

TORONTO, ON--(Marketwired - November 01, 2016) - [NewCastle Gold Ltd.](#) (TSX VENTURE: NCA) ("NewCastle" or the "Company") is pleased to report it has closed the previously announced bought deal offering of common shares (the "Offering") for gross proceeds of \$18.5 million. The Offering was made through a syndicate of underwriters led by TD Securities Inc.

NewCastle plans to use the net proceeds of the Offering to fund exploration and development at its permitted Castle Mountain Project in California -- including the launch of a 40,000 metre drill program, engineering, design and technical work, and for general working capital purposes.

The program will commence with two drill rigs and ramp up to a total of six rigs, and is expected to comprise 30,000 metres of reverse circulation drilling and 10,000 metres of core drilling. Drilling will primarily focus on the Oro Belle South area with the main objective of infilling and expanding the current 4.19 million ounce measured and indicated resource. Additional follow up drilling is also planned to support all engineering, geotechnical and metallurgical studies for a Phase 1 pit.

President and CEO Gerald Panneton commented: "We are pleased that the recent successful \$18.5 million financing has enabled us to continue aggressively drilling the Castle Mountain project. Drilling to date has shown excellent potential to expand the resource and also to improve the average grade and strip ratio in the Oro Belle South area."

About NewCastle Gold

NewCastle has a 100% interest in the Castle Mountain property in San Bernardino County, California. The Castle Mountain heap leach gold mine produced over one million ounces of gold from 1992 to 2004. 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 Resources of 17.4 million tonnes grading 0.86 g/t gold containing 0.48 million gold ounces, Indicated Mineral Resources of 202.5 million tonnes grading 0.57 g/t gold 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 news release.

Forward Looking Statements

This news release contains "forward looking statements" and "forward looking information" (collectively, "forward looking information") within the meaning of applicable Canadian securities legislation. Forward looking information includes information that relates to, among other things, statements with respect to the completion of the Offering and the proposed use of the net proceeds from the Offering. Forward looking information is not, and cannot be, a guarantee of future results or events.

Forward looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward looking information. The material factors or assumptions that we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward looking information include, but are not limited to completion of the Offering and the proposed use of the net proceeds from the Offering.

The risks, uncertainties, contingencies and other factors that may cause actual results to differ material from those expressed or implied by the forward looking information may include, but are not limited to, the risks discussed under the heading "Risks" in general to the business of NewCastle in documents filed (or to be filed) with Canadian regulatory authorities. Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward looking information. Accordingly, the reader should not place undue reliance on forward looking information. NewCastle does not assume any obligation to update or revise any forward looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward looking information, except as required by applicable law.

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