ACN 116 095 802

NOTICE OF GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

Date of Meeting
Friday, 27 July 2007

Time of Meeting
11:30 am

Place of Meeting

Level 3, 10 Outram Street
WEST PERTH WA 6005

Notice is hereby given that the General Meeting of shareholders of Castle Minerals Limited ("**Company**") will be held at, Level 3, 10 Outram Street, West Perth WA on 27 July 2007 at 11.30 am for the purpose of transacting the following Business.

ORDINARY BUSINESS

Resolution 1 – Ratification of Allotment and Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the allotment and issue of 5,000,000 Shares issued on terms and conditions set out in the Explanatory Statement accompanying this Notice to persons who are not related parties of the Company."*

Short Explanation: Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associates of those persons.

Resolution 2 – Authority to Issue and Allot Shares – Placement

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX and for all other purposes, approval is given for the Company to be authorised to issue and allot up to 5,000,000 Shares on the terms set out in the Explanatory Statement accompanying this Notice."*

Short Explanation: Approval is sought under Listing Rule 7.1 to authorise the Company to issue these securities. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of any such person.

Resolution 3 – Ratification of Allotment and Issue of Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the allotment and issue of 500,000 Tranche A Options to Mr M Fowler on terms and conditions set out in the Explanatory Statement accompanying this Notice and who is not a related party of the Company."*

Short Explanation: Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associates of those persons.

By order of the Board

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Dennis Wilkins
Company Secretary
Date: 26 June 2007

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders in Castle Minerals Limited ACN 116 095 802 ("**Company**") with sufficient information to assess the merits of Resolutions 1 to 3 contained in the Notice of General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to Resolutions 1 to 3.

Resolution 1 – Ratification of Allotment and Issue of Shares - ASX Listing Rule 7.1

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 1 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of securities. The Company confirms that the issue and allotment of the securities the subject of Resolution 1 did not breach ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Statement for that purpose:

(a) 5,000,000 Shares were issued by the Company;

(b) the issue price per share was 28 cents;

(c) Funds raised from this placement will be directed to gold exploration in Ghana and for working capital purposes. Please also refer to the Company's attached ASX release dated 22 June 2007 which provides a brief exploration update;

(d) the Shares were allotted to parties introduced by Southern Cross Equities Limited;

(e) the Shares rank equally with the existing Shares;

(f) $1,400,000 (before costs) was raised by this placement; and

(g) a voting exclusion statement is included in the Notice.

Resolution 2 – Authority Issue and Allotment of Shares - ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of the Company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Up to 5,000,000 Shares proposed to be issued by the Company pursuant to Resolution 2 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

The proposed issue of Shares to parties will be to persons who are not related parties of the Company and is placed before Shareholders to allow the Shares to be excluded from the calculation set out in ASX Listing Rule 7.1.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Statement for that purpose:

(a) the maximum number of securities to be issued pursuant to Resolution 2 is 5,000,000 Shares;

(b) the issue price of the Shares will be 28 cents per share;

(c) the funds raised from this placement will be applied gold exploration in Ghana and for working capital purposes. Please also refer to the Company's attached ASX release dated 22 June 2007 which provides a brief exploration update;

(d) it is anticipated that the securities will be issued progressively and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the listing rules;

(e) the Shares will be allotted to parties introduced by Southern Cross Equities Limited;

(f) the Shares will rank equally with the existing Shares on issue;

(g) a voting exclusion statement is included in the Notice.

Capital Structure of the Company

The capital structure of the Company following successful completion of the issue and allotments of the Resolutions 1 and 2 is summarised below:

Details of Number of Shares and Options:

	Shares	**Options**
Current	38,335,005	6,990,000
22 June 2007 Placement – Resolution 1	5,000,000	-
Placement – Resolution 2	5,000,000	-
TOTAL	**48,335,005**	**6,990,000**

Resolution 3 Ratification of Allotment and Issue of Securities Regulatory Requirements

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 3 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of securities. The Company confirms that the issue and allotment of the securities the subject of Resolution 3 did not breach ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for that purpose:

(a) 500,000 Tranche A Options were issued by the Company;

(b) the options were issued as part of the Exploration Manager's (Mr M Fowler) employment agreement with the Company;

(c) no funds were raised from the issue of securities

(d) the terms and conditions of the options are set out in Annexure A of this Notice;

(e) Providing employment continues the Exploration Manager is entitled to a further 500,000 options on each of the next three anniversary dates (i.e. a total of a further 1.5m options)

(f) a voting exclusion statement is included in the Notice.

Annexure A

25 Cent Option Terms and Conditions

Expiring 31 March 2011

Set out below are the rights attaching to the Options to be granted to the Exploration Manager or his nominee. The options will be in uncertificated form.

(a) The Options shall expire at 5.00pm WST on Expiry Date.

(b) Options may be exercised at any time on or after 9.00 am WST on the Commencement Date applicable to each tranche and on or before 5.00 pm WST on the Expiry Date.

(c) The Options may be exercised in whole or in part.

(d) The exercise price of each Option is 25 cents ("Exercise Price").

(e) The Options may be transferred at any time in whole or part.

(f) A holding statement instead of a certificate will be issued for the Options. On the reverse side of the statement there will be endorsed a statement of rights of the Option holder and a notice of exercise of option that is to be completed when exercising the Options. If there is more than one Option comprised in this notice and prior to the Expiry Date those Options are exercised in part the Company will issue another notice for the balance of the Options held and not yet exercised.

(g) Subject to these terms and conditions the Option holder will be permitted to participate in any new pro-rata issue of securities of the Company on the prior exercise of the Options in which case, the Option holder will be afforded the period of at least 10 Business Days prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the Options.

(h) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

(i) The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.

(j) If the Company makes an offer of ordinary shares pro rata to all or substantially all holders of ordinary shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) where (S + D) (as defined below) exceeds P (as defined below) at a time when:

  (i) an option has not been exercised in full; or

  (ii) the option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the rights issue.

then the Exercise Price per share will be reduced according to the following formula:

$$O^{I} = O - E\frac{(P - S + D)}{N + 1}$$

Where:

O^{I}	=	the new Exercise Price per share
O	=	the old Exercise Price per share
E	=	the number of shares into which one option is exercisable
P	=	the average market price of fully paid ordinary shares (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the 5 trading days before the ex rights date or ex entitlements date
S	=	the subscription price (application money plus calls) for new shares issued under the rights issue
D	=	if the ordinary shares are trading on the ASX on a ex dividend basis, the (if any) dividends (on a per share basis) which have been declared but not yet paid is existing shares (except those to be issued under the rights issue)
N	=	number of shares required to be held to receive a right on one new share.

(k) The number of shares which the option holder is entitled to subscribe for on exercise of the option is to remain unchanged.

In the case of a bonus issue the number of Shares over which the option is exercisable may be increased by the number of Shares which the option holder would have received if the option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules The exercise price of the Options shall not change as result of any such bonus issue.

(l) The Company shall notify each Option holder and the ASX within one month after the books closing date for a pro-rata bonus or cash issue, of the adjustment to the number of shares over which the Option exists and/or the adjustment to the exercise price.

(m) Subject to these terms and conditions, each Option shall confer the right to take up one fully paid ordinary Share in the Company.

(n) If the Option holders employment with the Company ceases or is terminated for any reason the Options may be exercised by the holder (or the holder's legal personal representative(s)) within three months of the cessation or termination of the holder's employment with the Company provided that:

(i) the Options have not lapsed under condition (a); and

(ii) the Options are entitled to be exercised pursuant to condition (b)

If the Option is not exercised within the three month period provided in this condition, it will lapse.

(o) In the circumstances referred to in condition (n), the Board may in its absolute discretion, but subject always to the Listing Rules, give written approval to the Option holder to exercise the Option during such further period (ending not later than the Expiry Date) as the Board decides.

(p) Notwithstanding any other terms and conditions, all Options may be exercised:

(i) during a Bid Period;

(ii) at any time after a Change in Control Event has occurred; or

(iii) on an application under section 411 of the Corporations Act if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

(q) Option holders may only participate in new issues of securities to holders of shares if an option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

(r) In these terms and conditions:

"Bid Period" in relation to a takeover bid in respect of shares in the Company, means the period referred to in the definition of that expression in section 9 of the Corporations Act provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the Bid Period shall be deemed to have commenced at the time of that announcement subject to the takeover bid having the support of the CDT board;

"Business Day" means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day;

"Change of Control Event" means a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board;

"Commencement Date" means:

for Tranche A Options 8 May 2007;

for Tranche B Options 8 May 2008;

for Tranche C Options 8 May 2009; and,

for Tranche D Options 8 May 2010;

"Expiry Date" means:

for Tranche A, B, C and D Options 31 March 2011;

"Listing Rules" means the Official Listing Rules of ASX as they apply to the Company.

The Company Secretary
Castle Minerals Limited
PO Box 1153
WEST PERTH WA 6005

Facsimile: 61 8 9481 2335

I/We (name of shareholder) ....
of (address) ....
being a member/members of Castle Minerals Limited HEREBY APPOINT
(name) ....
of (address) ....
and/or failing him (name) ....
of (address) ....
or failing that person then the Chairperson of the meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held on 27 July 2007 and at any adjournment of the meeting.

PROXY INSTRUCTIONS

If you wish to instruct your proxy how to vote, insert "X" in the appropriate column against the item of business set out below. If you do not wish to direct your proxy how to vote please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest. The Chairman has advised that his intention is to vote in favour of both resolutions.	☐

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:
I/We direct my/our Proxy to vote in the following manner:

RESOLUTION		**FOR**	**AGAINST**	**ABSTAIN**
1	Ratification of Allotment and Issue of 5,000,000 Shares	☐	☐	☐
2	Authority to Issue and Allot 5,000,000 Shares	☐	☐	☐
3	Ratification of Allotment and Issue of 500,000 Options	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

This Proxy is appointed to represent % of my voting right, or if 2 proxies are appointed Proxy 1 represents ___________% and Proxy 2 represents __________% of my total votes

Dated :___ 2007

If the shareholder is an individual:

Signature: ____________________________________

If the shareholder is a company:

Affix common seal (if required by Constitution)

____________________________ ____________________________
Director/Sole Director and Secretary Director/Secretary

____________________________ ____________________________
Print name Print name

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.

2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.

3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.

4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.

5. To be effective, forms to appoint **proxies must be received by the Company no later than** 48 hours before the time appointed for the holding of this General Meeting **that is by 11:30 am WST on 25 July 2007** by post to PO Box 1153, West Perth WA 6872 or facsimile (61 8) 9481 2335.

6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:

   (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
   (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
   (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
   (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.

Castle Minerals Limited

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ACN 116 095 80
www.castleminerals.com

22 June 2007

ASX Announcement

Castle raises $2.8m to drill Ghana gold projects

Castle Minerals Limited (ASX:CDT) is pleased to announce that Sydney-based stockbroking group, Southern Cross Equities, has agreed to place, to institutional and sophisticated investors, 10 million ordinary shares in Castle at a price of $0.28 per share raising a total of $2.8 million.

The funds will be used to accelerate exploration at Castle's seven gold projects in Ghana and in particular advance the drilling of Castle's Antubia and Akoko projects. Castle's Managing Director, Mr Mike Ivey, said the Company was very pleased with the response to the placement which supports the Company's strong belief that Castle's exploration projects have the potential to host a substantial gold deposit.

Strong support for the placement has been received from Australian institutional and sophisticated investors including leading resource bank, Investec Bank (Australia) Limited. Southern Cross advised that the offering was oversubscribed. The placement will be completed in two tranches, with the initial 5,000,000 shares to raise A$1.4 million (gross) being issued using Castle's ability to issue up to 15% of its capital within a 12 month period without the need for shareholder approval. This tranche is expected to be completed next week. The issue of the remaining 5,000,000 shares is subject to shareholder approval which will be sought at an Extraordinary General Meeting of Castle expected to be held in late July 2007

Exploration Update

Antubia Project
A program of trenching is currently underway over parts of the Boizan soil anomaly. A drilling program (~8,000m) is proposed to test the targets identified so far commencing next quarter.

Akoko Project
Infill soil sampling will commence in July and a rig has been booked for August/September.

Banso Project
Sampling of the Banso west target has been completed and results are expected shortly.

Ducie Project
Field crews are currently at the 60 km long Ducie Project undertaking the first ever exploration since Russian mapping in the 1960's.

Sapelliga Project
Trenching at the Sapelliga Project has commenced.

Michael Ivey
Managing Director & CEO