Castle Mountain Mining's Preliminary Economic Assessment Delivers Production Plans of 176,000 Ounces of Gold Annually Over 17+ Years

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TORONTO, ONTARIO--(Marketwired - Apr 24, 2014) - Castle Mountain Mining Company Ltd. ("Castle Mountain" or the "Company" (TSX VENTURE:CMM)): is pleased to announce receipt of a positive Preliminary Economic Assessment ("PEA") for its 100% controlled Castle Mountain Mine (the "Mine" or "Project") in San Bernardino County, California. The study was completed by RPA Inc. with the collaboration David Penswick, P. Eng., and the Castle Mountain technical team. The PEA considered a base case and two sensitivity cases summarized in Table 1 below:

Table 1 - Project Summary

		Static	Base	Unconstrained
Recovered Au	000 oz	832	2,994	3,490
Annual Au	000 oz	119	176	291
All-In Sustaining Costs [2]	US$/oz	$919	$949	$801
Initial Capex	US$ MM	$98	$98	$421
Pre-Tax NPV 5% [1]	US$ MM	$173	$499	$831
Pre-Tax IRR [1]		38.9%	27.5%	29.1%
Post-Tax NPV 5% [1]	US$ MM	$122	$352	$576
Post-Tax IRR [1]		29.7%	20.1%	21.7%

Notes:

1. Assumes flat long term Au price of $1300/oz
2. All in Sustaining Costs is a non-GAAP measure presented as per WGC guidelines

- includes allowance of $2m pa for corporate G&A. See Non-GAAP Measures.

The economic analysis contained in the PEA is based, in part, on Inferred Resources, and is preliminary in nature. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which the PEA is based will be realized.

Gordon McCreary, Castle Mountain's President & CEO stated "We are extremely pleased to have completed this important milestone on the path to re-opening of the Castle Mountain Mine. The PEA has delivered all that we had anticipated: the scalability of the Project, strong economics at various gold prices, with a relatively low pre-production capex. With an average annual production in excess of 176,000 ounces of gold, a pre-production capex below $100 million, the key mining permit in hand and in a stable jurisdiction, we believe that the Castle Mountain Mine is amongst the best gold development projects in the world today. We plan to continue to advance the Project through to Feasibility Study stage before year end, which combined with the existing mining permit show that this Project has a very short path to production.

Castle Mountain has made significant progress since going public less than one year ago. Producing first a NI 43-101 Mineral Resource Report with over 3.1 million gold ounces of indicated and 1.1 million ounces inferred of heap leachable gold, and following that the Company has continued to advance the Project now having completed a NI 43-101 Preliminary Economic Assessment. This is a testament to the quality of the Project and the growing management team at Castle Mountain."

Summary of Study

The PEA considered three cases:

- **Base Case**: This scenario is based on a low capital start-up with a subsequent capital investment and expansion to 8.1 Mtpa in year three of operation. The Base Case remains within the boundaries of the 3,910 acre Environmental Impact Statement (EIS), but requires an amendment of the current mine and operations plan during operations.
- **Static Case**: This scenario is limited to the current mine and operations plan, which provides for a disturbance area of 1,375 acres. It is based on a low initial capital requirement for 6.4 Mtpa of leaching, no expansion capital, and no amendments to the current mine permit.
- **Unconstrained Case**: This Scenario is unconstrained by either capital or the current mine and operations plan. The Unconstrained Case assumes an amendment of the mine permit to 18 Mtpa before the commencement of production. This case remains within the boundaries of the 3,910 acre EIS/EIR. This case includes increased capital spending in order to minimize the operating cost structure.

Table 2 - Summary Metrics for PEA Cases

		Static	Base	Unconstrained
Process Feed	000 tonnes	40,240	132,137	209,271
Waste	000 tonnes	173,530	912,135	835,001
Strip Ratio	waste : ore	4.31	6.90	3.99
Grade	g/t	0.84	0.85	0.62
Contained Au	000 oz	1,082	3,599	4,166
Recovered Au	000 oz	832	2,994	3,490
Recovery [1]		76.9%	83.2%	83.8%
Mine Life [2]	years	7	17	12
Annual Au	000 oz	119	176	291
All-In Sustaining Costs [3]	$/oz	$919	$949	$801
Initial Capex	$ MM	$98	$98	$421
Expansion Capex	$ MM	$0	$173	$0
Sustaining Capex	$ MM	$90	$250	$339
Closure[4]	$ MM	$6	$22	$30
Total Investment	$ MM	$194	$543	$790
Pre-Tax NPV 0% [5]	$ MM	$239	$953	$1,366
Pre-Tax NPV 5% [5]	$ MM	$173	$499	$831
Pre-Tax IRR [5]		38.9%	27.5%	29.1%
Post-Tax NPV 0% [5]	$ MM	$177	$728	$1,012
Post-Tax NPV 5% [5]	$ MM	$122	$352	$576
Post-Tax IRR [5]		29.7%	20.1%	21.7%
Simple Payback - Initial Capital [5]	months	31	31	59
Simple Payback - Expansion Capital [5]	months	n/a	46	n/a

1. Includes recovery of 76.9% for crushed leach material and 95% for milled material
2. Excludes 3 years of rinsing pads following completion of mining activities
3. All in Sustaining Costs is a non-GAAP measure presented as per WGC guidelines - includes allowance of $2m pa for corporate G&A. See Non-GAAP Measures
4. Net of salvage values of $2.7m (Static), $4.8m (Base) and $6.9m (Unconstrained)
5. Assumes flat long term Au price of $1300/oz

The information presented above is based on preliminary mine designs and processing criteria drawn from previous operating performance. Mineral Resources are based on NI 43-101 Mineral Resource estimate filed by the Company on SEDAR on December 11, 2013. Financial returns have been forecasted using an assumed long term gold price of $1300/oz. All currency amounts in this press release are denominated in US dollars ($) unless otherwise noted.

Opportunities to Improve Results

Opportunities to improve upon the results presented above that will be investigated as the project is advanced include:

- A significant tonnage of material currently classified as waste within the pit shells has, in fact, not yet been drilled. The presence of mineralization in these areas has the potential to increase the tonnage of mineralization included in the mine plan and/or materially reduce the strip ratio.
- The historic cut-off of approximately 0.5 g/t is well above the current cut-off of 0.24 g/t for the Base Case (and 0.13 g/t for the Unconstrained Case). Material below the historic cut-off was used to backfill the JSLA Pit and will be excavated early in the mine plan. There is potential to process and economically recover gold from this material, which is currently classified as waste.

- It may be possible to recover additional gold from the existing leach pad. There are plans to test this, with a focus on the cells that were developed initially, where higher grade material was not milled or treated with the gravity circuit. In addition, it may be possible to use the leached material as construction aggregate - particularly for lining the new leach pads - and thus reduce capital expenditures.
- It may be possible to steepen wall slopes beyond the 48° overall slope angles that have been assumed, which would reduce the stripping ratio. The previously mined pits achieved inter-ramp slope angles well in excess of 50° throughout the majority of pits and most walls remain in excellent condition, more than 13 years later. Geotechnical studies have been planned for the next round of work.

Mineral Resources

The PEA is based on the NI 43-101 compliant Mineral Resources that was published in the technical report filed on SEDAR on December 11, 2013 and is summarized in Table 3.

Table 3 - Mineral Resources Estimate - Effective November 21, 2013

Cut-Off (g/t Au)	Tonnage (Mt)	Grade (g/t Au)	Gold (oz Au)
	Indicated		
0.34	84.5	0.94	2,560,000
0.26	112.5	0.78	2,820,000
0.17	148.8	0.64	3,074,000
0.14	165.1	0.6	3,150,000
	Inferred		
0.34	27.5	0.94	828,000
0.26	38.6	0.75	934,000
0.17	52.3	0.61	1,030,000
0.14	57.8	0.57	1,060,000

Notes:

1 CIM definitions were followed for Mineral Resources.

2 Totals may not add exactly due to rounding.

3 Mineral Resources are estimated at a cut-off grade of 0.14 g/t Au.

4 Mineral Resources are contained within a Whittle pit shell, generated using a gold price of US$1300/oz Au.

5 Sample grades were capped at 34.29 g/t Au prior to compositing and grade interpolation.

6 The mineral resource estimate may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, and other relevant issues. Refer to the Technical Report for the key assumptions, parameters and risks associated with the mineral resource estimate.

Project Location and Description

The Project is located in the historic Hart Mining District, at the southern end of the Castle Mountains, San Bernardino County, California, approximately 112 km south of Las Vegas, Nevada. The property comprises 1,298 acres of patented lode claims, 6,160 acres of unpatented lode and millsite claims for an aggregate total of 7,458 acres. 3,910 acres are covered by the EIS/EIR and 1,375 of these are permitted for disturbance. The property is located in the high desert area near the Mojave National Preserve and is road accessible and workable year round. The most recent mining activity ended in 2001 with residual leaching ending in 2004. The mine has a valid Mine and Reclamation plan that was recently extended to December 31, 2025 by the county of San Bernardino as the lead agency, which upheld the validity of the existing EIS/EIR.

Mining

The pit optimization was performed using NPV Scheduler software, which utilizes the Lerchs-Grossmann (LG) algorithm. LG output included the following six discrete pits for which engineering designs were produced: Jumbo, Oro Belle, JSLA, Hart-South, Hart-North and South Domes. A key element of the mine plan is that pits will be mined sequentially - for instance, waste from Oro Belle will be used to backfill Jumbo as soon as mining in that pit is completed. In this way the surface footprint of the operation is minimized, as are haulage profiles.

For the Base and Unconstrained scenarios, NPV was maximized by mining all six pits in the order listed above and to the limits of the LG shell generated using a $1300/oz price. This suggests there is potential that any additional resource discoveries at depth below one or more of the pits would report to an economic mine plan. Note that resources for many of the pits are open at depth.

For the Static Case, where the footprint for impounding waste is restricted to the 1,375 acres currently permitted for disturbance, the mine plan includes the entire Jumbo pit and the initial phases of the Oro Belle and JSLA pits only.

The pit optimizations targeted both Measured and Indicated (MI) and Inferred resources. The percentage of contained gold classified as each for the three different cases is as follows:

- Base Case = 3,599 koz total, 77% MI and 23% Inferred
- Unconstrained Case = 4,166 koz total, 76% MI and 24% Inferred
- Static Case = 1,081 koz total, 92% MI and 8% Inferred

Note that cut-off grades have been selected based on maximizing after-tax NPV5%. As a result, while the Base and Unconstrained cases mine the same total material, the lower operating cost structure of the Unconstrained Case results in a cut-off grade of 0.13 g/t while the cut-off for the Base Case varies between 0.24 - 0.31 g/t, depending on the specific pit being mined. The cut-off for the Static Case also varies, from 0.24 - 0.34 g/t.

The Base and Static cases envisage the mine initially delivering 6.4 Mtpa of material to the leach pad. The Static Case maintains this rate for the entire life of mine while the Base Case is expanded to the currently permitted limit of 8.1 Mtpa processed starting in year 3. The Unconstrained Case assumes permits for an expanded operation would be obtained before start-up, and delivers 18.1 Mtpa to the process from the outset.

For all cases, heap leachable material would be mined using a fleet of hydraulic excavators with 22 m^3 dippers loading 170 t haul trucks. For the Base Case, following expansion waste would be mined using larger rope shovels and 290 tonne haul trucks that are more cost effective. The Unconstrained case uses the larger fleet for mining waste from the outset.

Metallurgical and Processing

The conceptual process design is based on historic operating practices. The Base and Static cases assume all material will be crushed to 100% minus 9.5 mm using a mobile crusher, and heap leached using an adsorption-desorption-recovery (ADR) circuit for gold recovery.

With the base case a modified milling circuit is added as part of the expansion in year three. Material with a grade above 0.85 g/t is ground to 80% passing 150 microns in a ball mill using cyanide solution. The ground material discharges to a gravity recovery circuit. The gold recovery from the milling circuit is estimated to be 50%. Tailings from the gravity process are then agglomerated with cement, mixed with lower grade crushed material, and placed on the leach pad, which eliminates the need for a tailings storage facility. Over time, a recovery of 90% of the remaining gold is expected, which brings the total recovery for material processed in the milling circuit to 95%. The percentage of process feed that is treated through the mill ranges from 10% - 15%, less than the 20% limit established by the previous operator, based on maintaining the structural integrity of the leach pads.

The Unconstrained Case is similar to the Base Case, though the leaching operation starts up at its ultimate limit of 18.1 Mtpa and the mill is also included at start-up. The mill for this scenario is larger than the Base Case (5 ktpd vs the 3 ktpd Base Case), however, it treats a smaller percentage of total process feed (10%).

Infrastructure

The Project is located 35 km from Searchlight Nevada and 112 km from Las Vegas Nevada. The nearest powerline, which supplied power to the previous operation, is located 29 km from site along the access road. The Base and Static cases assume the mine would start-up using diesel powered generators, with the Base Case converting to grid power as part of the expansion in year 3. The Unconstrained Case assumes the power line would be constructed from the outset.

Currently the only existing infrastructure on site is a laydown yard, a 950 m^3 tank for water and 2 operating water wells. It is proposed that the following infrastructure be added for the initial phase of the Project:

- Maintenance garage, warehouse and administration complex
- Fuel storage facilities
- Additional water wells
- Internal roads, gate house and weigh station and dumps

Operating and Capital Costs

A key element of the mine design is the sequential mining of pits, with immediate backfilling of pits as they become depleted with run-of-mine (ROM) waste from current mining. This strategy not only minimizes the surface footprint of the operation but also leads to short average one-way haulage distances of 2.0 km for the Static Case and less than 3.0 km for both the Base and Unconstrained Cases. This is a key factor allowing relatively low mining costs to be achieved (Table 4). The estimates of processing costs are based on the historical labour complement and consumption rates for reagents and current prices for all consumables. The estimates for G&A costs are based on the historical complement and current labour rates, while estimates for taxes, insurance and other administrative items are based on historical actual expenditures escalated to present terms.

Table 4 - Operating Cost Estimates by Scenario (USD/tonne)

Item	units	Static	Base	Unconstrained
Mining total	US$/tonne mined	$1.84	$1.54	$1.47
less capitalized pre-strip[1]	US$/tonne mined	$0.12	$0.02	$0.05
Mining expensed	US$/tonne mined	$1.72	$1.51	$1.42
Mining expensed	US$/tonne process feed	$9.14	$11.94	$7.09
Processing	US$/tonne process feed	$5.73	$4.87	$3.54
Milling	US$/tonne mill feed	$0.00	$6.70	$6.34
Leaching	US$/tonne leach feed	$5.73	$4.07	$2.91
G&A	US$/tonne process feed	$0.98	$0.73	$0.32
Total Site Operating Costs	US$/tonne process feed	$15.84	$17.55	$10.96

Notes:

1. Prestrip of 14.9 Mt (Static and Base Cases) and 42.3 Mt (Unconstrained Case)

Estimated capital costs for the three scenarios are given in Table 5 below. The Base and Static scenarios include the following elements to achieve a low initial capital cost:

- The fleet of mine equipment includes available for-sale used equipment
- New fleet purchases would be leased, using terms supplied by OEMs operating in the region
- Mobile three-stage crushing would be utilized to achieve the 80% passing 9.5 mm crush size
- Crushed material would be trucked to the leach pad instead of using 'grasshopper' conveyors that were employed historically
- Diesel generators would be employed instead of installing a connection to the grid

The Base Cases includes implementation of the following concurrent with expansion in year 3 to ensure the longer term operating cost structure is attractive:

- Purchase of larger fleet (rope shovels and 290 tonne haul trucks) for mining waste
- A power grid connection
- Addition of a second mobile crusher in order to achieve the expanded production rate
- 'Grasshopper' conveyors to transport crushed material to the leach pads

The Unconstrained Case includes these efficiency items from the outset. The Unconstrained Case also assumes a fixed, three stage crushing plant.

Closure costs assume that the operation's exemption from the California obligation to backfill mined out pits will continue to be maintained. The strategy of mining pits sequentially will significantly mitigate any risks associated with this exemption being revoked at some point in the future - the Base Case plan results in 5 of the 6 pits being backfilled with ROM waste during the course of normal operations.

Table 5 - Capital Cost Estimates by Scenario (Million USD)

Initial Capex[1]	units	Static	Base	Unconstrained
Mine[2,3]	US$ MM	$41	$41	$107
Processing	US$ MM	$24	$24	$174
Infrastructure	US$ MM	$10	$10	$19
Sub-Total Directs	US$ MM	$74	$74	$300
Indirects	US$ MM	$11	$11	$57
Contingency	US$ MM	$14	$14	$64
Total Initial	US$ MM	$98	$98	$421
Expansion Capex	units	Static	Base	Unconstrained
Mine[3]	US$ MM	$0	$57	$0
Processing	US$ MM	$0	$57	$0
Infrastructure	US$ MM	$0	$9	$0
Sub-Total Directs	US$ MM	$0	$123	$0
Indirects	US$ MM	$0	$25	$0
Contingency	US$ MM	$0	$24	$0
Total Expansion	US$ MM	$0	$173	$0
Sustaining Capex	units	Static	Base	Unconstrained
Mine[3]	US$ MM	$71	$178	$230
Leach Pad & Conveyors	US$ MM	$8	$48	$85
Site General	US$ MM	$11	$23	$24
Total Sustaining	US$ MM	$90	$250	$339
Closure	units	Static	Base	Unconstrained
Decommissioning	US$ MM	$5	$10	$15
Reclamation	US$ MM	$4	$17	$22
Sub-Total	US$ MM	$9	$27	$37
less Salvage[4,5]	US$ MM	$3	$5	$7
Net Closure Costs	US$ MM	$6	$22	$30

Notes:

1. Initial capital includes all expenditures prior to start-up of process plant
2. Static and Base include $6.6m for used fleet (4 x drill, 2 x excavator, 2 x FEL and 5 x truck)
3. New mining fleet leased, with 25% downpayment, 5 yr repayment and 5% interest rate
4. Includes allowance for scrap plant of $0.1m (Static), $1m (Base) and $2.5m (Unconstrained)
5. Includes value of $200k for all drills, excavators, trucks and FEL with life less than 40,000 hrs at end of mine life

Project Economics

Table 6 provides summarized estimated production, costs and cash flows for the Base Case. The following should be noted:

- The leach curve assumes a 3 year tail following the completion of mining - annual output during the 'tail' has not been included in the tables, but production and associated costs during the 'tail' years have been included in the life of mine totals
- Castle Mountain production includes recoverable quantities of silver, with payable output based on the historic ratio of 0.3 oz silver per 1.0 oz gold.
- The deposit is covered by a number of royalties. The current interpretation of these royalties results in a weighted average of approximately 2% of NSR and a range from 0% to 5%. A more detailed interpretation of the royalties will be completed during the next round of work.
- The cash flow model assumes surety equal to the total closure liability would be required from the start of operations. It has been further assumed that the surety would be borrowed and the cash flow model includes the carrying cost of this loan.

Table 6 - Cash Flow for Base Case

Production	units	Total[1]	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Ore	kt	132,137	0	5,874	6,350	8,029	8,165	8,165
Waste	kt	912,135	14,881	25,922	39,203	24,322	61,664	67,353
Total Mined	kt	1,044,273	14,881	31,796	45,553	32,350	69,829	75,517
Refined Au	koz	2,994	0	106	134	163	206	186
Cash Flow	units	Total	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
NSR[2]	US$ MM	$3,899	$0	$138	$174	$212	$268	$242

Mine Opex	US$ MM	$1,578	$0	$55	$74	$54	$101	$112
Process Opex	US$ MM	$644	$0	$35	$37	$38	$39	$39
G&A Opex	US$ MM	$97	$0	$6	$6	$6	$6	$6
C1 Cash Costs	US$ MM	$2,319	$0	$96	$118	$97	$146	$157
Royalty[3]	US$ MM	$74	$0	$1	$2	$2	$3	$2
Interest[4]	US$ MM	$10	$0	$0	$0	$0	$0	$0
Total Operating Expenses[3,4]	US$ MM	$2,403	$0	$98	$120	$99	$148	$159
Cash Taxes	US$ MM	$225	$0	$8	$9	$25	$22	$12
Initial Capex	US$ MM	$98	$98	$0	$0	$0	$0	$0
Expansion Capex	US$ MM	$173	$0	$16	$151	$6	$0	$0
Sustaining Capex	US$ MM	$250	$0	$4	$2	$35	$60	$52
Closure	US$ MM	$22	$0	$0	$0	$0	$0	$0
Total Investment	US$ MM	$543	$99	$20	$152	$41	$60	$52
Free Cash Flow	US$ MM	$728	($99)	$13	($107)	$46	$37	$19

Production	units		Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Ore	kt		8,165	8,165	8,165	8,165	8,165	8,165
Waste	kt		68,438	39,153	25,981	35,754	58,579	84,634
Total Mined	kt		76,603	47,317	34,145	43,919	66,744	92,798
Refined Au	koz		228	177	148	150	123	215

Cash Flow	units		Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
NSR[2]	US$ MM		$297	$231	$192	$196	$160	$280
Mine Opex	US$ MM		$121	$72	$59	$74	$102	$122
Process Opex	US$ MM		$39	$39	$39	$39	$38	$39
G&A Opex	US$ MM		$6	$6	$6	$6	$6	$6
C1 Cash Costs	US$ MM		$166	$117	$104	$119	$145	$167
Total Operating Expenses[3,4]	US$ MM		$170	$120	$106	$121	$148	$172
Cash Taxes	US$ MM		$22	$19	$13	$10	($4)	$13
Initial Capex	US$ MM		$0	$0	$0	$0	$0	$0
Expansion Capex	US$ MM		$0	$0	$0	$0	$0	$0
Sustaining Capex	US$ MM		$40	$22	$13	$1	$1	$4
Closure	US$ MM		$0	$0	$0	$0	$0	$0
Total Investment	US$ MM		$40	$22	$13	$1	$1	$4
Free Cash Flow	US$ MM		$66	$70	$60	$63	$15	$92

Production	units		Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17
Ore	kt		8,165	8,165	8,165	8,165	8,165	5,744
Waste	kt		110,192	73,172	58,038	63,186	38,731	22,934
Total Mined	kt		118,356	81,336	66,202	71,351	46,895	28,678
Refined Au	koz		175	169	171	231	218	178

Cash Flow	units		Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17
NSR[2]	US$ MM		$228	$220	$223	$300	$284	$232
Mine Opex	US$ MM		$155	$119	$103	$114	$81	$60
Process Opex	US$ MM		$39	$39	$39	$39	$39	$28
G&A Opex	US$ MM		$6	$6	$6	$6	$6	$4
C1 Cash Costs	US$ MM		$200	$163	$148	$159	$126	$92
Total Operating Expenses[3,4]	US$ MM		$204	$173	$156	$170	$137	$100
Cash Taxes	US$ MM		($3)	$0	$7	$20	$22	$26
Initial Capex	US$ MM		$0	$0	$0	$0	$0	$0
Expansion Capex	US$ MM		$0	$0	$0	$0	$0	$0
Sustaining Capex	US$ MM		$3	$1	$1	$2	$3	$2
Closure	US$ MM		$0	$0	$0	$0	$13	$0
Total Investment	US$ MM		$3	$1	$1	$2	$16	$2
Free Cash Flow	US$ MM		$25	$45	$59	$108	$109	$103

Notes:

1. Includes revenues and associated costs from 17 koz Au recovered during rinsing of pads post- mine closure
2. Based on $1300 Au and includes contribution from by-product Ag and deductions for refining

3. Includes royalties that vary from 0% - 5% of NSR
4. Includes interest on borrowings to satisfy requirement for post closure bond

Metal Price Sensitivities

As can be seen in Tables 7 and 8 below, a $10/oz increase in the long term gold price has the following impact on the Base Case:

- NPV5% is increased by $19m (pre-tax) or $13m (post-tax)
- IRR is increased by 0.8% (pre-tax) or 0.6% (post-tax)
- Simple Payback is reduced by approximately 1.3 months (both pre-tax and post-tax)

Table 7 - Pre-Tax Sensitivities

Gold Price	units	$1,200	$1,250	$1,300	$1,350	$1,400	$1,450	$1,500
NPV 5%								
Static	US$ MM	$109	$142	$176	$209	$243	$276	$310
Base Case	US$ MM	$323	$417	$510	$603	$696	$789	$882
NPV 0%								
Static	US$ MM	$161	$202	$243	$285	$326	$367	$408
Base Case	US$ MM	$677	$824	$970	$1,117	$1,264	$1,411	$1,558
IRR								
Static	US$ MM	27.0%	33.3%	39.5%	45.6%	51.6%	57.5%	63.3%
Base Case	US$ MM	19.5%	23.7%	28.0%	32.4%	36.9%	41.4%	46.1%
Simple Payback								
Static	months	32	29	27	24	23	21	20
Base Case	months	76	68	61	52	45	42	39

Table 8 - Post-Tax Sensitivities

Gold Price	units	$1,200	$1,250	$1,300	$1,350	$1,400	$1,450	$1,500
NPV 5%								
Static	US$ MM	$75	$100	$124	$149	$173	$196	$219
Base Case	US$ MM	$220	$289	$359	$427	$493	$558	$622
NPV 0%								
Static	US$ MM	$119	$150	$180	$210	$239	$268	$296
Base Case	US$ MM	$520	$628	$740	$846	$949	$1,052	$1,154
IRR								
Static	US$ MM	20.5%	25.4%	30.2%	34.8%	39.3%	43.7%	47.9%
Base Case	US$ MM	14.5%	17.4%	20.4%	23.4%	26.3%	29.3%	32.3%
Simple Payback								
Static	months	49	34	31	29	27	25	23
Base Case	months	93	83	76	70	65	61	54

Risks

Risks associated with the Project include:

- **The metallurgical performance of different process feeds**. The Base Case mine plan includes processing of 3,599 koz contained gold. Of this total, 1,791 koz (50%) is located within the Jumbo, Oro-Belle and JSLA pits previously mined and above the deepest horizon of historic activity, 158 koz (4%) is located within the same pits but below the deepest horizon of historic activity, 482 koz (13%) is located within the Hart Tunnel pits that are immediately adjacent to the three previously mined pits and the remaining 1,188 koz (33%) is located within the South Domes pit that is offset from the other five by approximately 500 m. There is some confidence that the 50% of material located in the pits and horizons mined previously will perform similar to material processed previously. There is less confidence regarding the metallurgical performance of the remaining material. The next round of work will include metallurgical testing that aims to improve the confidence in recovery estimates for all material planned to be processed.

- **A sustained and significant reduction in gold prices**. As noted above, financial returns are sensitive to the gold price. To an extent, downside risk is mitigated by the plan that includes mining of six discrete pits, which provides operators with considerable flexibility in responding to short term fluctuations in price. The NPV5% breakeven price is $1050/oz.
- **Capital cost overruns**. As with all mining projects, financial returns are sensitive to capital costs. For Castle Mountain, risks associated with capital costs are mitigated by the relative simplicity of the design (the initial project intends to essentially replicate the previous successful design). Risks associated with capital costs are also mitigated by the permitting status - subject to obtaining the requisite project finance, construction will be able to start in the near term - and the current non-inflationary environment within the mining industry.
- **Operating cost overruns**. The project is more sensitive to operating costs. For Castle Mountain, risks associated with operating costs are mitigated by following the historic design, which proved the viability of operating concepts. Risk will be further mitigated by the current non-inflationary environment within the mining industry and expected short path to production. In particular, it is expected that skilled personnel are available to staff the project.
- **Water**. Historically the operation successfully processed approximately 3.6 million tonnes per year over a ten year period with continued leaching for several years after mining ceased. This PEA projects a higher processing rate which will require more water and the work has not yet been done to show there is enough water for the projected rate. The Company plans to start hydrogeological work on the project in the very near term.
- **Permitting**. While the Company has the key Mining and Reclamation permit required for operation, other permits are still required. There are no assurances that these permits will be granted. The Base and Unconstrained Cases also envision using land which while inside the approved EIS/EIR boundary is outside of the area currently permitted for disturbance. There are no assurances the Company will be able to amend the Mine Plan to include additional areas of disturbance.
- **Mineral Resources.** This PEA is based on MI&I Resources, there are no assurances that this material will all be converted to Reserves
- **Further risk factors** are set out in the Company's continuous disclosure documents filed on SEDAR.

Next Steps

Castle Mountain is in possession of the key permit required to re-start operations. It is expected that the remaining permits will be acquired in parallel with the feasibility study and that, subject to the availability of project finance, it would be possible to start construction during 2015.

Key elements of work that will be completed as part of the Feasibility study include:

- Hydrogeological studies to determine the quantity of water available for process operations. This will include near-term testing of the aquifer for recharge since operations ceased in 2004.
- Geotechnical studies will be conducted to confirm the open pit slope angles that can be achieved, and also confirm the design criteria for the various impoundments.
- Metallurgical studies will be conducted to improve confidence in the recovery that can be achieved from the different pits, along with confirming the expected consumption of various reagents.
- Step out drilling will be conducted to test undrilled areas within the current pit shells that, in the absence of data, are currently classified as waste. Infill drilling will be conducted to upgrade inferred resources that are included in the early years of the mine plan.

Detailed Report

The entire Preliminary Economic Assessment will be available within 45 days of this press release at www.sedar.com and on the Company's corporate website www.castlemountainmining.com.

Note: This Preliminary Assessment Study is conceptual in nature as in addition to the indicated resource it is also based on the inferred resource, which at this stage does not have a high enough geostatistical level of confidence to provide the economic basis for a production decision. The Company is in the process of completing its infill drilling program to advance the Project to the Feasibility Study level.

Independent Qualified Persons ("QPs")

QPs who have prepared or supervised the preparation of the technical information relating to the Preliminary

Economic Assessment include:

•	Kathleen Altman, P.E., Ph.D. (RPA)
•	Jason Cox, P.Eng. (RPA)
•	David Penswick, P.Eng. (Independent)
•	Reno Pressacco, P.Geo. (RPA)

All four authors are "independent qualified persons" as that term is defined in National Instrument 43-101. They have each reviewed and approved the contents of this press release.

Conference Call

A conference call to discuss Castle Mountain and the PEA will be held at 11:00 am EDT (Eastern Daylight Time) on April 24, 2014. Interested parties are invited to participate by connecting to the call using one of the following dial-in numbers:

Dial in Number: North American Toll-Free: (877) 223-4471 or
Local / International: (647) 788-4922 (use outside of North America)
Conference ID: 34196771

Replay

A digital recording of the conference call will be available for replay two hours after the call's completion. To access the recording, use the dial-in number and then the conference ID number shown below:

Replay Dial In: (800) 585-8367
Conference ID: 34196771

About Castle Mountain Mining Company

Subject to certain obligations, Castle Mountain Mining 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 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 Castle Mountain Venture land holdings (7,458 acres total) include patented claims (1,298 acres), and unpatented claims (6,160 acres). On December 11, 2013, the Company filed the Technical Report for its maiden NI 43-101 mineral resource estimate, that is available both on SEDAR at www.sedar.com and on the Company's website at www.castlemountainmining.com.

Castle Mountain Mining Company Ltd., through its wholly owned subsidiaries including Castle Mountain Venture, is focused on the exploration and, if warranted, development of deposits in San Bernardino County, California. The principal gold mineralization identified to date within the Project are below and surrounding the historically mined pits on the property including the Oro Belle-Hart Tunnel, Jumbo, and Lesley Anne-Jumbo South Pits, as well as in the South Domes area.

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 press release.

Non-GAAP Measures

"All-in sustaining costs" per ounce are presented in accordance with the guidance announced in 2013 from the World Gold Council, Castle Mountain believes this non-GAAP measure provides further transparency into costs associated with producing gold and will assist analysts, investors and other stakeholders of the Company in assessing the project's expected operating performance, ability to generate free cash flow and its overall value. This data is furnished to provide additional information and is a non-GAAP measure. All-in sustaining costs presented do not have a standardized meaning under GAAP and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of operating costs presented under GAAP.

Forward-Looking Statements

Statements contained in this press release that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward Looking Information includes, but is not limited to, disclosure regarding the economics and project parameters presented in the PEA, including, without limitation, IRR, all-in sustaining costs, NPV and other costs and economic information, possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; the timing and costs of future development and exploration activities on the Company's properties; success of development and exploration activities; permitting time lines and requirements; time lines for technical reports and further studies, including a feasibility study; planned exploration and development of properties and the results thereof; and planned expenditures and budgets and the execution thereof. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as "plans", "expects" or "does not expect", "is expected", budget", "scheduled", "suggest", "optimize", "estimates", "forecasts", "intends", "anticipates", "potential" or "does not anticipate", believes", "anomalous" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". In making the forward-looking statements in this press release, the Company has applied several material assumptions, including, but not limited to, the assumptions inherent to the PEA, that the current development, exploration and other objectives concerning the Castle Mountain Project can be achieved and that its other corporate activities will proceed as expected; that the current price and demand for gold will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned exploration on the Castle Mountain Project will be obtained in a timely manner and on acceptable terms; the continuity of the price of gold and other metals, economic and political conditions and operations.

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and other factors include, among others, risks inherent to the preliminary nature of the PEA, risks related to permitting, water availability, operating cost overruns, and capital cost overruns; risks related to a sustained and significant reduction in gold prices; risks that the metallurgical performance of different process feeds are not as anticipated; risks related to the availability of financing on commercially reasonable terms and the expected use of proceeds; operations and contractual obligations; changes in development and exploration programs based upon results of exploration; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry; environmental risks, including environmental matters under U.S. federal and California rules and regulations; impact of environmental remediation requirements and the terms of existing and potential consent decrees on the Company's planned development and exploration on the Castle Mountain Project; certainty of mineral title; community relations; delays in obtaining governmental approvals or financing; the Company's dependence on one mineral project; the nature of mineral development, exploration and mining and the uncertain commercial viability of certain mineral deposits; the Company's lack of operating revenues; governmental regulations and the ability to obtain necessary licenses and permits; risks related to mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title; currency fluctuations; changes in environmental laws and regulations and changes in the application of standards pursuant to existing laws and regulations which may increase costs of doing business and restrict operations; risks related to dependence on key personnel; and estimates used in financial statements proving to be incorrect; as well as those factors discussed in the Company's public disclosure record and annual information form for the year ended December 31, 2013 which is available on SEDAR at www.sedar.com.

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking 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. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this press release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Contact

Castle Mountain Mining Company
Gordon McCreary
President and CEO
Tel: (416) 572-0152
E-mail: gmccreary@castlemountainmining.com
www.castlemountainmining.com
Fraser Buchan
VP Corporate Development
Tel: (416) 640-1933
E-mail: fbuchan@83yonge.com