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ASX Announcement

Soil Sampling Defines +15km Long Gold Anomaly Along Kandia Trend

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Castle Minerals Limited (ASX: CDT) is pleased to announce that a soil geochemical program testing the strike extensions to the Kandia artisanal gold workings in north west Ghana has outlined a +15km long open ended gold anomaly. Assay results for the northern half of the program are still to be received.

Of particular interest is an area south of the Kandia workings that produced a stronger gold response than the Kandia workings themselves. This area exhibits a continuous coherent gold anomaly approximately 300m wide over a 6km strike length with a distinct orientation change at the northern end possibly reflecting an underlying structural change.

Castle's Managing Director, Mr Mike Ivey, said "The Kandia prospect is evolving rapidly since our discovery of extensive artisanal gold workings just six weeks ago. We have just finished the first ever drill testing of the workings with over 2,000m of RC drilling completed and our soil sampling has defined an extensive trend of gold anomalism to the south that warrants immediate followup work. We are looking forward to receiving the remainder of the soil geochemical results and the results of the recently completed drilling".

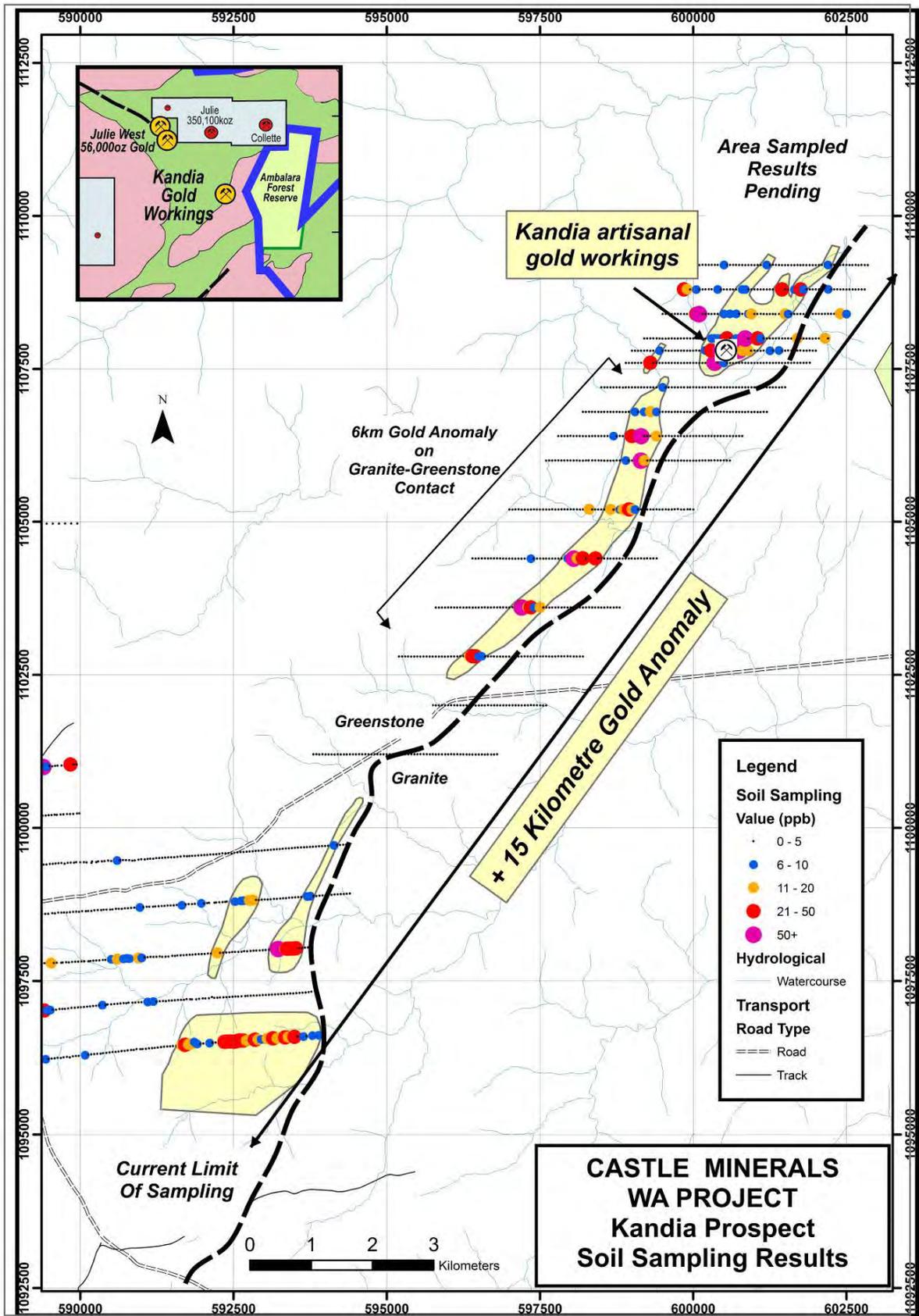
Background

The Kandia prospect was discovered in April 2010 during reconnaissance field mapping. During this program a large area of previously unknown artisanal gold workings was discovered that comprise three main groups developed over approximately 600m of strike.

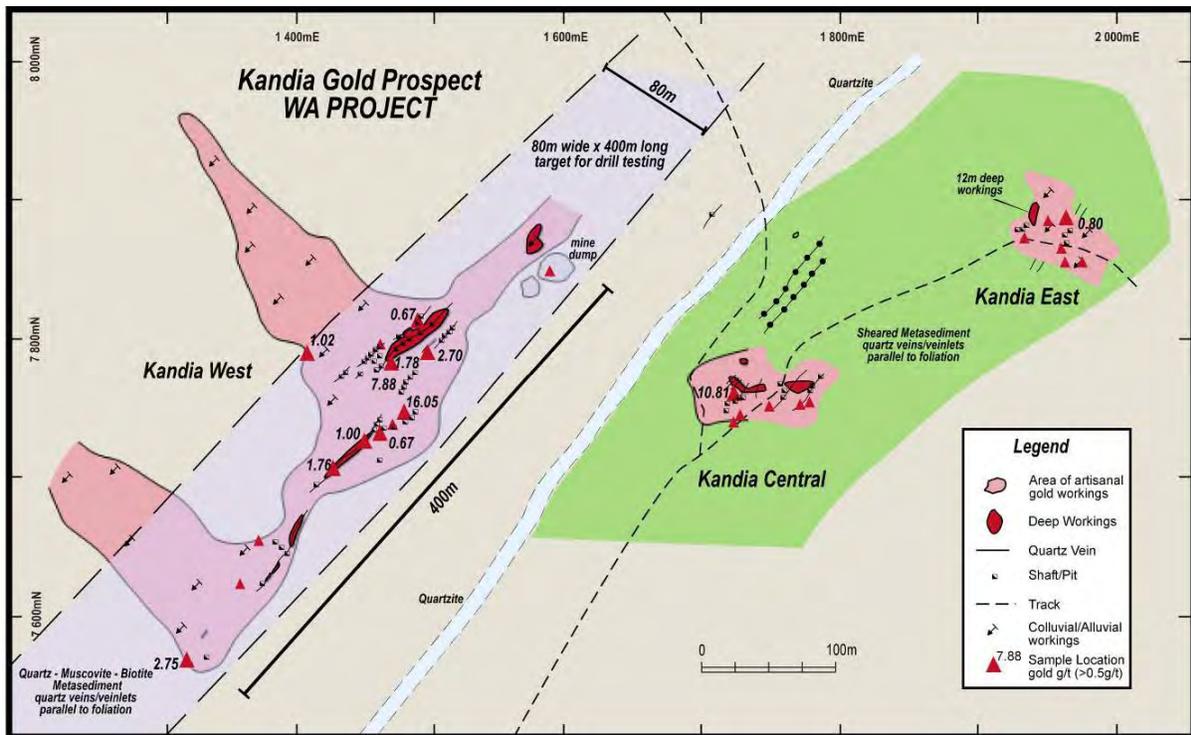
The largest single group of workings (Kandia West) is developed over a 400m strike length with mineralisation exposed in workings up to 80m width. This area produced the strongest gold results from rock chip sampling. The workings are situated on the eastern side of Castle's large Wa Project in an area that has yet to be explored and no historic references to this gold mineralisation or prior exploration are known.

The gold workings at Kandia are developed within quartz-biotite rich metasediments. On a regional scale the workings occur on a major granite/sediment contact that can be traced within Castle's licences for about 25km.

Rock chip sampling at Kandia reported results up to 16g/t gold from quartz-biotite rich metasediments. The rock chip sampling suggests that the metasedimentary unit at Kandia is capable of hosting medium to high grade gold mineralisation and offers a bulk tonnage exploration target more typical of the Birimian aged sedimentary hosted gold deposits seen in Ghana and West Africa.



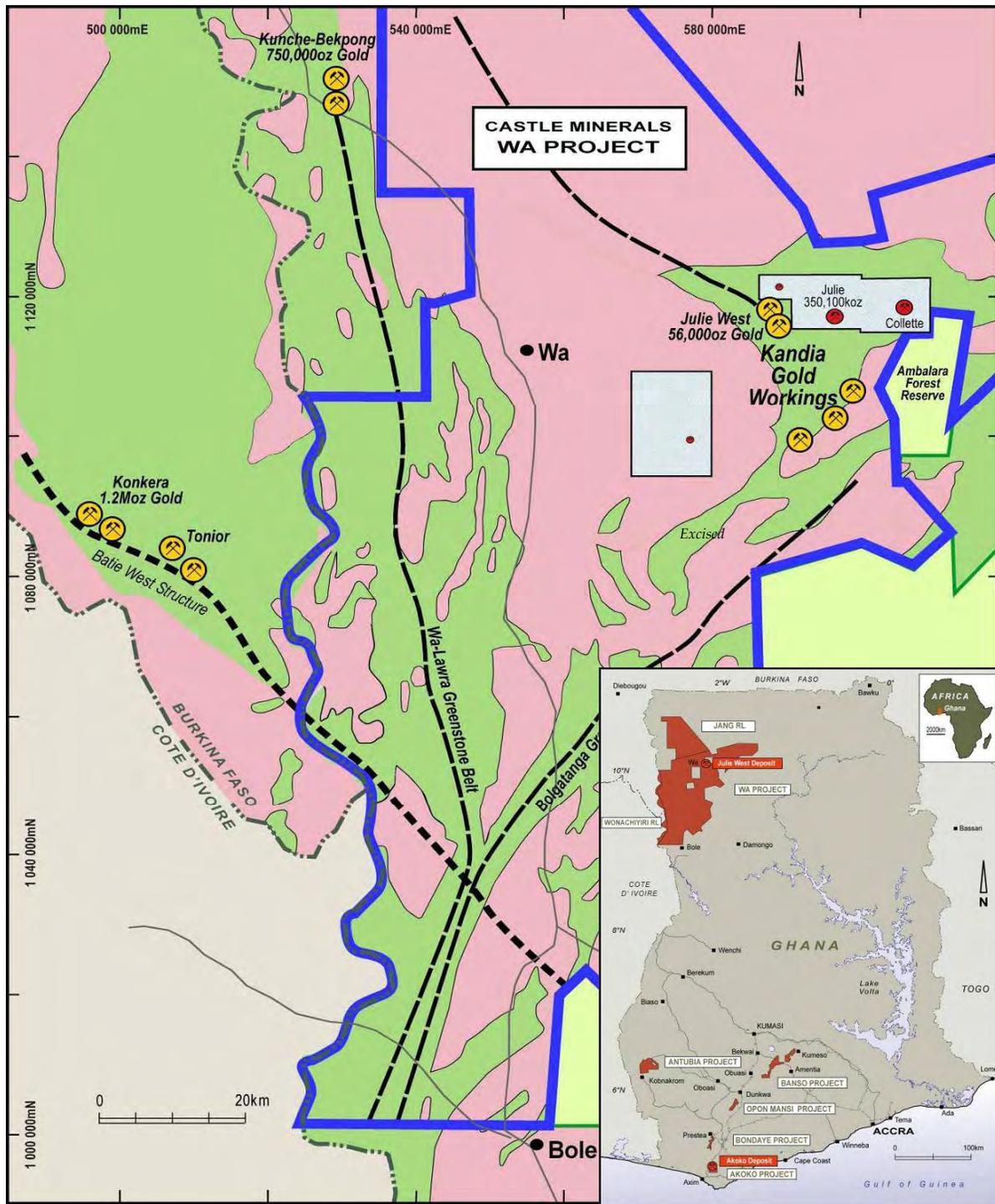
Kandia Trend - soil geochemistry results for area south of Kandia workings



Kandia prospect field mapping showing three areas of artisanal gold workings across a 400m wide area hosted by two different metasediment lithologies. Granite contact is interpreted to be ~100m east of the workings.



Artisanal gold workings at south west end of the Kandia Prospect



Castle's 12,000km² Wa Project hosts three Birimian age greenstone belts – the new Kandia prospect is located on the eastern side of the project approximately 10km south east of the Julie West gold deposit and within the Bolgatanga Greenstone belt.

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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 his information in the form and context in which it appears.