

1st September 2010

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 116 095 802
www.castleminerals.com

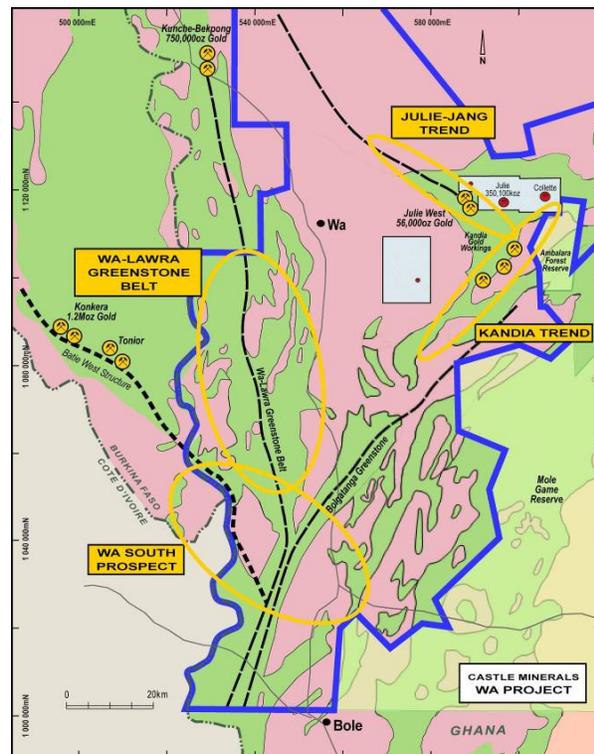
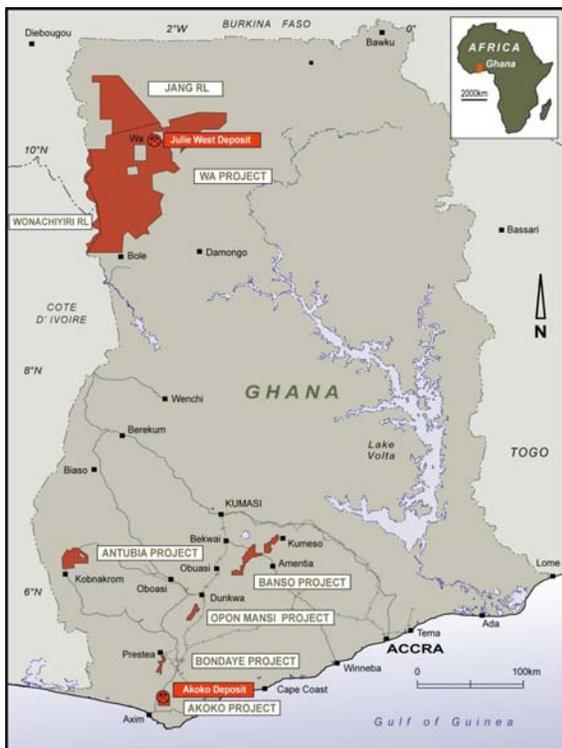
15,000m of RC Drilling to test Nine Strong Gold Targets at Kandia

Castle Minerals Limited (ASX: CDT) is pleased to announce that infill soil geochemical sampling testing the strike extensions to the Kandia artisanal gold workings in north west Ghana has outlined nine strong gold targets over a +12km long zone along the Kandia trend that lies within Castle’s large Wa Project.

Strong gold and coincident base metal anomalism was reported from a discrete mineralised horizon within Birimian aged sediments approximately 500m wide along the entire length of the Kandia trend sampled to date. Within this zone nine high order targets have been identified. A number of the anomalies show distinct changes in orientation possibly mirroring underlying structures.

15,000m of RC drilling is planned to commence in October upon the end of the northern Ghana wet season.

Castle’s Managing Director, Mr Mike Ivey, said “The Kandia prospect is evolving rapidly since our discovery of extensive artisanal gold workings in May this year. This detailed sampling has defined a large number of drill ready targets and the coincident base metal anomalism and structural setting is highly encouraging”.



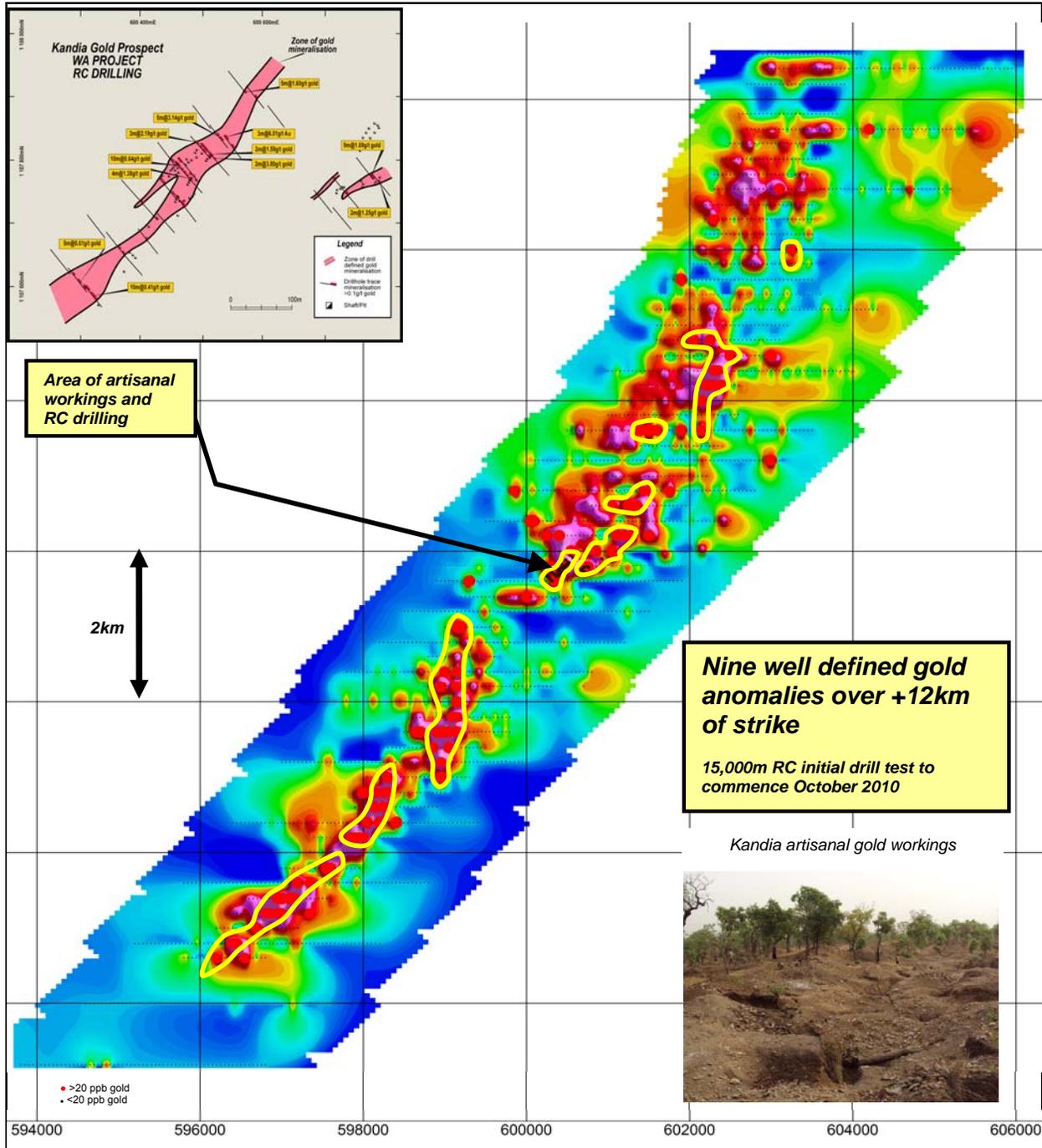


Image of Kandia gold geochemical results showing nine strong targets proposed for 15,000m of RC drilling as an initial test. Strong gold and coincident base metal anomalism was reported for each of the targets defined. The targets generated exhibit a stronger geochemical signature than that seen at the Kandia artisanal workings.

The Kandia prospect was included in a 25,000km low level aeromagnetic survey that was flown by Castle in August. Data for this work is pending and it is expected to compliment the geochemical data and allow for enhanced exploration and drill targeting.

Background

The Kandia prospect was discovered in May 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. The workings are situated on the eastern side of Castle's large Wa Project in an area that has yet to be explored.

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.

For further information please contact:

Michael Ivey

Managing Director & CEO

+618 9322 7018 or 0419 868 787

Soil sampling was completed on 200m spaced lines with gold analysis by Intertek Laboratories, Tarkwa Ghana using 1kg BLEG samples analysed by AAS to 1ppb gold detection.

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.