

26th October 2016

CASTLE SELLS AKOKO GOLD PROJECT IN GHANA

- US\$500,000 staged cash payments
- US\$1,250,000 in royalties on first 50,000oz production
- Additional 1% royalty on additional production over 50,000oz

Castle Minerals Limited (ASX: CDT) is pleased to announce that it has executed a sale agreement with Ghana based Terrex Limited for the sale of Castle's Akoko Gold Project in south west Ghana.

Under the terms of the agreement Castle will immediately receive an initial cash payment of US\$150,000 on execution of the agreement, and a second cash payment of US\$250,000 on or before 31st December 2016. It will also receive a cash payment of US\$100,000 on commencement of mining, a gross royalty of US\$25 per ounce on the first 50,000oz Au produced (total US\$1,250,000) and a 1% gross royalty on any additional production over 50,000oz Au.

The sale is unconditional and on an 'as is where is' basis.

In May 2015, Castle had entered into an agreement to sell the Akoko Gold Project to Goldcrest Resources Plc, conditional upon Goldcrest listing on the London AIM exchange within 12 months. Goldcrest was unable to satisfy this condition and the sale agreement was terminated in May 2016.

"It is particularly pleasing to have completed the unconditional sale of Topago and its Akoko Gold Project to a local Ghanaian company on very favourable terms, with a substantial initial cash payment and with a royalty component that provides continued exposure to a royalty stream should the project go into production. Furthermore this transaction does not have the execution risk of the previous sale agreement." Castle Managing Director, Stephen Stone, said.

A handwritten signature in black ink, appearing to read "Stephen Stone", with a long horizontal flourish extending to the right.

Stephen Stone
Managing Director