

1 May 2013

Dear Shareholder

RIGHTS ISSUE INFORMATION FOR SHAREHOLDERS

As you may be aware, the Company will shortly be offering to you an opportunity to acquire more shares in the Company pursuant to a partially underwritten pro-rata non-renounceable rights issue to shareholders of up to approximately 22,743,536 shares on the basis of 1 new share for every 5 shares held on the record date at an issue price of \$0.05 per new share to raise up to approximately \$1,137,177 ("**Rights Issue**").

This offer will be made pursuant to a Prospectus and if you wish to participate in the Rights Issue, you will need to complete the Entitlement and Acceptance Form that will accompany the Prospectus.

A copy of the Prospectus has been lodged with ASX ("Australian Securities Exchange") and is available on the ASX website and will be available on the Company's website www.castleminerals.com.

Pursuant to the Listing Rules of the ASX Limited ("**Listing Rules**"), the Company is required to provide to you certain information before proceeding with the Rights Issue. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. Up to a maximum of 22,743,536 fully paid ordinary shares will be issued pursuant to the Rights Issue if no existing options are exercised. If all existing options are exercised and those option holders exercise their rights, a further 210,000 may be issued.
2. The shares to be issued will rank equally in all respects from the date of allotment with the existing quoted ordinary shares.
3. The issue price of the shares will be 5 cents each.
4. The Company will apply for quotation of the shares issued pursuant to the Rights Issue on the official list of the ASX.
5. The funds raised by the Rights Issue will be used towards exploration programs on the Wa and Akoko Gold projects, working capital and to meet the costs of the Rights Issue.
6. The securities will be entered into uncertificated holdings or dispatch of certificates on 11 June 2013.
7. The total number and class of all securities quoted on ASX (including the maximum number of shares to be issued in the Rights Issue (assuming no existing options are exercised)) is as follows:

Number	Class
136,461,213	Ordinary shares

8. The total number and class of all securities not quoted on the ASX is as follows (assuming no existing options are exercised):

Number	Exercise price/ Expiry Date
1,050,000 Options	40 cents options expiry 1 September 2016
2,000,000 Performance Rights	Expiring on 22 November 2016

9. The Company currently has no dividend policy. However, pursuant to the Constitution of the Company, the Directors may from time to time declare a dividend to be paid to the members entitled to the dividend. No dividend may be paid except out of profits.
10. No shareholder approval for the Rights Issue is required.
11. The Rights Issue is *non-renounceable*.
12. The new shares in the Rights Issue will be offered on basis of 1 new share for every 5 shares held on 5.00pm Perth time (Western Standard Time) on 8 May 2013
13. The offer under the Rights Issue relates to fully paid ordinary shares in the Company.
14. The "*ex date*" is 2 May 2013.
15. The *record date* to determine entitlements is 8 May 2013.
16. Holdings on different registers (or subregisters) will not be aggregated for calculating entitlements.
17. The Company will not be sending an offer under the Rights Issue to any security holders outside of Australia and New Zealand.

In compliance with Listing Rule 7.7.1 of the ASX Listing Rules, the Company has decided that it is unreasonable to make the offer to security holders outside of Australia , New Zealand, Ghana, the Isle of Man and the Principality of Monaco having regard to each of the following:

- the number of security holders outside of Australia , New Zealand, Ghana, the Isle of Man and the Principality of Monaco;
- the number and value of the securities to be offered to security holders outside of Australia , New Zealand, Ghana, the Isle of Man and the Principality of Monaco; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Company will send to each of the security holders outside of Australia , New Zealand,

Ghana, the Isle of Man and the Principality of Monaco details of the offer and advise them that the Company will not be making the offer to them.

18. The closing date for receipt of acceptances is 5.00pm Perth time (WST) 31 May 2013.
19. The Rights Issue is partially underwritten.
20. There is no broker to the Rights Issue.
21. Brokers will receive no handling fee for acceptances lodged by them on behalf of security holders.
22. The Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to you on 14 May 2013.
23. The Company sent a notice to option holders to notify them of their right to participate in the Rights Issue upon exercise of their options on 24 April 2013
24. The latest date for despatch of certificates or entry of the securities into your security holdings 11 June 2013

The above information was provided to the ASX on 24 April 2013

If you have any queries regarding your entitlement or participation in the upcoming Rights Issue, please do not hesitate to contact the Company's Share Registry on +61 8 9315 2333 or the Company Secretary on +61 8 9322 7018.

Sincerely,

A handwritten signature in black ink, appearing to be 'Michael Ivey', with a long horizontal line extending to the right.

Michael Ivey
Managing Director