Castillian Resources Corp.: Hope Brook Indicated Mineral Resource Increases 102% to 590,000 Ounces Gold Inferred Mineral Resource Totals 548,000 Ounces Gold

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Inferred Mineral Resource Totals 548,000 Ounces Gold

TORONTO, ONTARIO -- (Marketwire) -- 10/01/12 -- Castillian Resources Corp. (TSX VENTURE: CT)(OTCQX: CTIIF) ("Castillian" or the "Company") is pleased to announce an update to its National Instrument 43-101 ("NI 43-101") Mineral Resource estimate for the Hope Brook Gold Project in southwestern Newfoundland which was previously released on February 14, 2012. This update incorporates results from the 4,549 metre, 15 hole, Phase I diamond drilling program. This drilling confirmed major pillars in the Mine Zone area, confirmed locations of underground workings in the former mine and further extended the Southwest Extension target zone (see press releases dated June 5, 2012 and June 25, 2012). The updated mineral resource estimate is presented in Table 1 below.

Table 1: Hope Brook Gold Project as at October 1, 2012
(see page 3 for Notes on Methodology)

	Within constraining shell @ 0.50 g Au/t cut-off			Below constraining shell @ 2.0 g Au/t cut-off			Total		
Category	Tonnes (Millions)	Grade (g/t)	Au (kOz)	Tonnes (Millions)	Gold (g/t)	Gold (kOz)	Tonnes (Millions)	Grade (g/t)	Au (kOz)
Indicated	10.6	1.24	422	1.7	2.99	168	12.4	1.48	590
Inferred	6.5	1.91	397	2.0	2.62	151	8.2	2.07	548

As shown in Table 2 below, total Indicated Mineral Resources increased 102% to 590,000 ounces of gold from the February 14, 2012 estimate. Total Inferred Mineral Resources had a modest decrease of 26% to 548,000 ounces of gold, which is the result of the successful conversion of Inferred to Indicated Mineral Resources through the 2012 diamond drilling program. Within the constraining shell, there was a significant increase in grade in both the Indicated and Inferred Mineral Resources, reflecting the confirmation of grade in pillars and location of underground workings.

Table 2: Comparison to February 14, 2012 Mineral Resource Estimate

Mineral Resource Update		October 1, 2012			February 14, 2012(i)			Increase/ Decrease Oz Au
		Tonnes (Mill-ions)	Grade (g Au/t)	Au kOz	Tonnes (Mill-ions)	Grade (g Au/t)	Au kOz	
Totals	Indicated	12.4	1.48	590	5.5	1.65	290	+102%
	Inferred	8.2	2.07	548	13.2	1.73	740	-26%
Within Potential Pit Constraining Shell	Indicated	10.6	1.24	422	4.0	1.11	140	+199%
	Inferred	6.5	1.91	397	11.2	1.57	570	-30%
Below Constraining Shell	Indicated	1.7	2.99	168	1.5	3.04	150	+11%
	Inferred	2.0	2.62	151	2.0	2.65	170	-11%

(i) Full Mineral Resource information found in press release issued February 14, 2012 and at www.castillian.ca.

Dr. Bill Pearson, P.Geo., President & CEO of Castillian, stated: "We are delighted with the results of this mineral resource update, which was accomplished with a limited, but highly targeted, drilling program. Our technical understanding of the deposit continues to grow and the mineral resources remain open along strike and downdip. Recent field work has outlined a promising target zone just 150 metres north of the Mine Zone. In addition, there is excellent potential to outline new zones along the more than eight kilometres of underexplored mineralized structure that has been identified to date." Dr. Pearson continued: "We have completed detailed planning for the next phase of diamond drilling and have two diamond drills already onsite."

The mineral resource estimates are presented in Table 3 below at different cut-off grades to demonstrate the sensitivity of the mineral resources to change in grade.

Table 3: Mineral Resource Estimates at Different Cut-off Grades, Hope Brook Gold Project

	Within Constraining Shell			
	Cut-off Grade	Tonnes (millions)	Gold (g/t)	Gold (Oz)
Indicated	greater than 1.0	5.3	1.758	300,000
	greater than 0.7	7.9	1.453	371,000
	greater than 0.5	10.6	1.236	422,000
	greater than 0.4	12.9	1.099	454,000
	greater than 0.3	16.4	0.936	493,000
Inferred	greater than 1.0	4.9	2.277	361,000
	greater than 0.7	5.8	2.066	384,000
	greater than 0.5	6.5	1.913	397,000
	greater than 0.4	6.8	1.831	403,000
	greater than 0.3	7.3	1.742	408,000

Below Constraining Shell				
	Cut-off Grade	Tonnes (millions)	Gold (g/t)	Gold (Oz)
Indicated	greater than 4.0	0.3	4.721	42,000
	greater than 3.0	0.6	3.997	83,000
	greater than 2.0	1.7	2.991	168,000
	greater than 1.5	2.9	2.489	232,000
	greater than 1.0	4.9	1.960	311,000
Inferred	greater than 4.0	0.1	4.703	23,000
	greater than 3.0	0.3	4.035	39,000
	greater than 2.0	1.8	2.624	151,000
	greater than 1.5	2.5	2.375	194,000
	greater than 1.0	3.4	2.074	230,000

The updated mineral resource is based on 646 diamond drill holes totaling 129,264 metres of historic and recent drilling. This includes 105 surface diamond drill holes totaling 32,265 metres completed by Castillian from September 2010 to June 2012. Mineral Resources have been estimated within a constraining pit shell at a cut-off grade of 0.50 g Au/t and below this shell at a cut-off grade of 2.0 g Au/t. Details on the mineral resource estimation procedures are given in the notes below. An updated NI 43-101 Technical Report on Hope Brook outlining the procedures for estimation of the mineral resource estimates presented herein will

be filed on SEDAR within 45 days of the date of this press release.

NOTES ON MINERAL RESOURCE ESTIMATION METHODOLOGY:

1. Mineral resources are estimated in conformance with the CIM Mineral Resource definitions referred to in NI 43-101 Standards of Disclosure for Mineral Projects. Pierre Desautels, P.Eng., Principal Resource Geologist, and Jay Melnyk, P.Eng., Principal Mining Engineer, both of AGP Mining Consultants and Qualified Persons under NI 43-101 who are independent of the Company, have prepared and authorized the release of the mineral resource estimates presented herein. The Castillian and historical diamond drill hole databases and geological model developed by Castillian were reviewed and validated by Michael Cullen, P.Geo., of Mercator Geological Services, a Qualified Person as defined under NI 43-101 who is independent of the Company. This mineral resource estimate is an update of the first NI 43-101 mineral resource estimate released by the Company on February 14, 2012 (see press release February 14, 2012).

2. Specific gravities were determined by Castillian for a representative number of rock and mineralization types using industry standard methods. A total of 1,387 determinations exist in the database. The average value for each modeled domain was applied to the block model. Specific gravities were further confirmed in testing of representative core samples by G&T Metallurgical Services, a division of ALS Metallurgy.

3. Detailed geological logging and sectional interpretations by Castillian led to the development of three-dimensional (3D) domain models based mainly on lithological controls and partially on assay results. The wireframing resulted in a high grade envelope (approximately 2.0 g Au/t cut-off grade) within a lower grade silicic domain (approximately 0.5 g Au/t cut-off grade) that encompasses the bulk of the mineralization. These domains were utilized in the variography studies and in grade interpolation constraints. A footwall pyrite domain and a hanging wall argillic alteration domain were also wireframed to enable interpolation of local areas of mineralization and to provide possible exploration targets. The mineralization is cut by a series of mafic dikes that could not be individually wireframed, therefore a statistically derived dike model was constructed that was calibrated with available surface and historical underground geological information. The model prepared for the February 14, 2012 resource estimate was updated based on the new 2012 diamond drilling information.

4. For the treatment of outliers each statistical domain was evaluated separately for gold and a combination of grade capping and search restrictions imposed on threshold values was used to restrict the influence of outliers. Capping only affected a small number of samples.

5. The composite intervals selected were 2.5 metres. Grade capping was applied prior to compositing.

6. A 3D geological block model was generated using GEMS© software. The block model matrix size is 15 metres x 5 metres x 10 metres. Ordinary kriging was used for all domains with inverse distance and nearest neighbour check models. The interpolation was carried out in multiple passes with increasing search ellipsoid dimensions. Classification for all models was based primarily on the pass number followed by an adjustment to the class model, based on the distance to the closest sample and kriged variance. The area in the model where historical mine workings exist was downgraded to inferred due to uncertainties about the location and extent of these workings. Confirmation of the historical stope location by 2012 Castillian drilling allowed the selection of blocks eligible for downgrading to be constrained to the immediate area surrounding the three dimensional modelled stopes. Insufficient data for copper was available in historical drill holes to allow for interpolation of copper grades in the model and therefore the total contained copper was omitted from this release.

7. The reported mineral resources are considered to have reasonable prospects of economic extraction. A Lerchs Grossman optimized constraining shell was generated to constrain the potential open pit material. This shell was designed using design parameters and costs for comparable deposits, 86% recovery based on new metallurgical testing and historical plant performance and a gold price of US$1,400 per ounce which is equivalent to the three year moving average price. The constraining shell extends down to the 4,800 metre level, the deepest level developed in the historical mine at approximately 340 metres below surface.

8. The rounding of tonnes as required by NI 43-101 reporting guidelines may result in apparent differences between tonnes, grade and contained ounces.

9. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

10. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as indicated or measured mineral resources and it is uncertain if further exploration will result in upgrading them to indicated or measured mineral resources.

SAMPLING, ASSAYING AND QUALITY CONTROL

All drill core in the Castillian diamond drilling program (NQ (47.6 mm), BQTK (40.6mm) and BQ (36.4mm)) was logged, photographed and then sawn in half with one-half sent to the laboratory for analysis and the other half retained and stored on site. All core samples were prepared and assayed at ALS Chemex, with sample preparation done in Sudbury and analytical work done in Vancouver. All locations of ALS Chemex are ISO 9001:2000 certified. The entire sample received is weighed and crushed to greater than or equal to 70% passing 2mm (10 mesh). A sample split of up to 1000g is then pulverized to greater than or equal to 85% passing 75 microns (200 mesh) to produce a homogenized sample. A 50g aliquot is used for fire assaying with an atomic absorption (AA) finish to determine gold concentration. Copper is initially analyzed using a four acid digestion ICP (inductively coupled plasma-atomic emission spectrometry) method. Any results for copper greater than 10,000 ppm are assayed further by a four acid digestion and "ore grade" ICP method. Internal quality control includes the use of blanks, duplicates and standards in every batch of samples. The Company also conducts internal check assaying using certified external reference standards and blanks. Regular external check assays are performed at a second certified Canadian commercial laboratory. Castillian also inserts external reference standards as well as blank granite drill core in each sample batch as a further external check.

QUALIFIED PERSONS

Dr. Bill Pearson, P.Geo., President and CEO of Castillian, who is a qualified person as defined by NI 43-101, has reviewed and approved the scientific and technical content of this press release. Pierre Desautels, P.Eng., Principal Resource Geologist, and Jay Melnyk, P.Eng., Principal Mining Engineer, both of AGP Mining Consultants and Qualified Persons under NI 43-101 who are independent of the Company, have prepared and authorized the release of the mineral resource estimates presented herein. The Castillian and historical diamond drill hole databases and geological model developed by Castillian were reviewed and validated by Michael Cullen, P.Geo., of Mercator Geological Services, a Qualified Person as defined under NI 43-101 who is independent of the Company.

ABOUT CASTILLIAN

Castillian Resources Corp. is a Canadian mineral exploration company listed on the TSX Venture Exchange under the symbol "CT" and on the OTCQX International under the symbol "CTIIF" The Company has gold and base metal properties in Canada and South America. Castillian's flag ship property is the Hope Brook Gold Project located in southwestern Newfoundland, which has 590,000 ounces of NI 43-101 compliant indicated mineral resources and 548,000 ounces of inferred mineral resources. Castillian has outlined an extensive new Gold-in-Soil anomaly trend on its Canadian Creek property in the Yukon that is adjacent to Kaminak's Sugar Gold-in-Soil trend.

Cautionary Note Regarding Forward-looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian

securities legislation. Forward-looking information includes, but is not limited to, statements regarding exploration prospects and timing of future exploration. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; future prices of mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and shortages and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Information Concerning Estimates of Indicated and Inferred Resources

This news release uses the terms "indicated resources" and "inferred resources". Castillian advises investors that although these terms are recognized and required by Canadian regulations (under NI 43-101), the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. In addition, inferred resources have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for preliminary economic assessments as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

To view Figure 1, please visit the following link:
http://media3.marketwire.com/docs/ct1001fig1.pdf.

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