

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 30, 2015) - Newmarket Gold ("Newmarket" or the "Company") (TSX:NMI) is pleased to announce its financial results for the three and six months ended June 30, 2015. Full Financial Statements and Management Discussion & Analysis are available at www.sedar.com and the Company's website, www.newmarketgoldinc.com.

Second Quarter Highlights ("Q2/15") (All figures are in United States ("U.S.") dollars, unless stated otherwise)

- Consolidated production of 55,998 ounces, up 3.7% vs. Q2/14, and eighth consecutive quarter of gold production above 53,000 ounces. Consolidated production was a record 115,674 ounces.
- Record low operating cash costs of \$681 per ounce sold, a 29.4% decrease vs. Q2/14, below full-year 2015 guidance of \$780.
- All-in sustaining cash costs ("AISC") per ounce sold of \$1,037, a 21.2% decrease vs. Q2/14, with an average realized gold price of \$1,200.
- Revenue of \$66.0 million based on 55,154 ounces sold.
- Increased operating cash flow to \$27.1 million, up 4.9% from Q2/14.
- Net income of \$12.1 million, or \$0.10 earnings per share*, vs. \$3.9 million, or \$0.01 earnings per share* in Q2/14. H1 2015 net income of \$24.1 million, or \$0.24 earnings per share.*
- Cash and gold bullion balance of \$38.8 million and working capital of \$25.1 million.
- Completed merger between Newmarket Gold and Crocodile Gold establishing a new, sustainable 200,000 plus ounce gold production operation. The new operation, with a proven track record of superior value creation, leverages deep capital markets and mining sector relationships, will continue to execute on a gold asset consolidation strategy to maximize shareholder value.

**Income per share, basic and diluted, is presented after giving effect to the share exchange ratio following the completion of the merger of Gold and Crocodile Gold. Refer to note 2 of the interim financial statements dated July 30, 2015.*

Douglas Forster, President & CEO, Newmarket Gold commented: "During the second quarter we announced a strategic combination with Crocodile Gold. The merger closed successfully on July 10, 2015 establishing a new 200,000 plus ounce per year gold producer with a strong and senior management team and board of directors. With our newly combined team and proven track record of operational excellence and asset creation, we continue to focus on sustaining current gold production levels and maintaining cost profiles. Consolidated gold production for the first six months of 2015 was 55,998 ounces, up 3.7% year-over-year, representing two years of quarterly production above 53,000 ounces. In the first six months of 2015, a record 115,674 ounces of consolidated gold production, positioning us well to meet the top end of our full-year 2015 production outlook of 115,000 to 125,000 ounces. Despite a challenging gold price environment, we achieved solid revenue and continued to meet our cost reduction and production targets. We achieved a record low operating cash costs of \$681 per ounce, increased profitability and positive free cash flow. We remain confident in our ability to achieve our cash cost and AISC guidance of \$780 to \$860 per ounce and \$1,020 to \$1,100 per ounce respectively.

"We entered H2 2015 with a solid cash and gold bullion balance of \$38.8 million and an increased working capital level of \$25.1 million. The cash flow generated during the quarter enabled us to turn on several growth exploration programs across the sites that has resulted in significant new resource building opportunities. At Fosterville, we have intersected extremely high-grade gold mineralization containing visible gold. The discovery in the Lower Phoenix System. Drill results from the Eagle Fault discovery include 386 g/t gold over 9.15 metres (estimated true width 268 g/t gold over 7.85 metres (estimated true width 2.77 metres). These drill results represent the highest grades ever recorded at Fosterville. Significant gold mineralization at depth outside of previously reported Indicated Mineral Resources. Additionally, we have discovered significant gold mineralization at Stawell and the Western Lodes Target at Cosmo."

Mr. Forster concluded: "Looking ahead, we will continue to advance on our growth exploration programs, while monitoring movements to ensure we achieve our top priority of resource growth to support future sustainable production and continued positive cash flow generation. We will continue to move forward to executing on our growth strategy through the acquisition of new opportunities that will be accretive to our business with the goal of creating value for shareholders."

Second Quarter 2015 Financial Results

Financial Results	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Revenue (\$)	66,044,377	69,231,729	138,941,212	139,619,365
Cost of operations, including depletion and depreciation (\$)	(46,526,035)	(61,103,354)	(99,661,175)	(124,193,321)
Mine operating income (\$)	19,518,342	8,128,375	39,280,037	15,426,042
Net income (\$)	12,071,914	3,934,331	27,774,834	608,594
Net income per share (\$/share) basic ⁽¹⁾	0.10	0.03	0.24	0.01
Net income per share (\$/share) diluted ⁽¹⁾	0.10	0.03	0.23	0.01
Cash generated from operating activities (\$)	27,071,458	18,184,443	54,557,811	30,643,907
Capital investment in mine development, property, plant and equipment (\$)	17,156,990	16,978,369	30,617,360	33,811,057
Average realized gold price (\$)	1,196	1,291	1,190	1,289
Average quoted gold price (\$)	1,192	1,289	1,206	1,291
Operating cash costs per ounce sold (\$) ⁽²⁾	681	965	682	968
All-in sustaining cash costs per ounce sold (\$) ⁽²⁾	1,037	1,316	985	1,311

(1) *Income per share, basic and diluted, is presented after giving effect to the share exchange ratio following the completion of the merger between Newmarket Gold and Crocodile Gold. Refer to note 2 of the interim financial statements dated July 30, 2015.*

(2) Refer to non-IFRS measures below.

Three Months Ended June 30, 2015

Consolidated gold production in Q2 2015 of 55,998 ounces increased 3.7% compared to Q2 2014, also representing two full years of production above 53,000 ounces. Average consolidated mill grade of 3.31 g/t increased 8.5% compared to prior year, in addition to a strong increase in recovery to 88.0%. Total gold sold increased 2.9% year-over-year to 55,154 ounces.

For the quarter ended June 30, 2015, consolidated revenues were \$66.0 million, down 4.6% compared to \$69.2 million in the corresponding period in 2014. The decline was attributable to a 7.4% drop in the average realized gold price per ounce to \$1,196, down from \$1,291 in Q2 2014, versus a 1.4% increase in gold sold over the corresponding period in 2014.

Operating expenses, including royalties, decreased 27.3%, resulting in record low operating cash costs of \$681 per ounce sold compared to \$934 per ounce in the corresponding period in 2014. The decrease in costs is attributable to a focus on cost management across the business and productivity initiatives. In particular, at Cosmo, greater productivity at Fosterville, lower fuel costs, general cost reduction initiatives including hiring freezes and supply tendering, contributed to record low operating cash costs. Additionally, a 16.6% year-over-year weakening of the average Australian dollar exchange rate contributed to the decline. As a result, mine operating income improved 140% year-over-year to \$19.5 million.

Net income for the quarter ended June 30, 2015 was \$12.1 million, or \$0.10 per share, compared to \$3.9 million or \$0.01 per share in the corresponding period in 2014. Amounts are presented after giving effect to the share exchange ratio following the completion of the merger between Newmarket Gold and Crocodile Gold. Refer to note 2 of the interim financial statements dated July 30, 2015.

Operating cash flow for the quarter ended June 30, 2015 was \$27.1 million, a 48.9% improvement compared to the Q2 2014 period of \$18.2 million, and a significant reduction in operating costs which offset the impact of a lower gold price environment.

Mine development in the second quarter was \$12.8 million. Development focused largely at Fosterville and Cosmo, with an addition of plant and equipment. Capital expenditures were relatively comparable to the corresponding quarter of 2014, due to the timing of certain development and the weaker Australian dollar.

Due to a significant decrease in operating cash costs, increasing gold production, driven by strong grades and recoveries, and a weaker Australian dollar, all-in sustaining cash costs improved to \$1,037 per ounce sold from \$1,316 in Q2 2014, a 21.2% decrease.

Financial Position

For the period ended June 30, 2015, the cash and gold bullion balance (at fair market value) was \$38.8 million. In the first six months of 2015, the cash and gold bullion balance increased significantly to \$25.1 million, compared to \$12.6 million at December 31, 2014. This was a notable achievement as the Company received a one-time cash payment of \$16.7 million (C\$20 million), and grant a royalty over Fosterville and Stawell Mines, to [AuRico Gold Inc.](#) to replace the cash flow sharing arrangement over Fosterville and Stawell, without the addition of debt.

As at June 30, 2015, the unaudited pro-forma cash and gold bullion balance was \$39.4 million, which included the balances for Newmarket Gold and Crocodile Gold. The pro-forma balance is before the net proceeds from the subscription receipt financing and most transaction costs associated with the merger between Newmarket Gold and Crocodile Gold. The pro-forma unaudited working capital was approximately \$24.0 million at June 30, 2015.

Foreign Exchange

The significant drop in the Australian dollar exchange rate has markedly increased the gold price in Australian dollar terms (the functional currency for the Company's current operations) while having the effect of lowering cash costs in US dollar terms. The Australian dollar closed at \$0.71 per US dollar, down 5.8% from year-end. Consequently, Australian dollar denominated gold has traded above A\$1,500 per ounce consistently since the start of 2015, up from below A\$1,600 for a period of time. The average quarterly exchange rate has dropped 16.6% compared to Q2 2014, which accounts for a significant decrease of operating and all-in sustaining cash costs per ounce sold, complementing the reduction in local currency costs achieved through productivity initiatives.

Exploration Update

For the quarter ended June 30, 2015, \$2.7 million was deployed on various exploration drill programs advancing several strategic targets across all sites. These drill programs resulted in significant discoveries and resource building opportunities including the high-grade gold discovery at Fosterville, the Western Lodes Target at Cosmo and the Aurora B East Flank discovery at Stawell.

Additionally, a phased Feasibility Study on the 100% owned Maud Creek Gold Deposit commenced on the first phase being the completion of an Environmental Impact Assessment ("EIA") which is expected to be completed in early 2016.

Second Quarter 2015 Operational Results

Fosterville Gold Mine	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Ore Milled (t)	173,323	202,927	348,650	423,306
Grade (g/t Au)	5.92	3.95	5.84	4.14
Recovery (%)	89.0	85.7	89.1	84.9
Gold Oz Produced	29,648	22,198	58,783	47,984
Gold Oz Sold	29,139	21,509	60,371	47,318
Cosmo Gold Mine				
Ore Milled (t)	193,084	213,815	383,390	444,630
Grade (g/t Au)	2.97	3.69	3.33	3.23
Recovery (%)	92.7	86.3	91.9	86.0
Gold Oz Produced	17,073	21,845	37,685	39,686
Gold Oz Sold	16,522	21,977	36,721	41,393
Stawell Gold Mines	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Ore Milled (t)	221,974	234,363	442,061	461,990
Grade (g/t Au)	1.57	1.69	1.66	1.70
Recovery (%)	83.1	78.8	81.7	79.1
Gold Oz Produced	9,277	9,981	19,207	19,937
Gold Oz Sold	9,493	10,126	19,356	19,636

2015 Production and Cash Cost Guidance

As previously announced, see Crocodile Gold's press release dated January 12, 2015, Newmarket reaffirmed full year production and cash cost guidance for fiscal 2015 as follows:

(U.S.) \$	Fosterville	Cosmo	Stawell	Consolidated 2015
Gold Production (ounces)	100,000 - 105,000	75,000 - 85,000	~30,000	205,000 - 220,000
Operational Cash Costs per ounce*	\$670 - \$750	\$850 - \$930	\$945 - \$1,025	\$780 - \$860
AISC per ounce ⁽¹⁾				\$1,020 - \$1,100

* See Non-IFRS Disclosures

⁽¹⁾ All-In Sustaining Cash Costs per Ounce ("AISC") Includes Corporate General and Administrative Expenses.

Second Quarter 2015 Financial Earnings Conference Call Details

Douglas Forster, President and Chief Executive Officer, Rodney Lamond, Chief Operating Officer and Robert Dufour, Chief Financial Officer, will host a conference call to discuss second quarter financial results ended June 30, 2015 on Thursday, July 30, 2015, at 10:30 a.m. (EDT).

Participants may listen to the call by dialing toll free 1-800-319-4610 or 1-416-915-3239 at approximately 10:20 a.m. (EDT) and ask to join the Newmarket Gold conference call. International or local callers should dial 1-416-915-3239 at approximately 10:20 a.m. (EDT) and ask to join the Newmarket Gold conference call.

The call will also be webcast live at <http://services.choruscall.ca/links/newmarketgold150730.html> and at www.newmarketgoldinc.com in the Events and Webcast section under the Investor Relations tab.

The live audio webcast will be archived and made available for replay at www.newmarketgoldinc.com.

Presentation slides which accompany the conference call will be made available in the Investors section of the Newmarket Gold website, under Presentations, prior to the conference call.

Qualified Person

Mark Edwards, MAusIMM (CP), MAIG, General Manager, Exploration, Newmarket Gold, is a "qualified person" as such term is defined in National Instrument 43-101 and has reviewed and approved the technical information and data included in this press release.

ON BEHALF OF THE BOARD

About Newmarket Gold Inc.

Newmarket Gold is a Canadian-listed gold mining and exploration company with three 100% owned operating mines across Australia. The Company is focused on creating substantial shareholder value by maintaining a strong foundation of quality gold production, over 200,000 ounces annually, generating free cash flow and maintaining a large resource base as it executes a clearly defined gold asset consolidation strategy. The Company is focused on sustainable operating performance, a disciplined approach to growth, and building gold reserves and resources while maintaining the high standards that the Newmarket Gold core values represent.

NON-IFRS MEASURES

Newmarket Gold has included in this MD&A certain non-IFRS performance measures as detailed below. In the gold mining industry, these are common performance measures but do not have any standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Operating Cash Costs per Ounce of Gold - Newmarket Gold calculates operating cash costs per ounce by deducting silver sales revenue as a by-product from operating expenses per the consolidated statement of operations, then dividing by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however excludes depletion and depreciation, share-based payments and rehabilitation costs.

All-In Sustaining Costs per Ounce of Gold - Newmarket Gold has adopted an all-in sustaining cost performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), capital lease repayments, corporate general and administrative expenses, mine exploration within the known resource, and rehabilitation accretion and amortization related to current operations. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, rehabilitation accretion and amortization not related to current operations, financing costs, debt repayments, share-based compensation not related to operations, and taxes.

	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Operating expense per the condensed interim consolidated statement of operations, including royalties	37,649,451	51,821,752	77,471,203	103,643,504
By-product silver sales credit	(80,728)	(91,998)	(252,816)	(275,996)
Operating cash costs (\$)	37,568,723	51,729,754	77,218,387	103,367,508
Sustaining mine development ⁽¹⁾	12,560,599	13,610,514	25,171,198	27,221,028
Sustaining capital expenditures, including capital lease payments	4,730,234	3,323,711	9,053,968	6,647,429
General and administration costs	1,909,379	1,187,625	3,896,703	2,375,254
Rehabilitation - accretion and amortization (operating sites)	260,152	394,440	516,302	588,880
Mine exploration	143,524	297,047	290,048	297,047
All-in sustaining cash costs (\$)	57,172,611	70,543,091	116,147,606	130,480,146
Gold ounces sold	55,154	53,612	108,766	107,178
Operating cash costs per ounce sold (\$ / ounce)	681	965	691	965
All-in sustaining cash costs per ounce sold (\$ / ounce)	1,037	1,316	1,068	1,226

⁽¹⁾ Sustaining mine development are defined as those expenditures which do not increase annual gold production at a mine operation and exclude expenditures for growth projects and mine development to commercial production. Total sustaining capital is calculated as follows:

	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Expenditure on mine development per the statement of cash flows	12,793,418	14,777,079	23,937,799	29,758,705
Less: Big Hill Project development costs	(232,819)	(1,166,565)	(406,172)	(2,142,353)

Cautionary Note Regarding Forward-Looking Information

Certain information set forth in this news release contains "forward-looking statements", and "forward-looking information under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements, which include the Company's expectations about its business and operations, and are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "will", "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These statements are not guarantees of future performance or outcomes and undue reliance should not be placed on them. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are 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 statements or forward-looking information. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or 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 statements 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 statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are included in this press release or incorporated by reference herein, except in accordance with applicable securities laws.

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