

12 December 2006

ASX Announcement

Level 3, 10 Outram St
West Perth WA 6005

PO BOX 437
West Perth WA 6872

Tel: +618 9322 7018
Fax: +618 9481 2335

ACN 116 095 80

www.castleminerals.com

Exploration Update

- **Castle Acquires Option Over Ducie Gold Project**
- **Drilling Completed at Banso, Boizan and Sumiakrom Hill Gold Targets**

Ducie Gold Project

Castle Minerals Limited (ASX:CDT) is pleased to announce that it has entered into an option agreement over the Ducie gold project in Ghana.

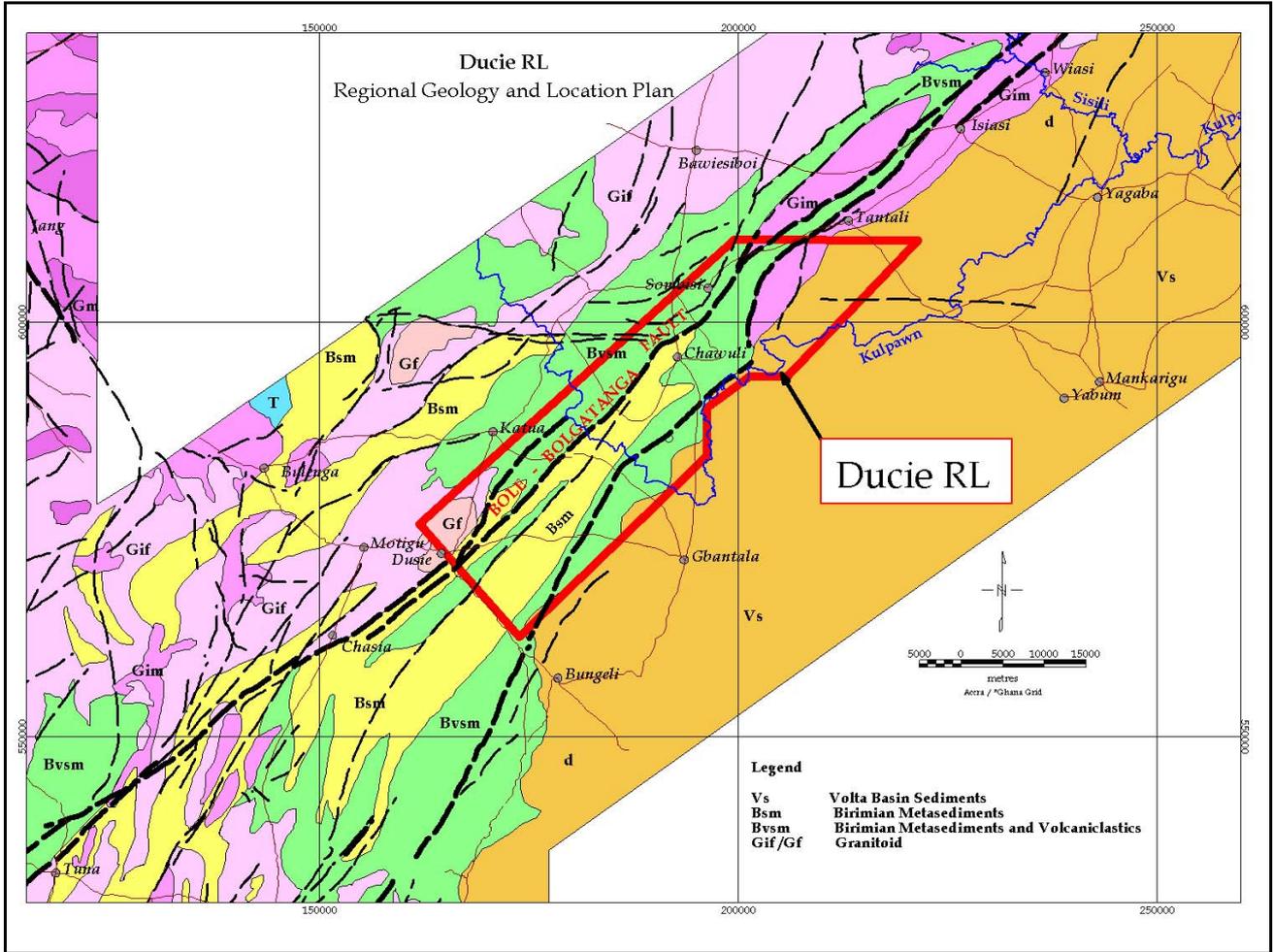
The 1,126km² Ducie project is situated in the north eastern corner of Ghana within the Bolgatanga Belt. It brings the total exploration area held by Castle in Ghana to 2,434 km², with seven projects now being explored.

The Ducie project covers 60 kilometres of strike of Birimian metasediments and volcanoclastics along the NE trending Bole-Bolgatanga Fault.

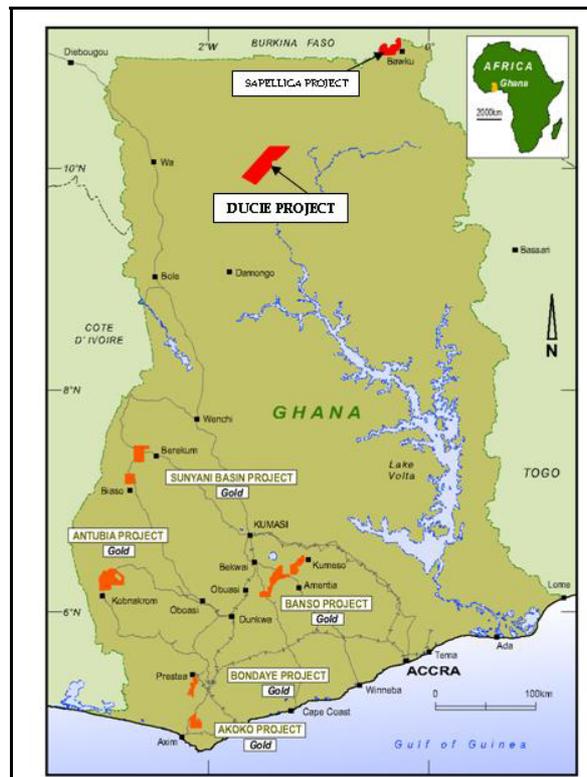
It is one of the few areas that seem to have been bypassed by modern exploration. Though limited sections have been covered by licences in the past it is not believed that any work was done. The Bole- Bolgatanga Fault which the Licence straddles is host to significant gold mineralisation at Bolgatanga and Youga approximately 150km to the NE. Gold mineralisation was indicated by a Russian mapping project in the 1960's at Ducie and Chasia immediately SW of the licence.

The option agreement provides Castle with the opportunity to acquire a 100% interest in the project over a three year period subject to staged payments being made to the vendors. The option payments are heavily weighted towards the end of the 3 year option period. The project consists of one Reconnaissance Licence which is in the final stages of being granted.

Castle Managing Director Michael Ivey said "the Ducie project is a very large unexplored Birimian greenstone belt bounded by major regional scale structures and as such represents a very attractive grass roots exploration target. We are looking forward to conducting the first ever gold exploration over this area."



Regional geology of Ducie Project area



Castle now has seven project areas covering more than 2,400km² in Ghana

Drilling Completed at Banso, Boizan and Sumiakrom Hill Gold Targets

A reverse circulation drilling program has just been completed at the Banso, Boizan and Sumiakrom Hill gold targets. In total 27 holes were drilled for a total of 2,230 metres. Several oxide intercepts, over plus 20 metre intervals, displayed strong levels of quartz veining from both the Sumiakrom and Boizan drill holes with zones of fine sulphide mineralisation (pyrite and arsenopyrite) observed in the fresh drill cuttings. The depth of weathering varied from 40 to 80 metres and averaged about 50 metres down hole. Drill samples have been sent for analysis with results expected in early January.

Twenty eight 3 metre deep pits were dug over the Sumiakrom and Boizan areas to provide geological and structural information. Sampling of the pits returned best values of 12g/t and 7g/t respectively from weathered bedrock.



Michael Ivey
Managing Director & CEO

Information in this announcement 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.

