

## Highlights

### Wa Project

#### ▪ **Kandia Prospect**

- » RC drilling defines open ended zones of sediment hosted gold mineralisation at the site of the Kandia artisanal workings
- » Soil results extend Kandia trend to +20km - still open to the south
- » Infill sampling (200m line spacing) defines strong coherent anomaly over 3km long and open (70% of infill sample results still pending). This soil response is materially stronger than that seen at the site of the artisanal workings
- » 15,000m drill program proposed for Kandia
- » UTS-Aeroquest currently flying a detailed 25,000 line km magnetic/radiometric geophysical survey covering the Kandia corridor and the Julie West- Jang trend

#### ▪ **South Wa**

- » Sampling identifies +10km long x 2km area of anomalous soils aligned NW-SE (parallel to Batie West shear zone). Infill sampling has commenced
- » 10,000m drill program proposed to test South Wa targets
- » Sampling underway or proposed to follow up numerous other anomalies in this area

#### ▪ **Julie West – Jang Trend**

- » New 1.2km long anomaly parallel to the high grade Julie West gold vein defined including values of 490ppb and 2,255 ppb gold. RC drilling has just been completed testing this target and results are pending
- » Soil sampling confirms +15km long open ended anomaly along Julie West - Jang Trend. Sampling is ongoing
- » 10,000m drill program proposed as first test of these targets

#### ▪ **Corporate**

- » Placement raises \$5.44 million at \$0.38 per share. Cash reserves at quarter end were \$7.7 million

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Capital Structure  
Quoted FPO: 95.9 million  
Unlisted Options: 1.3m @ 25c  
9.35m @ 35c

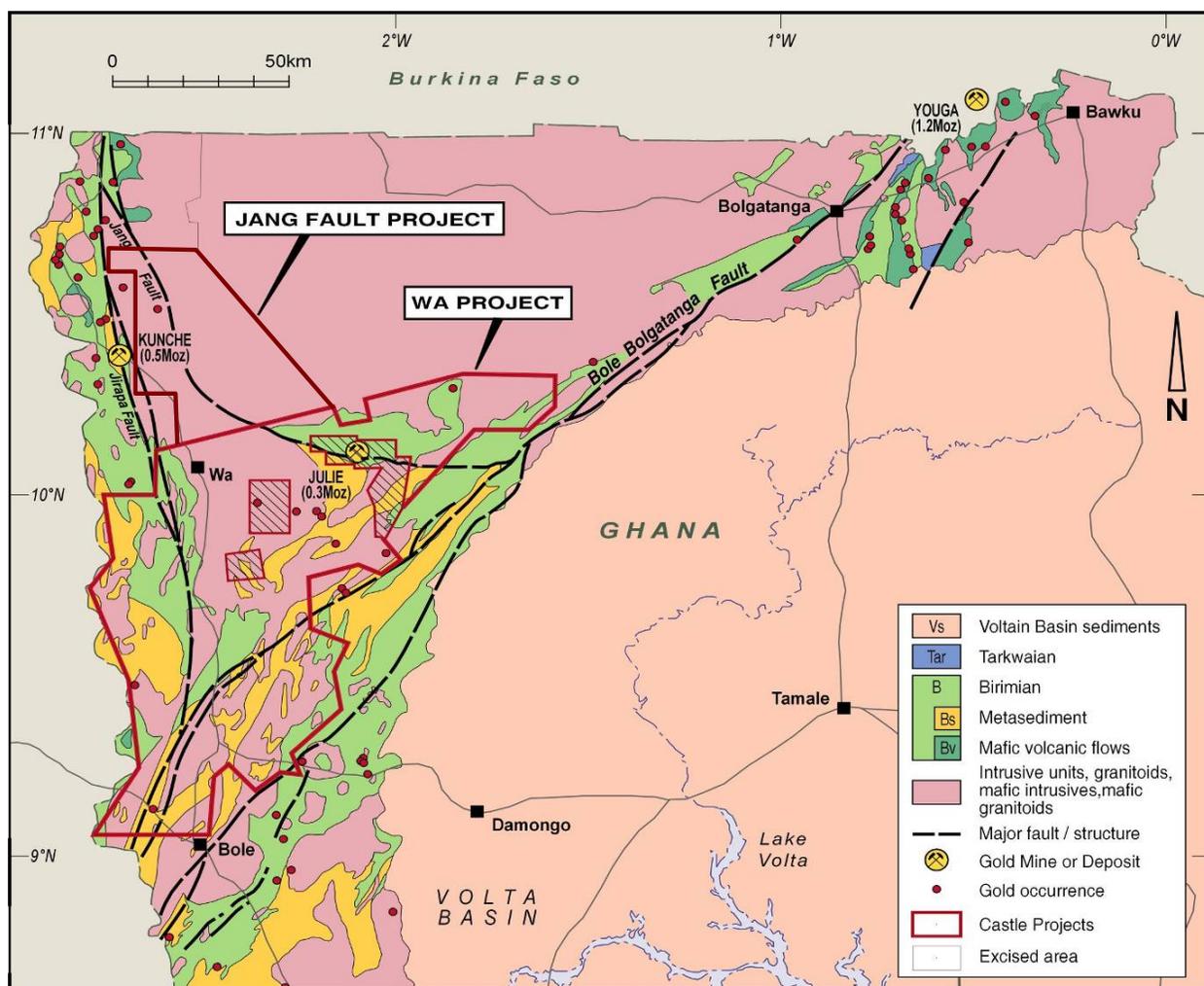
ASX Code: CDT

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 12,000km<sup>2</sup> in NW Ghana near the border with Burkina Faso and consists of three large Reconnaissance Licences and two Prospecting Licences. 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.



## Kandia Prospect

The Kandia prospect was discovered in April 2010 during reconnaissance field mapping and is located on the eastern side of Castle's large Wa Project. A large area of previously unknown artisanal gold workings was discovered that comprise three main groups developed over approximately 600m of strike.

During the quarter the first RC drilling program to test the Kandia artisanal gold workings was completed and an extensive soil sampling program was undertaken testing along strike from the area of gold workings.

RC drilling over a 500m strike length reported a number of strike extensive zones of sediment hosted gold mineralisation. Significant results from the drilling program include;

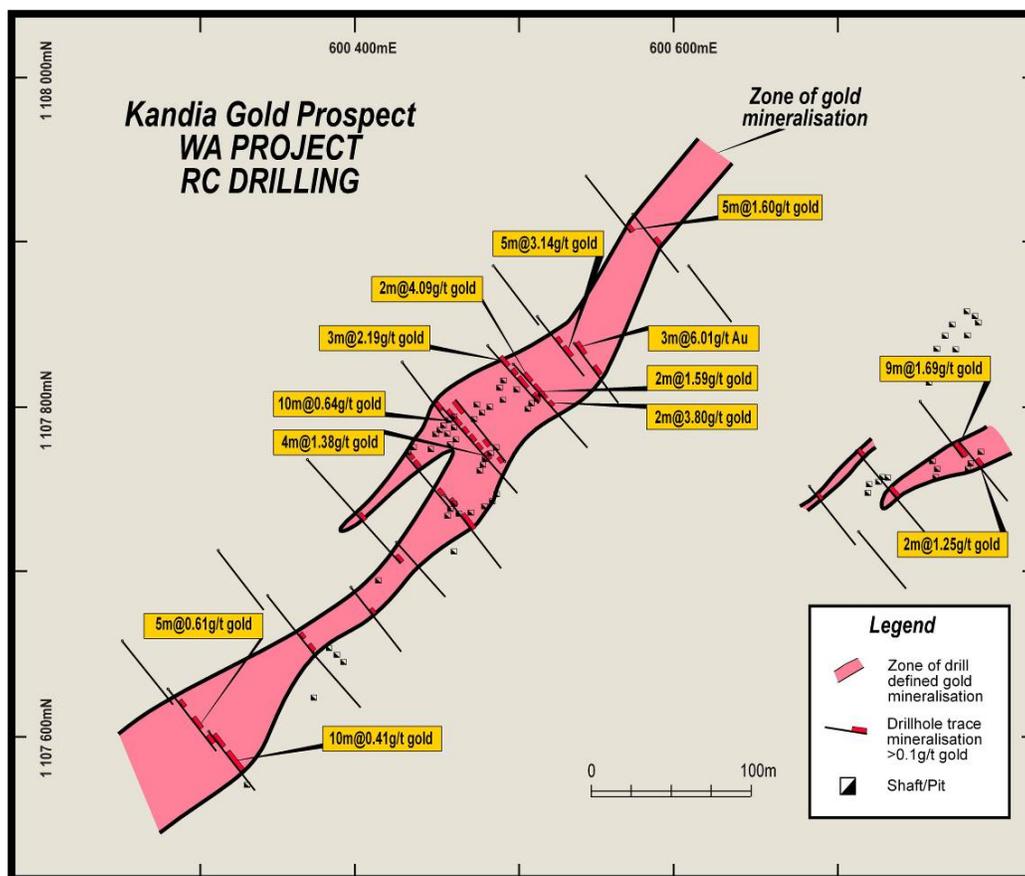
<b>KARC002</b>	<b>10m @ 0.64g/t gold from 10m</b>	<b>KARC017</b>	<b>3m @ 2.19 g/t gold from 31m</b>
	<b>4m @ 1.38 g/t gold from 38m</b>	<b>KARC018</b>	<b>3m @ 6.01 g/t gold from 6m</b>
<b>KARC016</b>	<b>2m @ 4.09 g/t gold from 25m</b>	<b>KARC019</b>	<b>5m @ 3.14 g/t gold from 36m</b>
	<b>2m @ 1.59 g/t gold from 37m</b>	<b>KARC021</b>	<b>5m @ 1.60 g/t gold from 61m</b>
	<b>2m @ 3.80 g/t gold from 48m</b>	<b>KARC027</b>	<b>9m @ 1.69 g/t gold from 53m</b>
		<b>KARC028</b>	<b>2m @ 1.25 g/t gold from 26m</b>

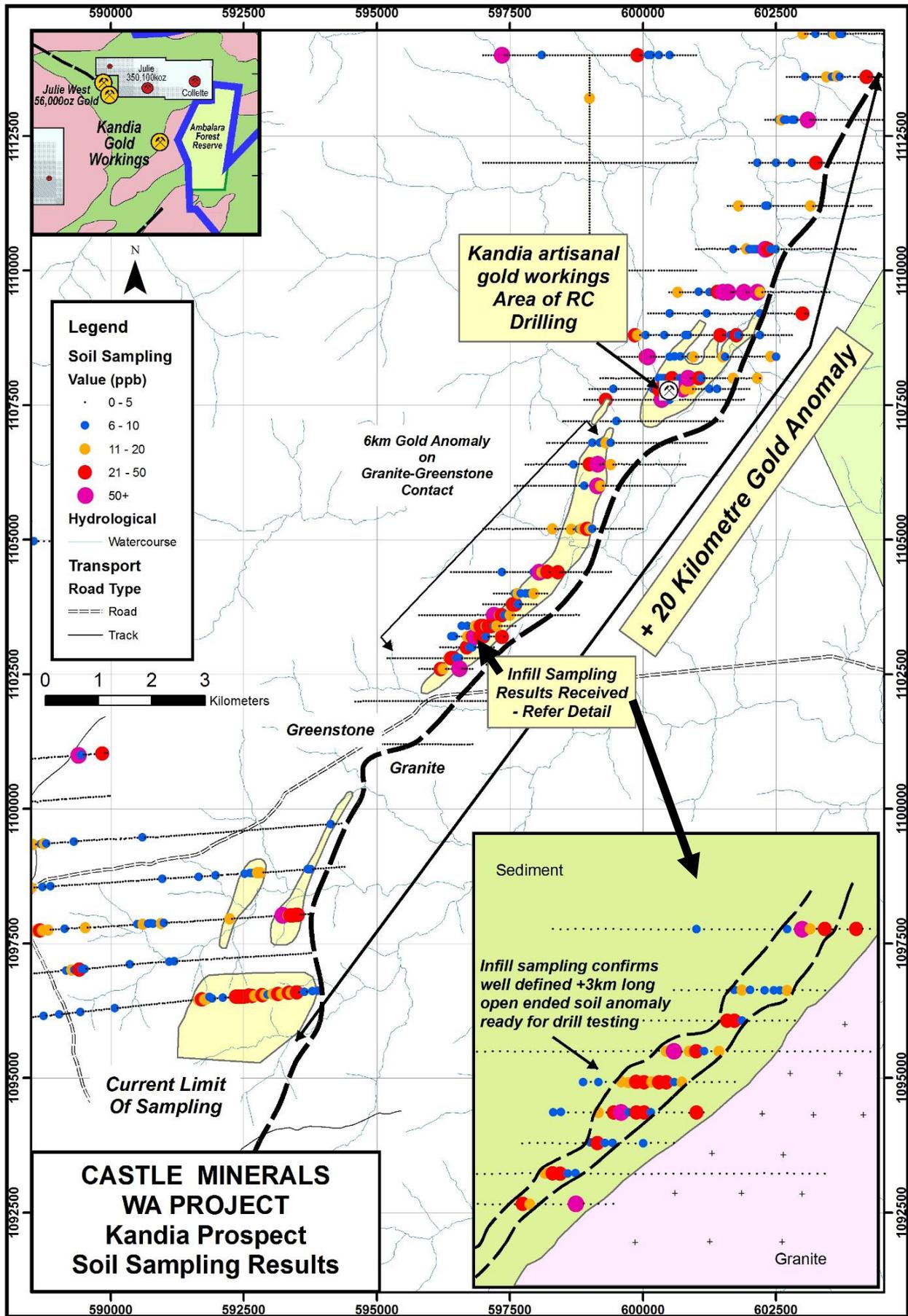
19 of the 28 holes drilled reported gold mineralisation defining at least two parallel zones of sediment hosted gold mineralisation over a 500m strike length that remains open along strike. These results are considered very encouraging and confirm that the Kandia trend (granite/sediment contact) is capable of hosting bulk tonnage sediment hosted gold mineralisation.

A soil geochemical program testing the strike extensions to the Kandia gold workings commenced in May. The initial sampling was undertaken on 800m spaced traverses and has outlined a +20km long open ended gold anomaly. Infill sampling on 200m spaced traverses has been completed with about one third of those assays received.

To date this infill work has confirmed a very coherent strong anomaly from an area south of the Kandia workings that has 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.

A 15,000m RC drill program is proposed to test the Kandia gold anomalies.



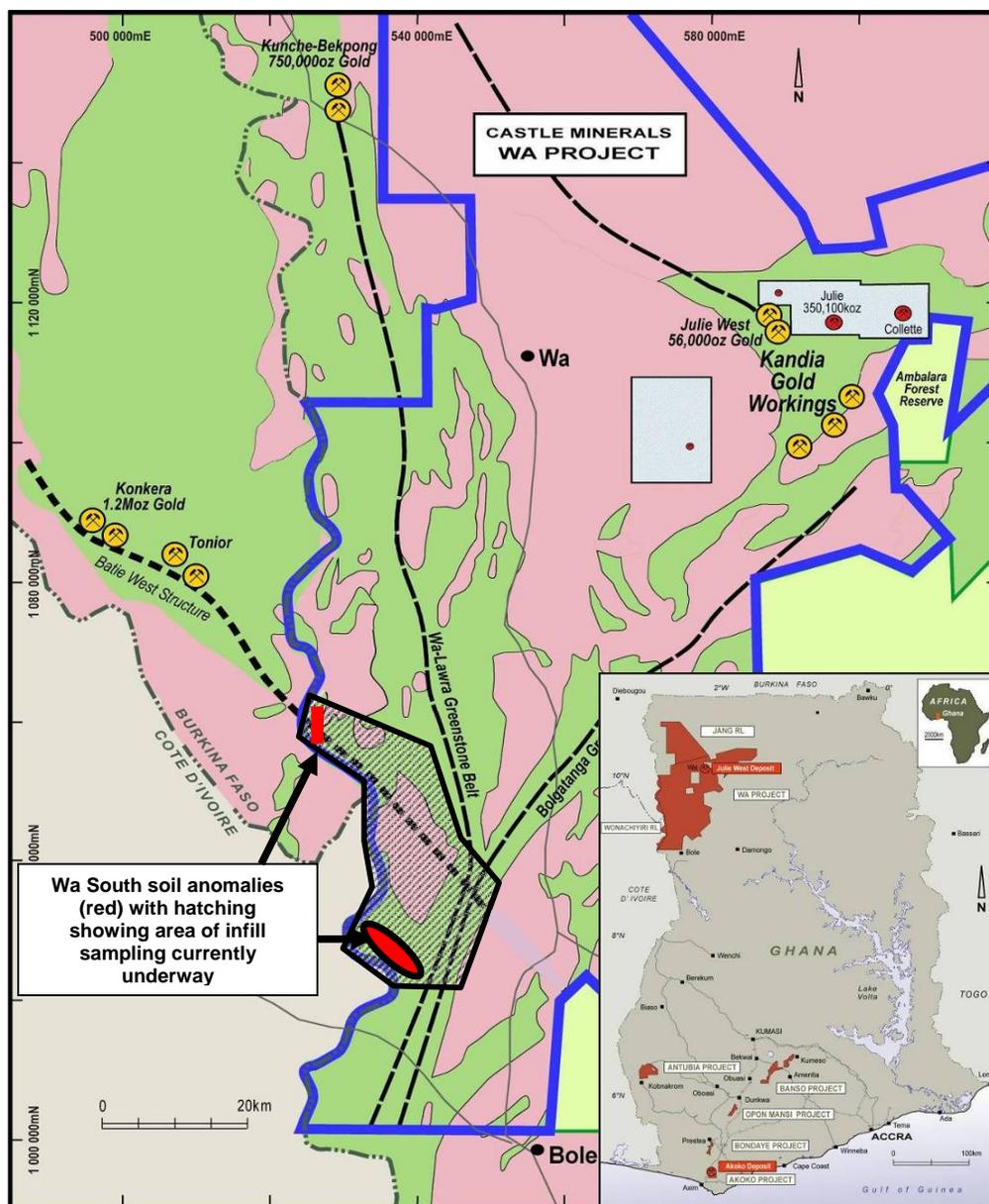


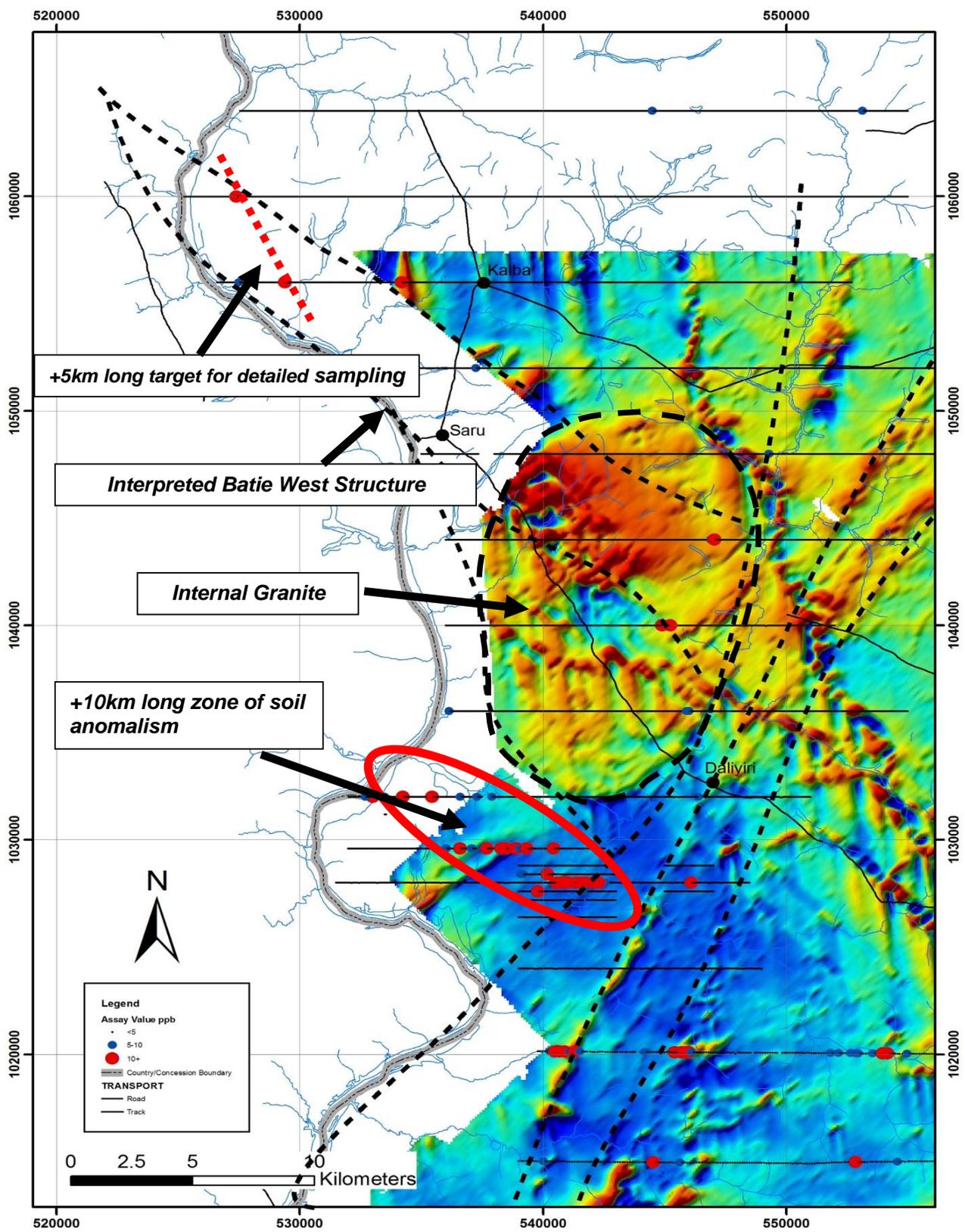
*Kandia trend soil sampling including detail for area where infill soil results have been received*

## South Wa

The South Wa prospect covers the southern portion of the Wa Project area and includes the interpreted strike extensions of the Batie West shear zone. Initial sampling was completed on 4km and 5km spaced traverses and anomalies generated from this regional scale work were followed up during the quarter with more detailed, but still wide spaced, soil sampling.

This work has identified a +10km long x 2km wide area of anomalous soils aligned NW-SE that lies south of, and parallel to, the interpreted position of the Batie West structure and immediately south of an internal granite. The south western part of this anomalous zone contains the sample traverse on 1,028,000 mN where previous sampling reported +100ppb gold values over a 2km wide zone against a background of <1ppb gold. Sample traverses 400m north and south of this line reported weaker gold values with a maximum value of 29ppb gold reported, however the line 1600m north reported more consistent gold values and confirms this area as highly anomalous and as an area that warrants detailed investigation. Infill sampling is ongoing with the aim of defining drill ready targets. 10,000m of drilling is proposed to test the South Wa targets on completion of the infill soils program.

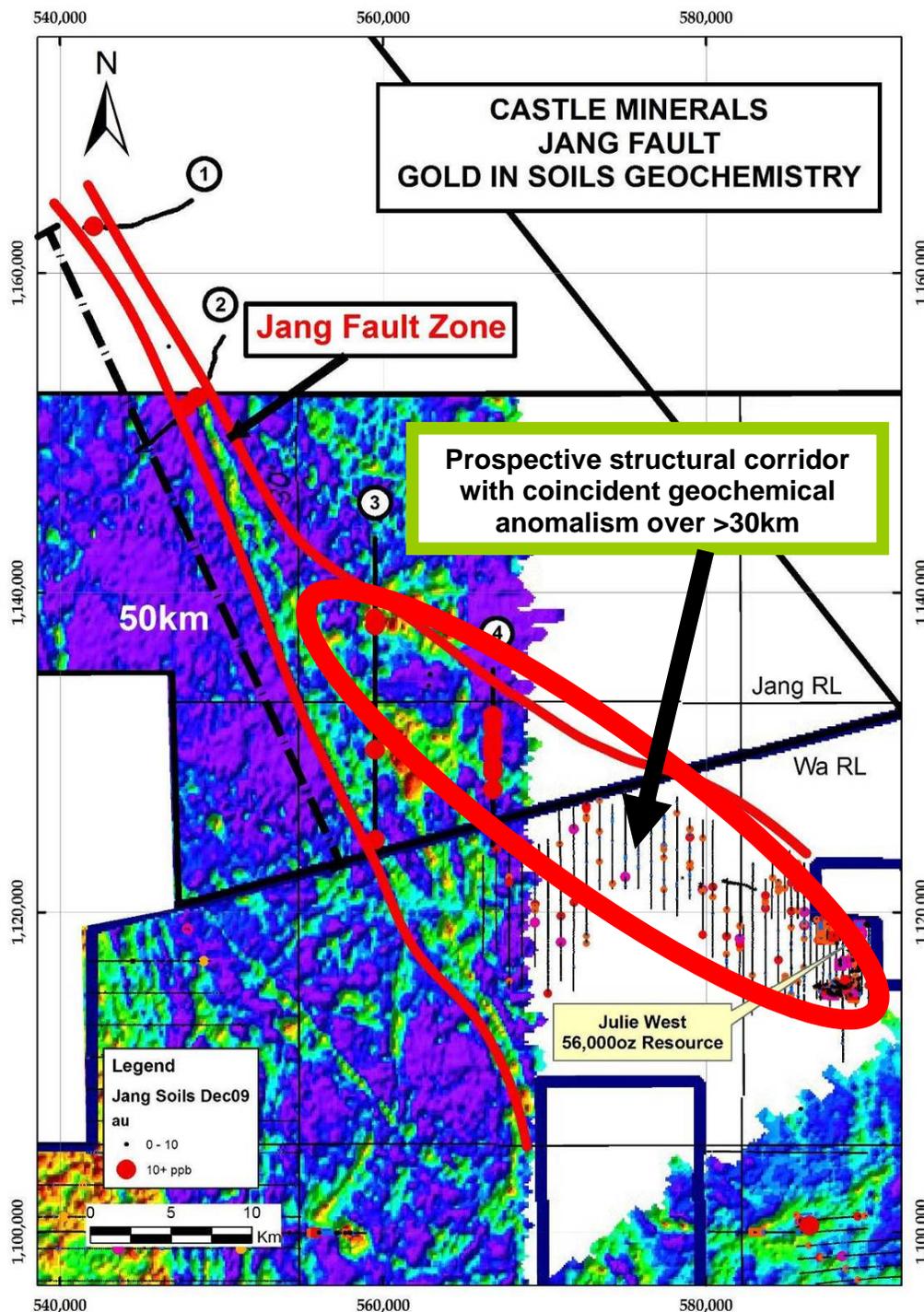




South Wa - soil geochemistry overlain on regional aeromagnetic image. Batie West shear zone may wrap around an internal granite. Detailed soil sampling is now being completed in preparation for drill testing.

## Julie West - Jang Trend

The Julie West - Jang Trend is interpreted to extend at least 30km to the northwest from the Julie West deposit. This corridor is being targeted for high grade vein style mineralisation and is now being progressively soil sampled in detail. This work in conjunction with an airborne magnetic survey currently underway will provide targets for a proposed 15,000m RC drill program.



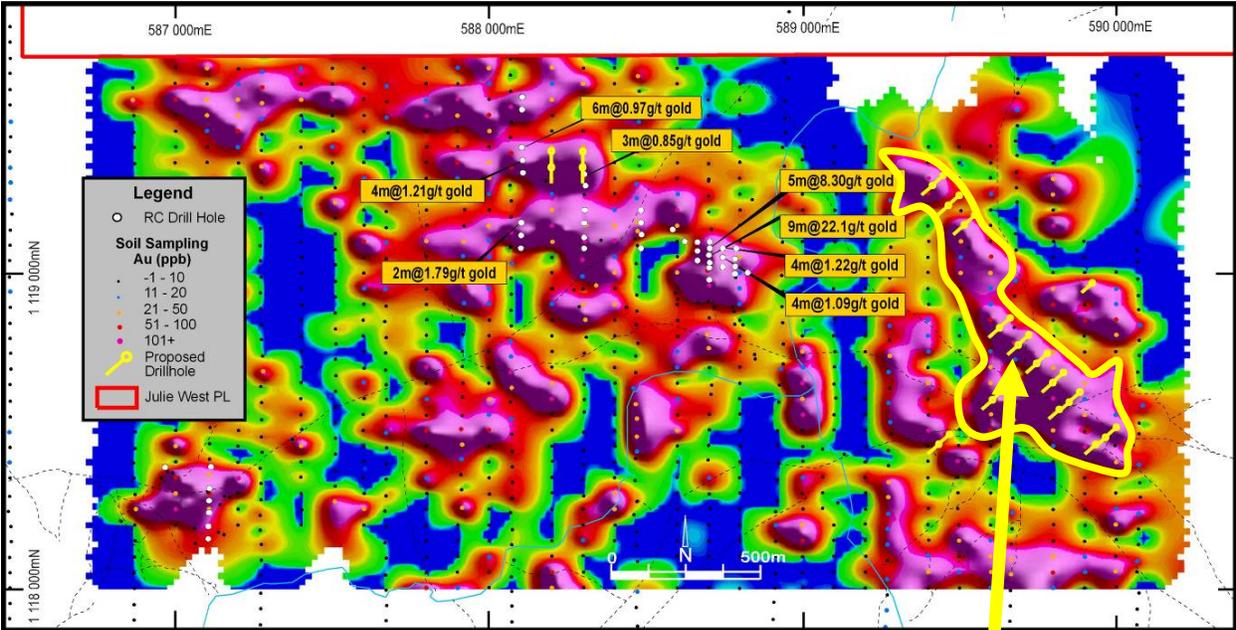
Soil traverses (1- 4) with gold geochemistry results over regional electromagnetic image showing gold corridor from Julie West to Jang covering a strike length of over 30km. Detailed sampling is progressing NW in this corridor from Julie West.

During the quarter a new 1.2km long anomaly parallel to the high grade Julie West gold vein was defined by detailed soil sampling completed on a 100m x 50m spaced grid. The anomaly is well defined at +100ppb gold and includes peak values of 490ppb and 2,255 ppb gold.

There is no recorded outcrop in the area and the anomaly may overlie high grade, vein hosted gold mineralisation. Access to this area is good and a 2,500m RC program has just been completed testing this target. Results are pending.



Artisanal miners at the Julie West Prospect with David Keogh (Southern Cross Equities) and shareholder Tim Biggs.



1.2km long, strong soil anomaly to be tested by RC drilling - new RC holes in yellow

## Jang Trend

A 2km long soil geochemical anomaly has been defined approximately 7km NW of the Julie West gold deposit. This target will now be subject to detailed soil sampling on a 100m x 50m spaced grid and field mapping before reverse circulation drill testing. The anomaly is considered to be an extension of the nearby east-west trending Kjersti gold prospect but may also be influenced by extensions of NW trending Julie West mineralising structures. Drilling will commence on completion of field work and interpretation of the aeromagnetic survey currently being flown.

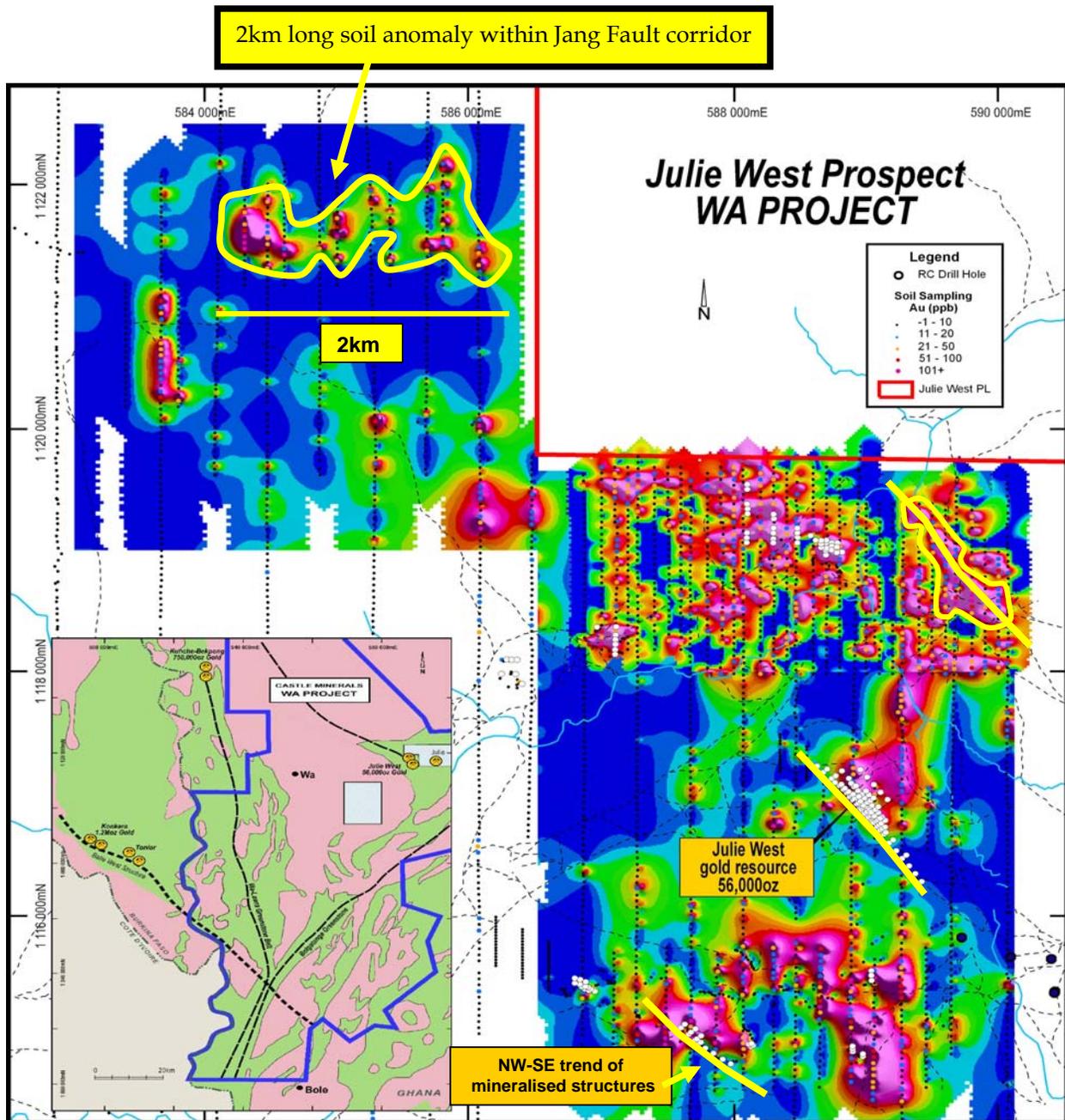


Image of detailed soil geochemistry results for Julie West Prospect



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## Corporate

During the quarter Castle raised \$5.44 million through the issue of 14,307,895 fully paid ordinary shares at \$0.38 per share. Key participants included Mr Mark Creasy who joined the Castle register with a 5% shareholding as well as a number of Australian and overseas resource funds. The placement was led by Southern Cross Equities and co-managed by BGF Equities.

Cash reserves at quarter end were \$7.7 million and Castle had total issued capital of 95.96 million shares and 10.65 million options.

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

Significant Drilling Intercepts							Castle Minerals
Grid:	UTM						
Prospect:	Kandia						
Project:	Wa						
Hole Number	Northing	Easting	mRL	Grid Az	Dip	Hole Depth	Intercept
10KARC001	1107768	600489		321	-48	72	1m @ 0.44 ppm Au from 7m 2m @ 0.48 ppm Au from 20m 3m @ 0.86 ppm Au from 61m 1m @ 0.31 ppm Au from 68m
10KARC002	1107799	600451		138	-47	100	10m @ 0.64 ppm Au from 10m 4m @ 1.38 ppm Au from 38m
10KARC003	1107826	600428		142	-48	66	6m @ 0.57 ppm Au from 46m 4m @ 0.34 ppm Au from 56m
10KARC004	1107745	600453		140	-46	80	4m @ 0.28 ppm Au from 21m 1m @ 0.48 ppm Au from 33m 1m @ 0.32 ppm Au from 36m
10KARC005	1107771	600430		140	-51	66	1m @ 1.95 ppm Au from 3m 2m @ 0.41 ppm Au from 11m 1m @ 0.27 ppm Au from 45m
10KARC007	1107739	600396		138	-48	66	1m @ 2.48 ppm Au from 13m 1m @ 0.42 ppm Au from 62m
10KARC009	1107689	600396		140	-49	72	1m @ 0.52 ppm Au from 26m
10KARC010	1107654	600369		138	-48	72	1m @ 0.46 ppm Au from 1m
10KARC011	1107685	600345		142	-48	66	1m @ 0.26 ppm Au from 50m
10KARC013	1107602	600310		142	-49	66	5m @ 0.32 ppm Au from 5m 1m @ 2.62 ppm Au from 16m 10m @ 0.41 ppm Au from 25m
10KARC014	1107628	600285		142	-48	66	5m @ 0.61 ppm Au from 15m 1m @ 0.77 ppm Au from 40m 1m @ 0.26 ppm Au from 47m 1m @ 0.48 ppm Au from 56m
10KARC016	1107825	600495		137	-48	100	3m @ 0.31 ppm Au from 4m 1m @ 1.21 ppm Au from 12m 1m @ 0.61 ppm Au from 18m 2m @ 4.09 ppm Au from 25m 1m @ 0.38 ppm Au from 30m 2m @ 1.59 ppm Au from 37m 2m @ 3.80 ppm Au from 48m
10KARC017	1107837	600479		137	-48	66	1m @ 0.93 ppm Au from 18m 3m @ 0.81 ppm Au from 22m 3m @ 2.19 ppm Au from 31m 1m @ 0.59 ppm Au from 44m 1m @ 0.32 ppm Au from 49m 1m @ 0.30 ppm Au from 60m 1m @ 0.78 ppm Au from 64m
10KARC018	1107838	600532		143	-48	66	1m @ 1.66 ppm Au from 2m 3m @ 6.01 ppm Au from 6m <i>Includes</i> 1m @ 13.63 ppm Au from 7m 1m @ 2.29 ppm Au from 29m 1m @ 0.39 ppm Au from 34m
10KARC019	1107854	600510		142	-49	66	6m @ 0.44 ppm Au from 25m 5m @ 3.14 ppm Au from 36m 1m @ 1.03 ppm Au from 58m
10KARC021	1107940	600539		142	-49	66	5m @ 1.60 ppm Au from 61m
10KARC022	1107917	600568		141	-49	66	1m @ 2.28 ppm Au from 32m
10KARC026	1107773	600704		140	-49	100	1m @ 0.47 ppm Au from 4m
10KARC027	1107803	600742		140	-49	66	9m @ 1.69 ppm Au from 53m
10KARC028	1107778	600766		139	-52	72	2m @ 1.25 ppm Au from 26m

Notes: Minimum Intersection Length = 1m, Interval Top Cut = 999.00 ppm Au, Interval Bottom Cut = 0.25 ppm Au,  
Maximum Internal Dilution = 2m, Reporting Assays Greater than 10.00 ppm Au  
Gold analysis performed by Intertek Laboratories Tarkwa Ghana on 1m RC drill samples using 50gm fire assay technique with AAS finish