

New 2.65% NSR Royalty to Override Existing Royalties, \$1.2 Million Private Placement

TORONTO, ONTARIO--(Marketwired - Apr 11, 2016) - [NewCastle Gold Ltd.](#) (TSX VENTURE:NCA) (the "Company" or "NewCastle") is pleased to announce it has entered into an agreement with [Franco-Nevada Corp.](#) (FNV:TSX, "Franco-Nevada"), whereby NewCastle and Franco-Nevada have agreed to create, in return for a cash payment of approximately \$2.2 million, a new 2.65% royalty covering all of NewCastle's Castle Mountain Gold Project claims, located in California, USA (the "New Royalty"). The New Royalty will override five separate pre-existing royalties held by Franco-Nevada that cover most of the Castle Mountain Gold Project. The New Royalty does not require any advanced minimum royalty payments.

In addition to this royalty purchase, Franco-Nevada will subscribe for 3,636,364 subscription receipts of NewCastle (each, a "Subscription Receipt") at a price of \$0.32 per Subscription Receipt for proceeds of approximately \$1.2 (the "Placement"). Each Subscription Receipt will, immediately upon the completion of certain conditions, without payment of any additional consideration or taking of further action, entitle Franco-Nevada to receive one unit of NewCastle (each, a "Unit"). Each Unit will consist of one common share of NewCastle and one half of one common share purchase warrant of NewCastle, where each whole common share purchase warrant is exercisable by Franco to acquire one common share at a price of \$0.64 for a period of five years from the closing of the Placement.

The transaction provides the following benefits to NewCastle:

- the injection of working capital into the Company allowing the advancement of the Castle Mountain Gold Project
- a streamlined royalty with Franco-Nevada which is easier and more cost effective to manage for both parties than the existing patchwork of royalties on the Castle Mountain Gold Project

NewCastle Chief Executive Officer David Adamson commented "We are pleased with this positive endorsement and streamlining of project royalties. We look forward to continuing our partnership with Franco-Nevada on our project. In conjunction with our recently announced transaction with Catalyst Copper which, on closing, brings both cash and high calibre new board members to NewCastle, this new injection of working capital will allow the Company to advance the project to the mutual benefit of NewCastle and Franco-Nevada."

The closing of the royalty purchase is subject to satisfaction of certain closing conditions, including (i) regulatory approvals, (ii) the completion by Franco-Nevada of the Placement, and (iii) the closing of the recently announced transaction (the "Merger") with Catalyst Copper (see news release dated March 22, 2016) or, an alternate financing in the event the Merger does not close.

About NewCastle

NewCastle has 100% of the right, title and beneficial interest in and to the Castle Mountain Venture, a California general partnership, which owns the Castle Mountain property (the "Project") in San Bernardino County, California. The Castle Mountain heap leach gold mine produced over one million ounces of gold from 1992 to 2001, when mining was suspended due to low gold prices. The Mine and Reclamation Plan, under which the mine operated, was authorized by the County of San Bernardino as the Lead Agency and remains in effect. Water for the drill programs was accessed from existing patented wells on the Project.

An updated NI 43-101 resource for the project was announced December 2, 2015 which includes Measured Mineral Resource of 17.4 million tonnes grading 0.86 g/t containing 0.48 million ounces, Indicated Mineral Resources of 202.5 million tonnes grading 0.57 g/t gold and containing 3.71 million gold ounces along with Inferred Mineral Resources of 40.8 million tonnes grading 0.58 g/t gold and containing 0.76 million gold ounces. The Project hosts a disseminated low sulphidation epithermal system. Gold is primarily hosted by late-stage rhyolite volcanic units within zones of silicification and brecciation associated with northeast-southwest trending/southeast dipping fault structures which are interpreted to have developed within a collapsed caldera environment. Eleven gold domains are represented by both steep and shallow-dipping orientations.

Ian R. Cunningham-Dunlop, P. Eng., the Company's Vice President Exploration, is the designated Qualified Person for this news release within the meaning of NI 43-101. He has reviewed and verified that the technical information contained in this release is accurate and has approved of the written disclosure of the same.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward Looking Statements

Certain information contained in this news release, including any information relating to the Placement and any other statements regarding NewCastle's future expectations, beliefs, goals or prospects, constitute forward-looking information within the

meaning of applicable securities legislation (collectively, "forward-looking statements"). All statements in this news release that are not statements of historical fact (including statements containing the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "potential" and similar expressions) should be considered forward-looking statements. All such forward-looking statements are subject to important risk factors and uncertainties, many of which are beyond NewCastle's ability to control or predict. A number of important factors could cause actual results or events to differ materially from those indicated or implied by such forward-looking statements, including without limitation: the parties' ability to complete the transaction,; the parties' ability to meet expectations regarding the timing and completion of the transaction; the volatility of the international marketplace; and other risk factors as described in NewCastle's most recent annual information form and annual and quarterly financial reports.

NewCastle assumes any obligation to update the information in this communication, except as otherwise required by law. Additional information identifying risks and uncertainties is contained in NewCastle's filings with the various provincial securities commissions which are available online at www.sedar.com. Forward-looking statements are provided for the purpose of providing information about the current expectations, beliefs and plans of the managements of NewCastle relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. Readers are also cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication.

Contact

[NewCastle Gold Ltd.](#)

Marty Tunney

416-572-0151

mtunney@newcastlegold.ca