

Summary

Akoko project:

- Sale agreement signed 26 October 2016 for consideration of US\$500,000 staged cash payments, US\$1,250,000 in royalties on first 50,000oz production and additional 1% royalty on additional production over 50,000oz.
- See ASX announcement dated 26 October 2016 for terms.

Kpali project:

- Continued efforts to secure a farm-in partner.

Exploration General:

- Attending to tenement administration issues on transfer of Julie West to Azumah to allow release of final cash consideration of A\$250,000.
- The review of the Company's extensive project datasets continued with the objective of rationalising the Company's large Ghana licence holdings around key target areas and to minimise holding costs.

New Opportunities:

- Continued review of project opportunities spanning a range of commodities with the objective of securing a new focus for the Company.

Corporate:

- End of Quarter working capital was \$0.158M and issued shares was 168.5M.
- Working capital was increased by \$100,000 via a placement of 10m shares at \$0.01 to directors as approved by shareholders at an EGM be held on 10th August 2016.
- To assist cash flow, the Directors agreed to accept their fees and any payments for additional services in Castle shares. Shareholders approved the first tranche on 10th August 2016 EGM. A 2nd tranche is for shareholder approval at the AGM to be held on 22 November 2016.
- Castle holds 564,020 shares in ASX listed ePAT Technologies Limited (ASX: EPT)(~\$22k) – formerly Minquest Limited.
- Azumah Resources Limited ('Azumah') has provided a \$250,000 loan for the purposes of settling the payouts to the former Directors and Company Secretary ('Loan'). The Loan has been made on an arms-length commercial basis and is unsecured (see ASX announcement 30 September 2016).

Stephen Stone

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Capital Structure
Quoted Shares: 149 million
Unlisted Options: 1.05m @ 40c

Board
Michael Atkins
Director

Stephen Stone
Director

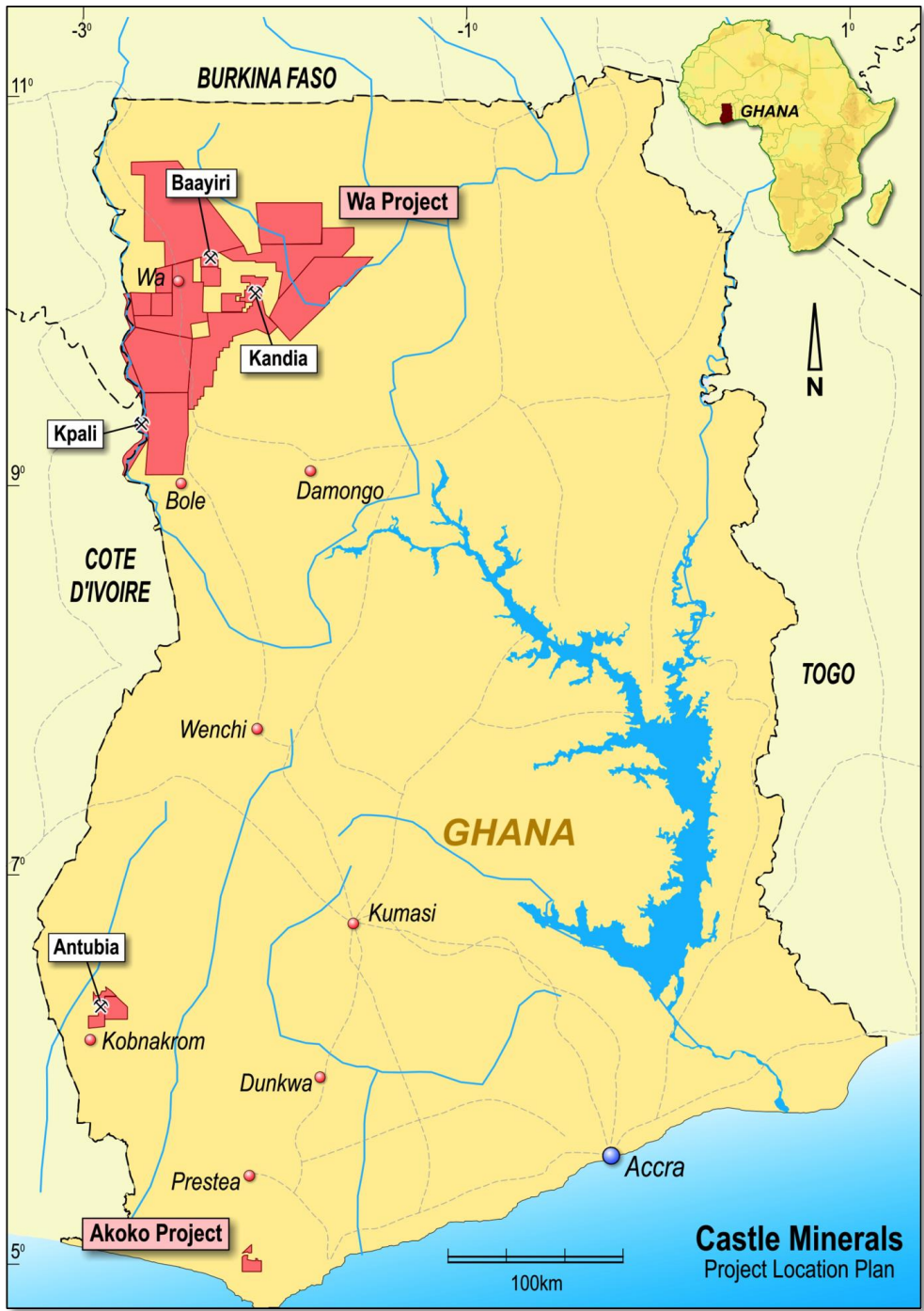
Ian Hobson
Director &
Company Secretary

About Castle:

Castle Minerals (ASX code '**CDT**') is one of the largest tenure holders in Ghana, West Africa, a country with a long history of gold mining and exploration. Castle's ~11,000km² licence holdings host several projects including Kpali in Ghana's Upper West region and Akoko close to Takoradi in Ghana's southern and prolific gold mining region. All of Castle's projects are prospective for gold and, whilst resources have been delineated at some, all are considered at an early stage of evaluation.

The Company's management is intent on adding value to its existing project holdings and to evaluating and, if warranted, acquiring new opportunities that will provide existing shareholders with multiple returns on the present market value of their investments.

Castle Mineral’s Ghana Tenure and Key Prospects



Licence	Name	Interest beginning of Quarter	Interest end of Quarter
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TOPAGO MINING LIMITED*

PL. 2/398*	Antubia	100%	100%
PL. 2/400*	Boizan	100%	100%
PL. 2/399*	Akoko	100%#	100%
PL. 2/425*	Akoko West	100%	100%

CARLIE MINING LIMITED

RLA	Chache	Application	Application
RLA	Jewoyeli	Application	Application
RLA	Takariyili	Application	Application
RLA	Tuole	Application	Application
RL. 10/23	Jang	100%	100%
RL. 10/13	Wa	100%	100%
PL. 10/13	Julie West	0%^	0%^
ML. 10/13	Julie West	Application	Application
PL. 10/26	Degbiwu	100%	100%
PL. 10/23	Bulenga	100%	100%
PL. 10/25	Charingu	100%	100%
PLA	Kandia	Application	Application
PL. 10/24	Baayiri	100%	100%
RL. 8/27	Gbinyiri	100%	100%
RL. 8/28	Gurungu	100%	100%
RL. 8/31	Jumo	100%	100%
RL. 8/30	Chasia	100%	100%
RL. 8/29	Perisi	100%	100%
RLA	Funsi	Application	Application
PL. 10/47	Kambale	100%	100%

Government of Ghana has the right to acquire a 10% free carried interest in all licences and is entitled to a 5% Gross Royalty on production. All licences are held in 100% owned Ghana based subsidiaries, Carlie Mining Limited and Topago Mining Limited. Where required, Castle has lodged applications for extension of the licences and in those cases may be awaiting renewal or extension of the licences.

^ Put Option to sell the Julie West PL to Bunda Resources Limited was exercised in October 2015. Bunda's rights were assigned to Phoenix Resources Limited (Azumah Resources Limited) in April 2016.

* Sale agreement for the sale of shares in Topago Mining Limited entered into 26 October 2016.

COMPETENT PERSONS STATEMENT

The scientific and technical information in this Report that relates to the geology of the deposits and exploration results is based on information compiled by **Mr Stephen Stone**, who is a Director of Castle Minerals Limited. Mr Stone is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stone is the Qualified Person overseeing Castle's exploration projects and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement that relates to the geology of the deposits and exploration results.