

26<sup>th</sup> May 2011



**ASX Announcement**

## **Drilling Confirms Gold Discovery along Kandia Trend**

- **RC drilling has reported further wide zones of bedrock gold mineralisation along the Kandia Trend**
  
  - 11KARC204                    15m @ 2.39 g/t gold from surface
  - 11KARC210                    25m @ 0.87 g/t gold from surface
  - inc.    20m @ 1.05 g/t gold from surface
  - 11KARC211                    21m @ 1.15 g/t gold from 45m
  - 11KARC221                    40m @ 0.63 g/t gold from 25m
  - inc.    20m @ 1.01 g/t gold from 30m
  - 11KARC222                    25m @ 0.48 g/t gold from surface
  - 11KARC237                    25m @ 1.23 g/t gold from 65m
  - inc.    15m @ 1.78 g/t gold from 65m
  - 11KARC247                    20m @ 1.63 g/t gold from 35m
  - 11KARC205                    25m @ 0.76 g/t gold from 10m
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- **Outcropping gold mineralised zone continuous along strike for ~800m and is open to the south and at depth**
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- **RC drilling is ongoing**
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- **Virgin gold discovery made from drill testing soil anomalism**
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- **Excellent potential to define a bulk tonnage sediment hosted gold resource**
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- **Confirms enhanced prospectivity for numerous untested greenstone belts within Castle's larger (10,000km<sup>2</sup>) Wa Project**

Castle Minerals Limited (ASX: CDT) is pleased to announce that ongoing RC drilling has reported wide zones of sediment hosted gold mineralisation\* along the Kandia Trend that forms one of the prospect corridors within Castle's extensive Wa Project in north west Ghana.

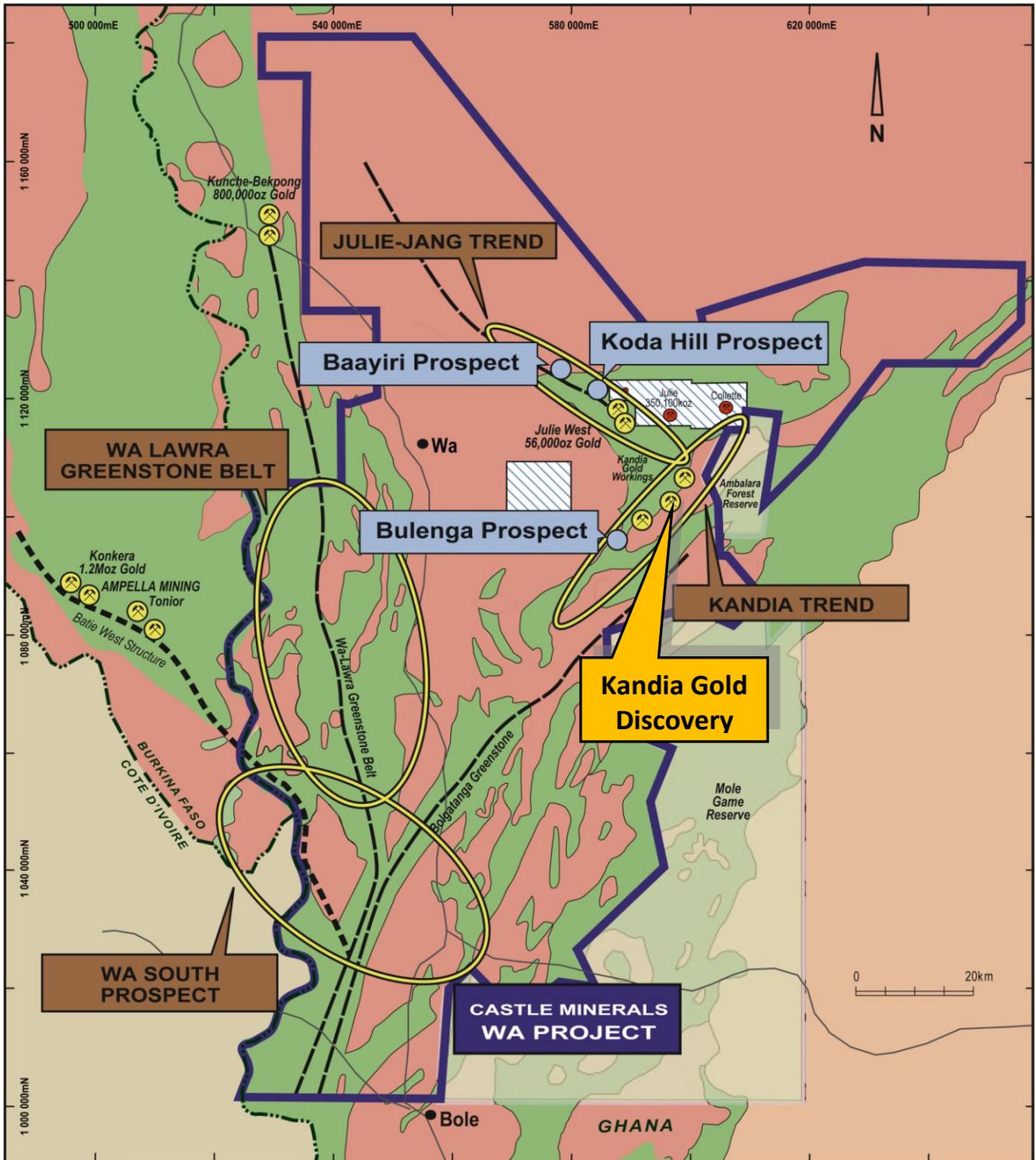
Castle's Managing Director, Mr Mike Ivey, said "These results confirm a new gold discovery that has excellent potential to host a substantial gold resource. Infill and extensional drilling is ongoing along the Kandia Trend and we now have a 2.5km long target zone where wide spaced drilling has reported anomalous gold mineralisation. This discovery also endorses the broader prospectivity and

potential of the other Birimian aged greenstone belts within our Wa Project that are still to be explored and extend for many strike kilometres.”

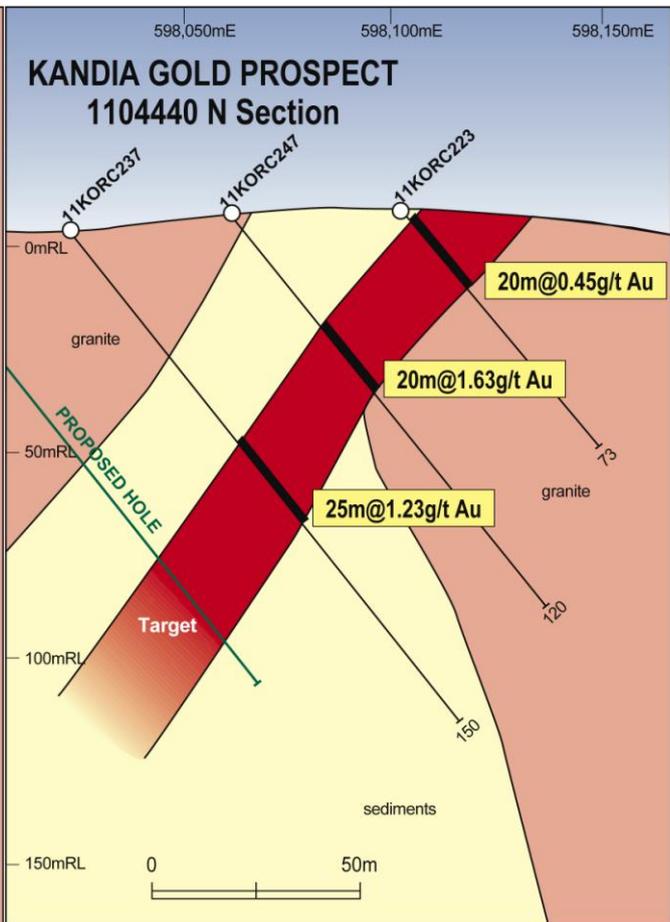
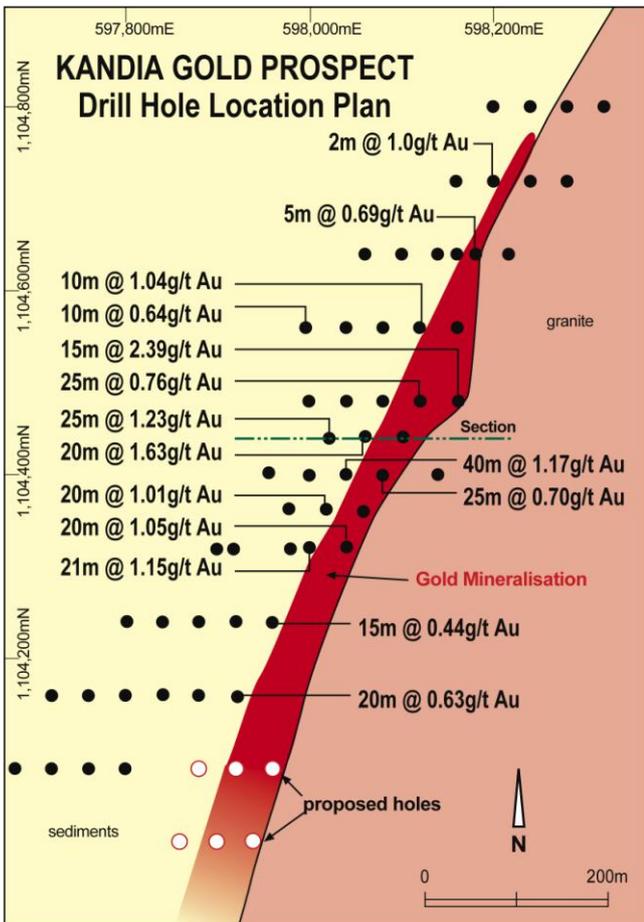
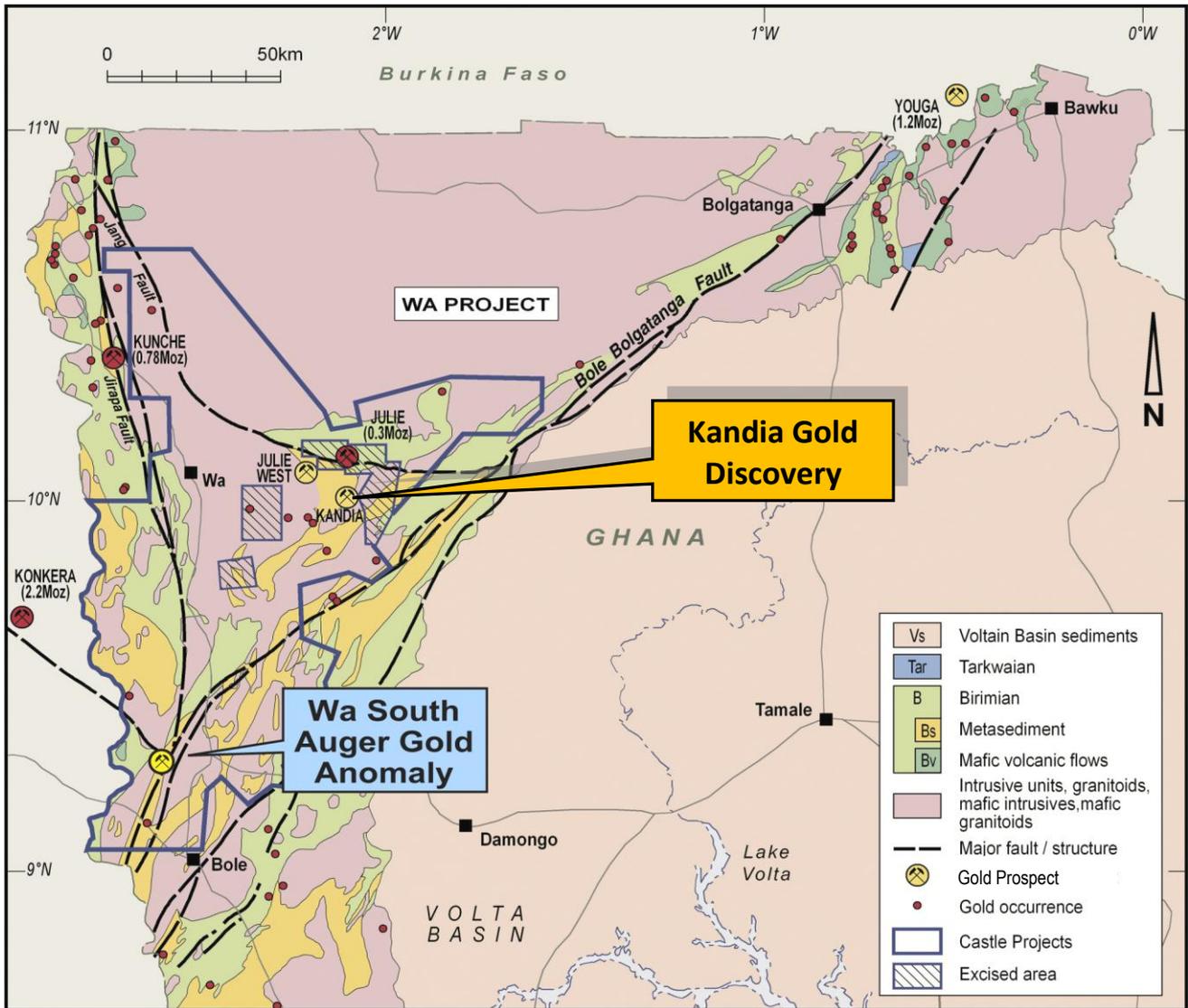
RC drilling has intersected significant gold mineralisation within silicified and pyritic shales along a granite contact with assays from five-metre composite samples reporting widespread near surface gold mineralisation up to 45m wide. This mineralisation is situated 3.5km south of the area of artisanal workings discovered in May 2010 and has had no historic mining activity.

Aeromagnetic data shows this area as a magnetic low that is interpreted to represent magnetite destruction associated with a widespread alteration halo associated with the mineralising event.

\*Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples have been submitted for analysis.

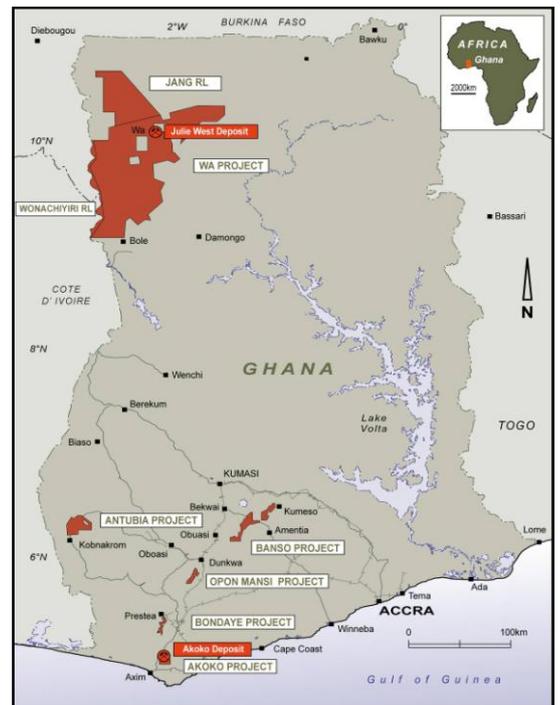
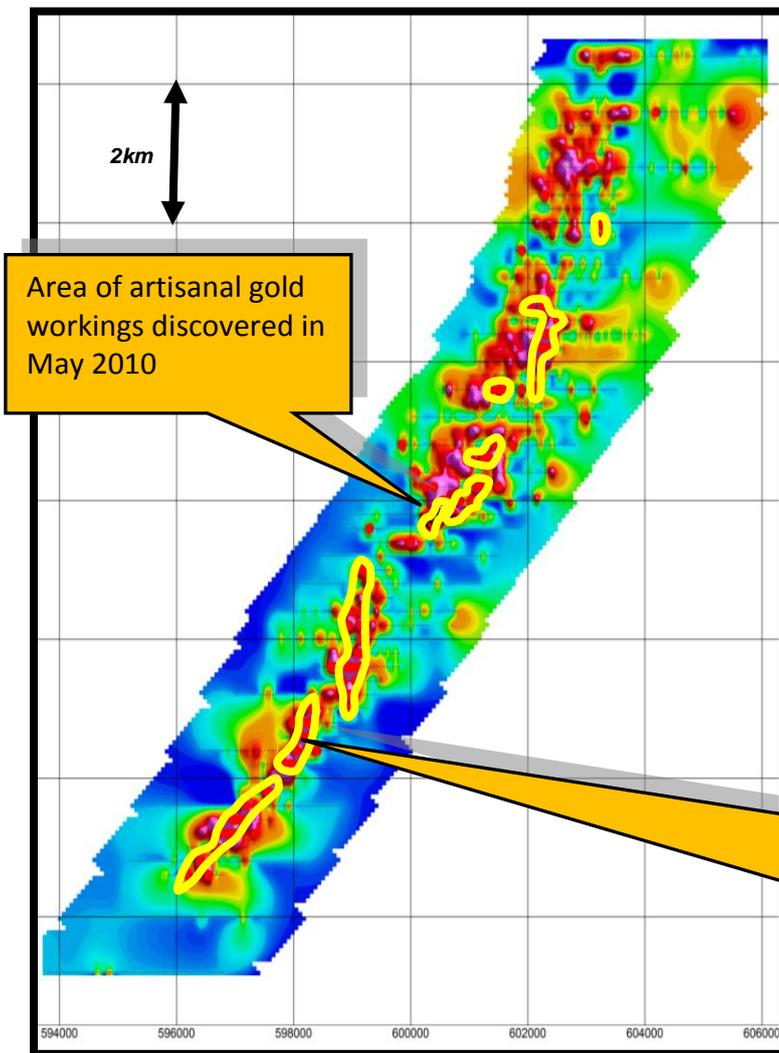


Castles Wa Project in north-west Ghana where three drill rigs are currently testing four prospect corridors.





Kandia site (above) and right, geologist Ed Mills at the discovery hole that reported 40m @ 1.17g/t gold.



Kandia gold discovery made after testing nine discrete geochemical anomalies along the 12km long Kandia Trend. This anomaly reported a maximum soil sample value of 173ppb gold

Image of original Kandia soil geochemistry. A number of anomalies still need to be followed up and soil geochemical programs are currently underway covering prospective, but as yet untested, ground to the west and the south.

For further information please contact:

Michael Ivey  
 Managing Director & CEO  
 +618 9322 7018

## Kandia Prospect Significant RC Drill Results

| Hole No.  | Northing | Easting | RL  | EOH (m) | Azmith | Dip  | Intercept                        |                              |
|-----------|----------|---------|-----|---------|--------|------|----------------------------------|------------------------------|
| 11KARC141 | 1104400  | 597960  | 300 | 155     | 90     | -50  | 20m @ 0.44 g/t gold from 100m    | hole re-entered and deepened |
| 11KARC142 | 1104400  | 598000  | 300 | 120     | 90     | -50  | 20m @ 0.64 g/t gold from 60m     | hole re-entered and deepened |
| 11KARC202 | 1104639  | 598182  | 300 | 69      | 90     | -50  | 5m @ 0.68 g/t gold from 30m      |                              |
| 11KARC204 | 1104479  | 598162  | 300 | 83      | 90     | -50  | 15m @ 2.39 g/t gold from surface |                              |
| 11KARC205 | 1104480  | 598121  | 300 | 73      | 90     | -50  | 25m @ 0.76 g/t gold from 10m     |                              |
| 11KARC207 | 1104480  | 598800  | 300 |         | 90     | -50  | 10m @ 0.42 g/t gold from 30m     |                              |
| 11KARC210 | 1104321  | 598041  | 300 | 67      | 90     | -50  | 25m @ 0.87 g/t gold from surface |                              |
|           |          |         |     |         |        | inc. | 20m @ 1.05 g/t gold from surface |                              |
| 11KARC211 | 1104320  | 598001  | 300 | 66      | 90     | -50  | 21m @ 1.15 g/t gold from 45m     |                              |
| 11KARC213 | 1104319  | 597918  | 300 | 67      | 90     | -50  | 2m @ 1.24 g/t gold from 65m      | end of hole                  |
| 11KARC219 | 1104158  | 597922  | 300 | 67      | 90     | -50  | 20m @ 0.63 g/t gold from 40m     |                              |
| 11KARC220 | 1104362  | 597978  | 300 | 151     | 90     | -50  | 15m @ 0.69 g/t gold from 75m     |                              |
| 11KARC221 | 1104362  | 598018  | 300 | 110     | 90     | -50  | 40m @ 0.63 g/t gold from 25m     |                              |
|           |          |         |     |         |        | inc. | 20m @ 1.01 g/t gold from 30m     |                              |
| 11KARC222 | 1104360  | 598059  | 300 | 73      | 90     | -50  | 25m @ 0.48 g/t gold from surface |                              |
| 11KARC223 | 1104441  | 598102  | 300 | 73      | 90     | -50  | 20m @ 0.45 g/t gold from surface |                              |
| 11KARC237 | 1104440  | 598020  | 300 | 150     | 90     | -50  | 25m @ 1.23 g/t gold from 65m     |                              |
|           |          |         |     |         |        | inc. | 15m @ 1.78 g/t gold from 65m     |                              |
| 11KARC247 | 1104442  | 598061  | 300 | 120     | 90     | -50  | 20m @ 1.63 g/t gold from 35m     |                              |

Assays are reported from 5m composite samples from reverse circulation drilling. Individual 1m samples have been submitted for analysis.  
 Minimum Intersection Length = 5m, Interval Top Cut = 999.00 ppm Au  
 Gold analysis performed by Intertek Laboratories Tarkwa Ghana on 5m RC drill samples using 50gm fire assay technique with AAS finish

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.