Coastal Gold Reports Inferred Tailings Resource of 134,500 oz Gold and 9.5 Million lbs Copper at Hope Brook Gold Project

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- Tailings resource estimate in addition to Hope Brook Mine resource estimate
- Metallurgical tests indicate gold recoveries up to 64% from tailings

TORONTO, ONTARIO -- (Marketwired - Jan 16, 2014) - Coastal Gold Corp. (the "Company") announces an initial National Instrument 43-101 mineral resource for the tailings deposits at its 100% owned Hope Brook Gold Project in southwestern Newfoundland. The Hope Brook Tailings Mineral Resource is based on a total of 73 vibracore drill holes totalling 155 metres that were completed during the fall of 2013 (see press releases dated September 30 and November 27, 2013). The mineral resource estimate is presented in Table 1 and Figure 1 below. Highlights are as follows:

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- Overall inferred mineral resource in the tailings contains 134,500 ounces of gold and 9.5 million pounds (lbs) copper
- Overall resource grade of 0.85 grams gold per tonne (g Au/t) and 0.09% copper (Cu)
- Tailings Pond 1 contains higher gold and copper grades with 80,000 contained ounces gold and 5.9 million lbs copper
- Improved metallurgical results with gold recoveries up to 64% from new test work

Table 1: Mineral Resource for Gold and Copper, Hope Brook Tailings
as at January 15, 2014* (see Notes on Methodology below Table 2)

Category	Pond Area	Tonnes mil	Au g/t	Cu %	Au Oz	Cu mil lbs.
Inferred	Tailings Pond 1	2.6	0.95	0.10	80,000	5.9
Inferred	Tailings Pond 2	2.3	0.75	0.07	54,400	3.6
Inferred	Pond 1 and Pond 2 Total	4.9	0.86	0.09	134,500	9.5

**Resource statement cut-off grade is 0.45 g Au/t.*

Dr. Bill Pearson, P.Geo., President and CEO of Coastal Gold, stated: "We are pleased with the results of the initial mineral resource on the Hope Brook tailings. The tailings resource is being considered in the preliminary economic assessment in progress as potential mill feed to either supplement the run of mine material or to provide stand-alone early feed for the project."

Mineral Resource Estimate

At the 0.45 g Au/t cut-off, Tailings Pond 1 contains an estimated 2.6 million tonnes grading 0.95 g Au/t and 0.10% Cu, containing 80,000 ounces of gold and 5.9 million pounds of copper. Tailings Pond 2 contains an estimated 2.3 million tonnes grading 0.75 g/t Au and 0.07% copper containing 54,400 ounces of gold and 3.6 million pounds of copper.

The combined total inferred mineral resource estimate for both ponds is 4.9 million tonnes grading 0.85 g Au/t and 0.09% Cu, containing 134,500 ounces of gold and 9.5 million pounds of copper (Table 1). All tailings pond resources are classified as Inferred and as such, it cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category.

The mineral resource estimates are presented in Table 2 below at different cut-off grades to demonstrate the sensitivity of the mineral resources to change in grade. Approximately 40% of the resource in Tailings Pond 1 is present at the 1.0 g Au/t cutoff grade indicating potential for initial production at higher grades.

Table 2: Tailings Mineral Resource Estimates at Different Gold Cut-off Grades, Hope Brook Gold Project					
Tailings Pond 1					
Grade Cut-off	Tonnes	Au	Cu	Au	Cu
g/t	mil	g/t	%	Oz	mil lbs
> 1.0	1.0	1.11	0.11	37,200	2.6
> 0.8	2.1	1.00	0.11	66,900	4.9
> 0.45	2.6	0.95	0.10	80,000	5.9
Tailings Pond 2					
Grade Cut-off	Tonnes	Au	Cu	Au	Cu
g/t	mil	g/t	%	Oz	mil lbs
> 1.0	0.2	1.13	0.07	8,900	0.4
> 0.8	0.6	0.99	0.07	19,200	0.9
> 0.45	2.3	0.75	0.07	54,400	3.6
Total Tailings Resource Inferred					
Grade Cut-off	Tonnes	Au	Cu	Au	Cu
g/t	mil	g/t	%	Oz	mil lbs
> 1.0	1.3	1.12	0.10	46,100	3.0
> 0.8	2.7	1.00	0.10	86,100	5.8
> 0.45	4.9	0.86	0.09	134,500	9.5

**Resource statement cutoff grade is 0.45 g Au/t.*

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.Geo., 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 vibracore drill hole database developed by Coastal Gold was 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.
2. Bulk densities were determined by SGS Canada Inc. for a representative number of tailings samples using industry standard methods. The bulk density used, 1.65 t/m^3, is an average of six determinations made on tailings samples using a compacted bulk density measurement.
3. The volume of the two tailing ponds was described using a 3D wireframe envelope that was developed by Coastal Gold. The wireframes were based on a combination of vibracore drilling results and historic topographic information. The two wireframes describing Tailings Pond 1 and Tailings Pond 2 were validated by AGP and found to be acceptable for use in the resource model.
4. The grade model was interpolated using a conventional inverse distance squared, interpolated model based on 2 m length weighted composites of the tailing assays.
5. No top cut was applied to the raw assays due to the normal distribution exhibited by both gold and copper raw assays. Drilling patterns for the vibracore holes were on a 100 x 100 m grid and the model was interpolated in three passes from 100 x 100 m, to 175 x 175 m, and finally 250 x 250 m.
6. A geological block model was generated using GEMS© software. The block model matrix size is 25 metres by 25 metres by 50 metres. The volume reporting used partial models where the percentage of each block within the 3D tailing wireframe envelope is used to calculate the volume of the material.
7. A cut-off of 0.45 g/t was determined using a reduced milling cost from $12 per tonne as applied to rock, to an estimated cost of $10 per tonne where decreases in power consumption, and balls and mill liners are partially offset by the dredging and pumping costs. It is also assumed that the G&A cost would be covered by an open pit operation on the Hope Brook deposit. An assumed 49% recovery at a price of $1,400 per ounce gold, results in a cut-off of 0.45 g/t for the tailing material. Virtually all blocks in the pond models are above that value, therefore AGP concluded both ponds have reasonable prospect for economic extraction.
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.

Metallurgy

Two composited tailings samples were collected from the 2013 vibracore sampling program and submitted to ALS Metallurgy for flotation and cyanidation testwork under the direction of Mr. Lyn Jones, P.Eng., of AGP Mining Consultants. Leaching tests on high-grade (1.2 g/t Au) and low-grade (0.8 g/t Au) tailings composites resulted in cyanide leach gold extractions of 63.6% and 45.6%, respectively. The results were found to be consistent with the leach tests from previous testwork completed in 2012 (see press release dated September 19, 2012) that indicated regrinding and re-leaching of the tails would result in extraction of 49% of the contained gold from a composite sample grading 1.05 g/t Au.

In addition, a single flotation test on the high-grade tailings composite grading 0.09% Cu (and using the optimized conditions from the Hope Brook Master Composite test program conducted in the fall of 2013) indicated a copper recovery of 61% to an open-circuit second cleaner concentrate grading 21.4% Cu. Further testwork is required to characterize these samples and optimize the metal recovery.

Shares-for-Debt Settlement

Coastal Gold has entered into a shares-for-debt settlement agreement whereby Coastal Gold will issue 245,000 common shares at a deemed price of $0.05 per share in settlement of dated accounts payable owing to a former employee of Coastal Gold in the amount of US$12,250. The shares-for-debt settlement is subject to the approval of the TSX Venture Exchange.

ABOUT COASTAL GOLD

Coastal Gold is a Canadian mineral exploration company listed on the TSX Venture Exchange under the symbol "COD". Coastal Gold's flag ship property is the Hope Brook Gold Project located in southwestern Newfoundland, which has 19.9 million tonnes at 1.93 g Au/t for 1,239,000 ounces of indicated mineral resources and 1.3 million tonnes at 3.22 g Au/t for 138,000 ounces of inferred mineral resources. In addition, there are inferred mineral resource in the tailings of 4.9 million tonnes at 0.85 g Au/t and 0.09% copper containing 134,500 ounces of gold and 9.5 million pounds of copper. Coastal Gold is currently completing a Preliminary Economic Assessment (PEA) on the Hope Brook Gold Project.

SAMPLING, ASSAYING AND QUALITY CONTROL

The vibracore drilling program is a low impact coring method that allows for recovery of unconsolidated sediments using a 4 inch diameter aluminum core tube. The tailings core were logged, photographed and then split 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 Minerals, with sample preparation done in Sudbury and analytical work done in North Vancouver. All locations of ALS Minerals are ISO 9001:2000 certified. The entire sample received was dried, weighed and crushed to = 70% passing 1mm. A sample split of up to 1000g was then pulverized to = 85% passing 75 microns (200 mesh) to produce a homogenized sample. A 50g aliquot was used for fire assaying with an atomic absorption (AA) finish to determine gold concentration using method Au-AA25. Copper was initially analyzed using a four acid digestion ICP (inductively coupled plasma-atomic emission spectrometry) method ME-ICP61. Any results for copper greater than 10,000 ppm were assayed further by a four acid digestion and "ore grade" ICP method. Internal quality control included the use of blanks, duplicates and standards in every batch of samples. The Company also conducted internal check assaying using certified external reference standards and blanks. Regular external check assays were performed at a second certified Canadian commercial laboratory. Coastal Gold also inserted external reference standards as well as blank silica sand in each sample batch as a further external check.

QUALIFIED PERSONS

David Copeland, P.Geo., Chief Geologist, and Dr. Bill Pearson, P.Geo., President & CEO of Coastal Gold, both Qualified Persons as defined by NI 43-101, have reviewed and approved the scientific and technical content of this news 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 vibracore drill hole database developed by Coastal Gold was 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.

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 the estimation of mineral resources. 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.

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To view Figure 1 accompanying this press release, please visit the following link:
http://media3.marketwire.com/docs/922318.pdf

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