was 91% with additional leach time likely to achieve enhanced recoveries
 - A 200kg bulk metallurgical sample collected from surface outcrop has arrived in Perth for column leach testing by AMMTEC. The sample has reported a composite master head grade of 9.55g/t gold. Leach testwork is underway

Akoko Project

- RC Drilling southern extension of Akoko North deposit and RC drilling Akoko West +1,000ppb gold anomaly scheduled to commence first week of November

Corporate

- In October commitments from institutional and sophisticated investors were received for the issue of 15 million ordinary shares in Castle at a price of \$0.15 per share raising a total of \$2.25 million

Castle Minerals Limited
Level 3, 10 Outram St
West Perth
WA 6005

ACN 116 095 802

PO BOX 437
West Perth
WA 6872

Tel: +618 9322 7018

Fax: +618 9481 2335

www.castleminerals.com
Email: info@castleminerals.com

Registered Office
23 Altona St
West Perth
WA 6005

Ghana Office
PO Box CT9 East Cantonments,
Near NAFTI
Accra, Ghana
Tel: +233 21 771 889

Share Registry Enquiries
Security Transfer Registrars Pty
PO Box 535
Applecross
WA 6953
Tel: (08) 9315 2333
Fax: (08) 9315 2233
www.securitytransfer.com.au

Capital Structure
Quoted: 65.20 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

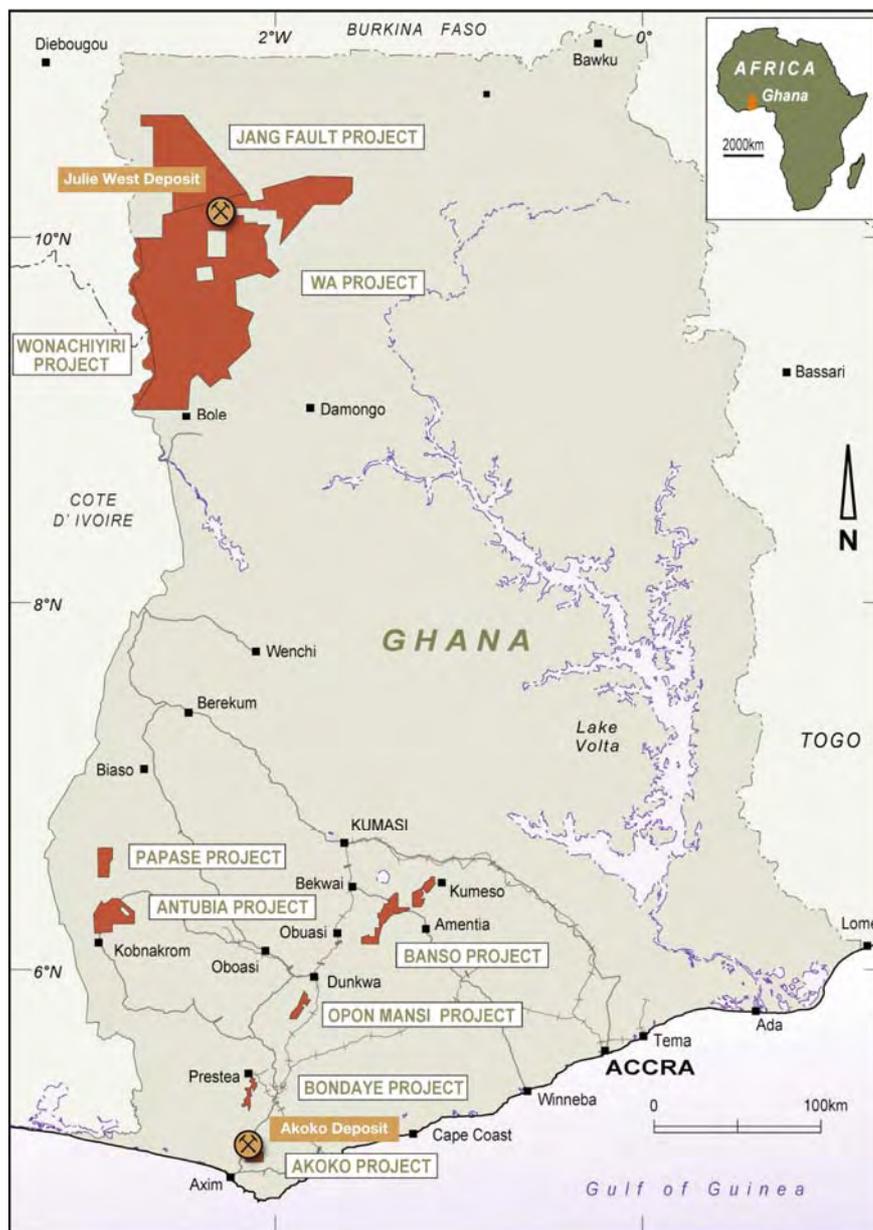
WA PROJECT

(Castle Minerals 100%)

The Wa Project covers approximately 12,000km² in NW Ghana near the border with Burkina Faso and consists of three large Reconnaissance Licences and one Prospecting Licence application. 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.

During the quarter as part of a metallurgical testwork program 185 RC drill samples were submitted for 1kg Bulk Leaching Extractable Gold (BLEG) analysis over 36 hours with following outcomes;

- **High grade assays up to 213g/t and 199g/t gold were returned** compared to previous fire assay analysis that reported 30.9g/t and 71.9g/t gold respectively
- **Average cyanide recoverable gold over 36 hrs was 91%** with additional leach time likely to achieve enhanced recoveries
- Excluding high grade results, 36hr BLEG analysis reported 6% higher overall grade (33% higher including high grade results) than the original fire assay
- Average tail grade of 0.33g/t gold (excluding the two high grade assays that require further leach time) was returned from the BLEG samples
- A 200kg bulk metallurgical sample collected from surface outcrop has arrived in Perth for column leach testing by AMMTEC. The sample has reported a composite master head grade of 9.55g/t gold. Initial coarse crush bottle roll tests (-6.3mm) have produced leach recoveries of 80% over 120 hours and column leach tests have commenced.



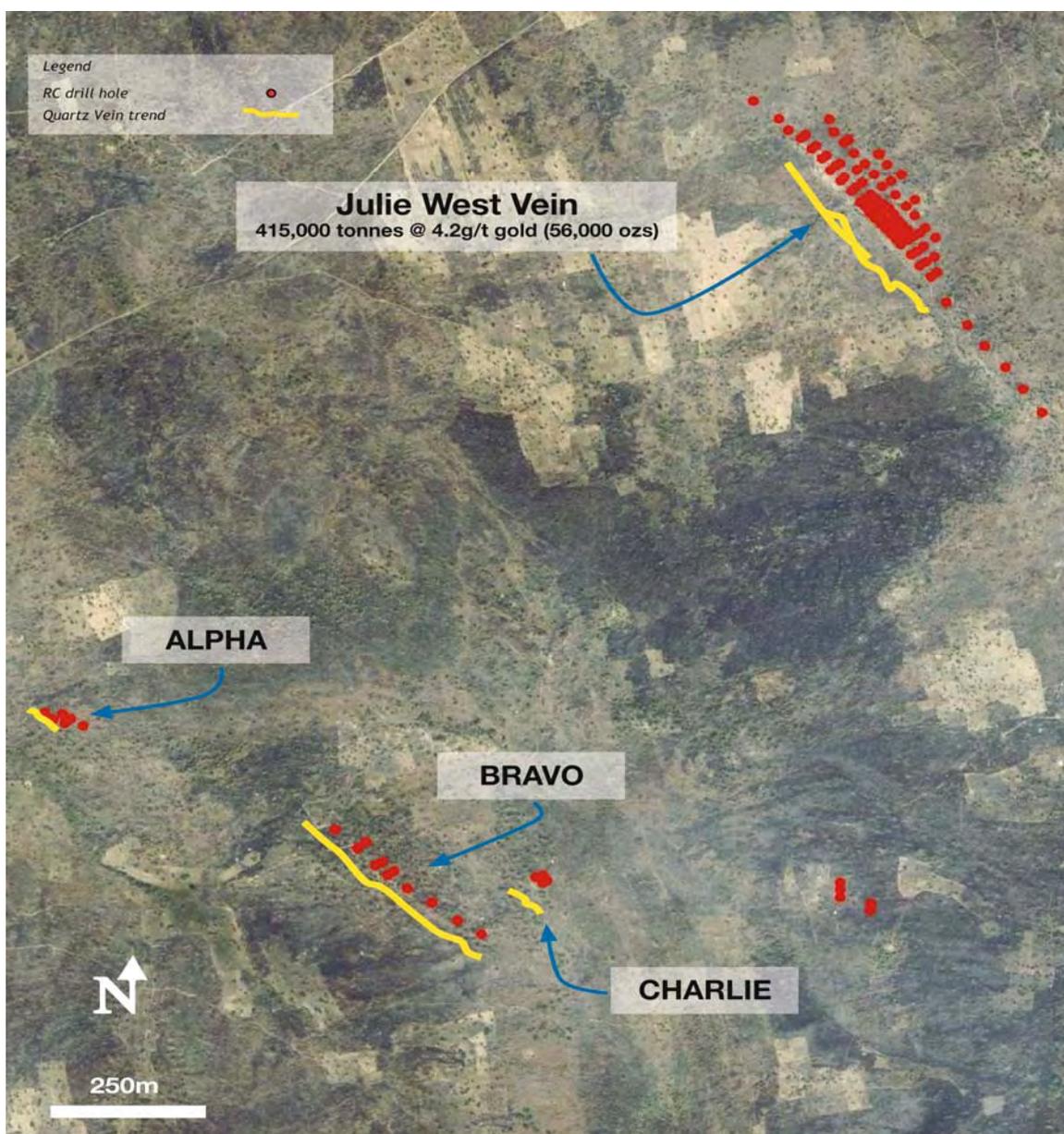
Wa Project Exploration Timetable

The northern wet season concludes around November each year providing an eight month field season. An aggressive exploration program has commenced with the following field work proposed to be undertaken before the end of 2009;

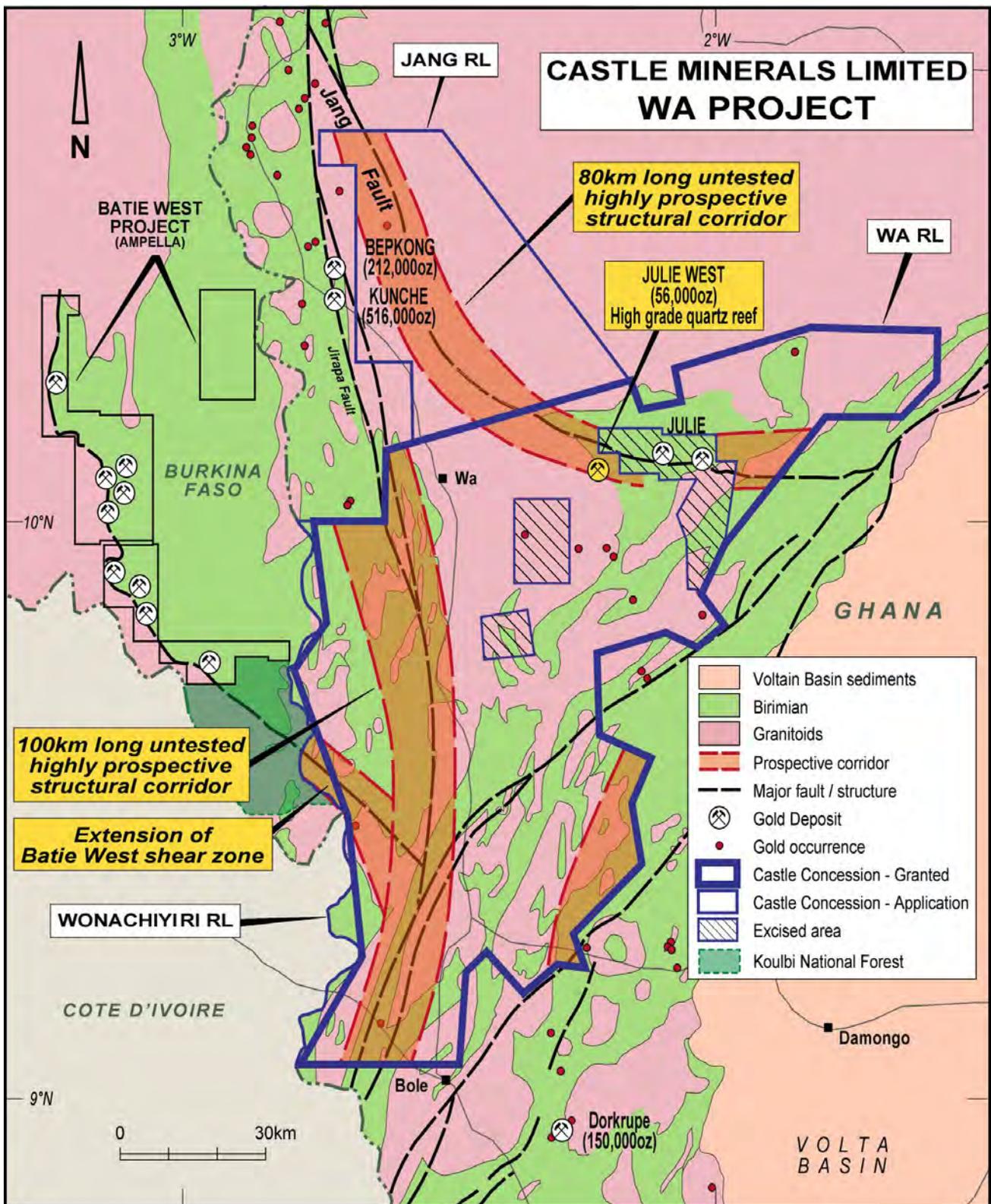
- Soil geochemistry sampling program along the 80km long Jang Fault structure
- Ground reconnaissance, mapping and 5,000 sample geochemistry program along the 40km long extension to Ampella's (ASX:AMX) Batie West structure
- RC and diamond drilling at the Julie West deposit and related quartz vein targets

Followup programs and drilling are expected to be undertaken in early 2010 upon receipt of results.

Sampling has commenced along the 80 km long Jang Fault target that represents the northern strike extent of the structural corridor that hosts gold mineralisation at the Julie and Julie West prospects.

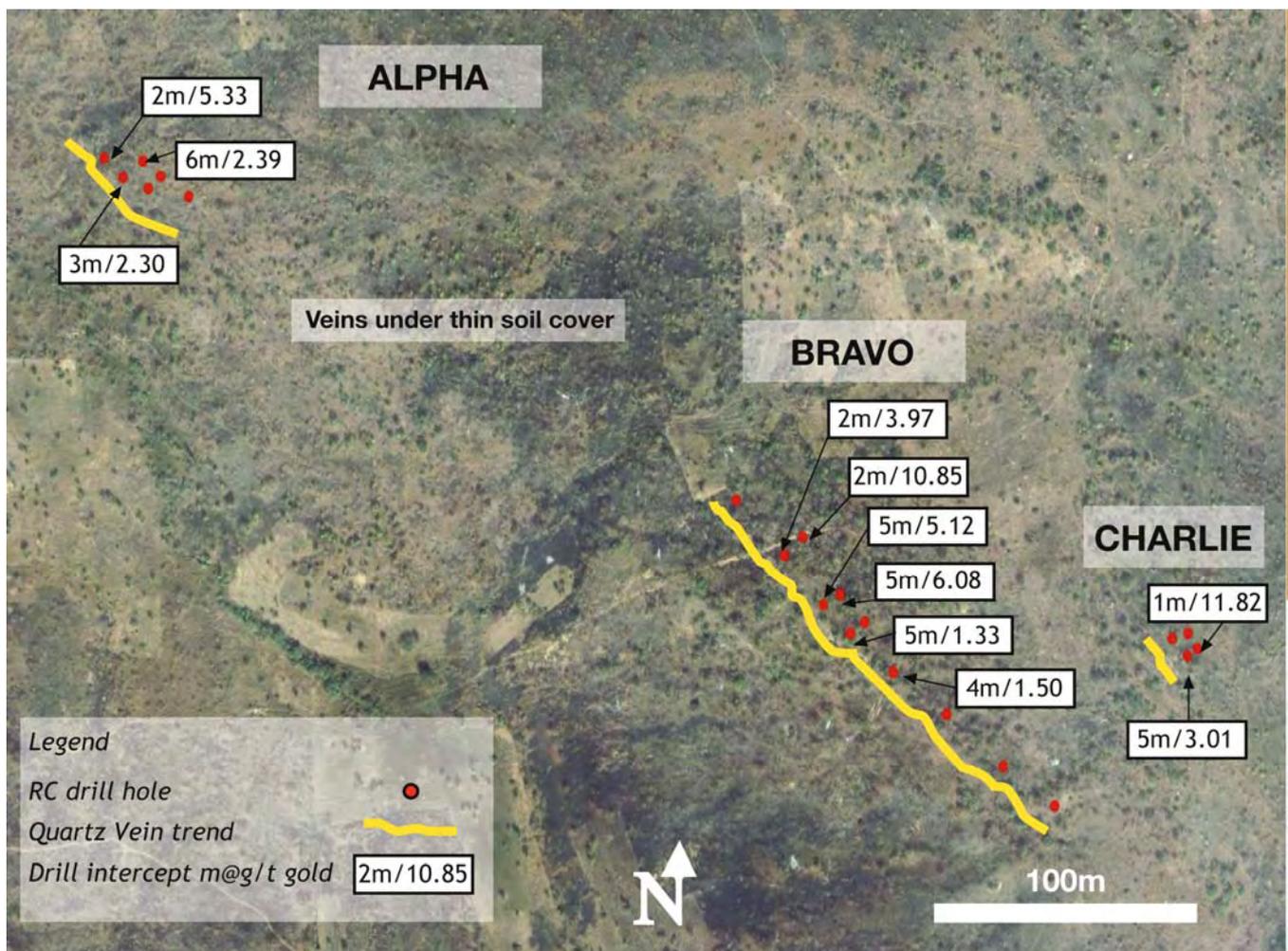


Quickbird image of Julie West area showing outcropping mineralised quartz veins



Geology and gold corridor target map of Castle's Wa project

The Wonachiyiri RL covers Birimian greenstone rocks of the Wa-Lawra belt and interpreted extensions of structures associated with gold mineralisation in neighbouring Burkina Faso, including possible strike extensions of Ampella Mining's Batie West project. The Wonachiyiri RL along with the Company's Wa RL provides over 100 strike kilometres of Birimian greenstone that has very limited exploration undertaken to date. It represents a highly prospective target capable of hosting large scale gold deposits.



Alpha, Bravo and Charlie veins at the Julie West Prospect

AKOKO PROJECT

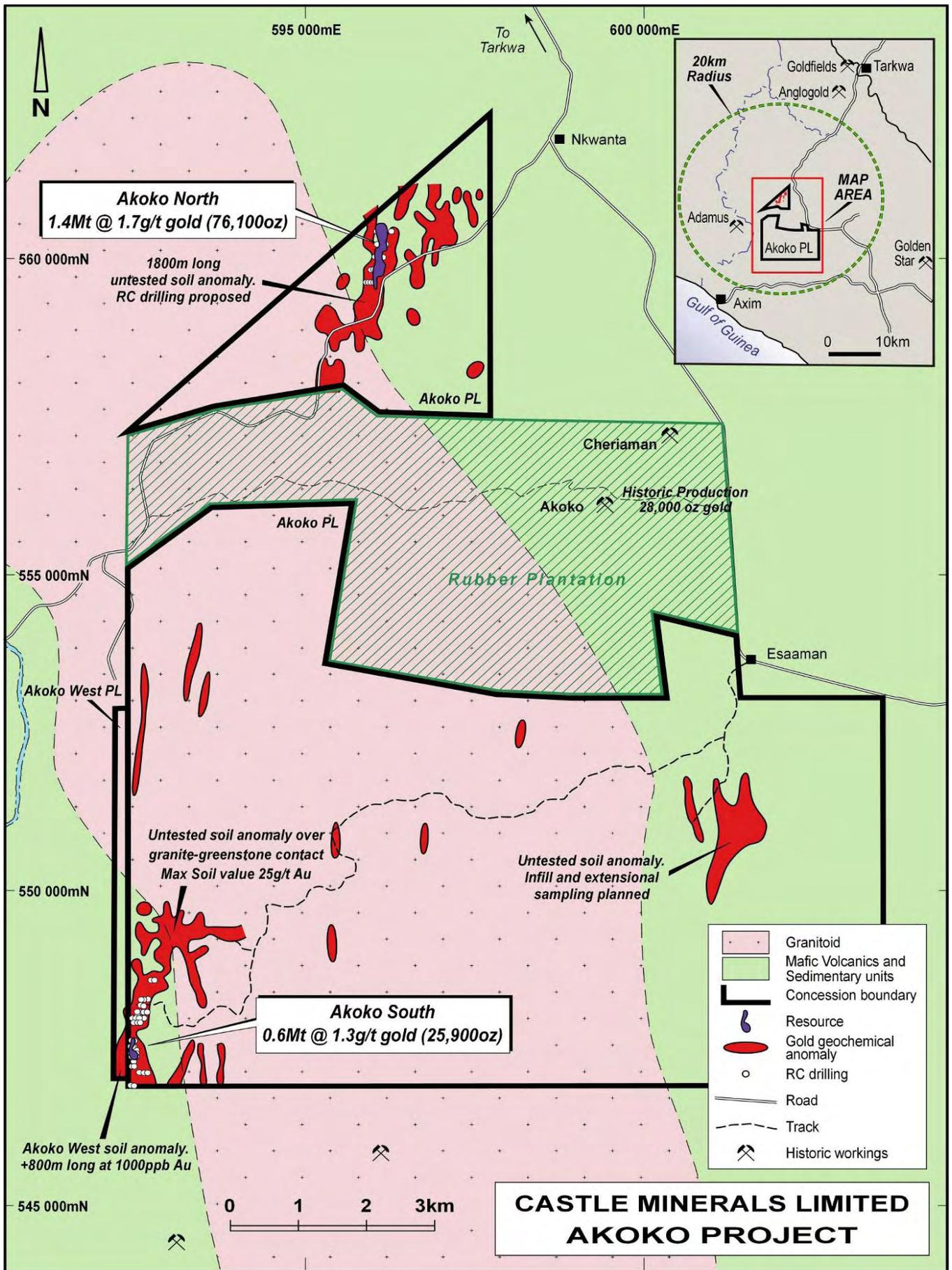
(Castle Minerals 100%)

The Akoko Project consists of two granted Prospecting Licences and is located ~10 km east of Adamus Resources' Salman gold project and 25km south of the gold mining town of Tarkwa.

Gold mineralisation was first discovered on this greenfields project by Castle in late 2007. Since that time Castle has undertaken five RC drill programs and defined substantial oxide gold mineralisation and completed an independent resource estimate for the Akoko South and Akoko North gold deposits and estimated a total Indicated and Inferred Mineral Resource of 102,000 ounces.

The Akoko gold resources have excellent potential to be substantially increased. Potential for additional oxide mineralisation exists along strike of each deposit and testing for primary mineralisation has yet to be undertaken. Additionally a number of soil anomalies remain untested including a significant anomaly straddling a granite greenstone contact that has reported soil values up to 25 g/t gold.

Field work, including drill site preparation, has commenced and drilling is expected to start in the first week of November to test the high tenor Akoko West +1,000ppb gold anomaly and to test the southern extension of Akoko North deposit



PAPASE

During the quarter the decision was made to relinquish the Papase option as further exploration was not considered warranted.

CORPORATE

Castle Minerals Limited is a gold exploration Company with eight projects in Ghana covering more than 12,000km². 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.

In early October 2009 Castle received commitments from institutional and sophisticated investors for the issue of 15 million ordinary shares in Castle at a price of \$0.15 per share raising a total of \$2.25 million. Funds will be employed to continue exploration at the Company's Wa and Akoko Projects including the first ever exploration along extensions to the Batie West structure that is interpreted to extend for at least 40 kilometres into Castle's Wa project tenure.

The Directors of Castle have each agreed subject to shareholder approval, to support the placement announced to ASX 2 October 2009. This support was welcomed at that time by Southern Cross Equities and other investors as a positive endorsement of the issue.

The placement was managed by Sydney-based stockbroking group, Southern Cross Equities and will be completed in two tranches, with an initial 6,300,000 shares being issued using Castle's ability to issue up to 15% of its capital within a 12 month period without the need for shareholder approval. The issue of the remaining 8,700,000 shares including those applied for by Castle's Directors is subject to shareholder approval that will be sought at a shareholder meeting to be held at the Annual General Meeting of the Company on 13 November 2009.

Castle Minerals Limited has 65.2 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 following receipt of Tranche 1 funds total approximately \$1.5 million.

For further information please contact:

Michael Ivey
Managing Director & CEO
+61(8) 9322 7018
+61(0)419 868 787
www.castleminerals.com

The 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 announcement of the matters based on the information in the form and context in which it appears.

== == == == ==