

TORONTO, ON--(Marketwired - July 25, 2017) - [NewCastle Gold Ltd.](#) (TSX: NCA) ("NewCastle Gold" or the "Company") is pleased to report initial results from the water supply drilling program (the "Program") on its Castle Mountain gold project (the "Project"), located in San Bernardino County, California. These results follow positive initial water exploration results that were previously reported in the press release dated April 16, 2017. The Program involves drilling two large 12-inch diameter holes and installing 8-inch casing to develop production water wells, which will be followed by pump testing and monitoring.

This Program forms part of the ongoing hydrogeological investigations aimed at identifying additional sources of water as part of the pre-feasibility study scheduled for release at the end of 2017 and in support of potentially restarting the operation in 2018.

Water well CMM-W-2 was completed to total depth of 1,973 feet below ground surface, and intersected the water table at a depth of 450 feet. The target for this well is a deeply fractured area of bedrock identified by our geological team and tested in the previous program. Water well CMM-W-2 showed an average pumping rate of 169 gallons per minute ("gpm") during a five hour preliminary well test, and up to 200 gpm locally during the drilling of the well using the 'airlift' capacity of the drill rig.

Gerald Panneton, President and CEO commented: *"We are very pleased with the preliminary results of this program as we went from 120 gpm in the previous water test well up to 200 gpm in the current water production well with the only change being the diameter of the hole being drilled. The previous diameter was 5.5 inches, compared to the latest 12 inches. After we complete the second production well (CMM-W-1), we will perform the long-term pump tests and subsequent monitoring. These two (2) new wells, along with our existing wells, could provide us with enough water to sustain the restart of the operation."*

Water wells CMM-W-1 and CMM-W-2 were drilled along a 10 km long, north-south trending structure identified through satellite imagery, regional gravity surveys and subsequent surface geological mapping. Areas of highest groundwater water flow appear to coincide with this deep-seated feature. CMM-W-1 is in the vicinity of the JSLA backfilled open pit, and CMM-W-2 is located further south on the same structure. Preliminary results from CMM-W-2 indicate initial water flow rates exceeding 200 gpm during several occasions in the well's development, with an airlift average of 169 gpm during the final five hour development test. The pumping rate was limited by the compressor capacity of the drill, rather than the potential yield of the well, and the ultimate long-term capacity of the well has the potential to be higher. Additionally, during this five hour preliminary evaluation test, the water level in the well showed negligible drawdown. The location of the wells can be seen on the attached maps (Figures 1 and 2).

This water well was drilled using a truck-mounted drill rig belonging to Cascade Drilling, and reverse circulation drilling techniques. The diameter of the hole was 12 inches, and hole was drilled vertically to a maximum depth of over 2,010 feet with the ultimate completion of the casing and screen to 1,973 feet. Water flow rates were measured by performing industry standard "airlift" tests by injecting air from the rig's compressor. Discharge water from the well head was measured by timing the flow of air/water discharge as it exited the rig's cyclone into a 55-gallon barrel. Hydrological consulting is provided by Geo-Logic Associates based in Tucson, Arizona and representatives were present on site for the drilling and testing of the well.

Following a full analysis of the pump test results, the Company will be in a position to forecast the long-term productive capacity of these wells. The goal of the program is to find new wells that will meet the needs for the restart of the Project. The Company currently maintains ten active water rights with three production water wells on the Project. Total production from wells W-14, W-18 and W-45 located in the NW Wellfield is approximately 150 gallons per minute.

Assays and Quality Assurance/Quality Control

The Company employs an industry-standard QA/QC program consisting of standard pulps, coarse blanks and rig duplicates.

Qualified Person

Marc Leduc, P. Eng., the Company's Chief Operating Officer, 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.

About NewCastle Gold

NewCastle Gold (an Augusta Group company) 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 1991 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 steeply dipping high grade and stratabound hosted mineralization orientations.

Neither the Toronto Stock Exchange (TSX), nor its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock 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 drill program at Castle Mountain (including water supply drilling), the mineral resource expansion at Castle Mountain, the identification of future expansion targets at Castle Mountain and the restart of operation using Run of Mine (ROM) material from the JSLA pit. 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 that the Company is able to procure personnel, equipment and supplies required for its exploration and development activities in sufficient quantities and on a timely basis and that actual results will be consistent with management's expectations.

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially 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.

Image Available:

http://www.marketwire.com/library/MwGo/2017/7/24/11G143136/Images/Figure_1-6ef721497dcd89d882672291c8156eac.JPG

Image Available:

http://www.marketwire.com/library/MwGo/2017/7/24/11G143136/Images/Figure_2-4a57f23550c7966eae0ac99c4b8515e9.JPG

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