

TORONTO, ONTARIO--(Marketwired - Nov 18, 2015) - [Castle Resources Inc.](#) (CSE:CRI) ("Castle" or the "Company") is pleased to announce that it intends to complete a non-brokered private placement (the "Offering") of unsecured convertible debentures for gross proceeds of \$100,000. The Offering will consist of the issuance of 100 units, with each unit consisting of (i) one (1) \$1,000 unsecured convertible debenture bearing interest at a rate of 10% per annum (the "Debenture"), and (ii) 20,000 detachable share purchase warrants (the "Warrants").

The proceeds of the Offering will be used for general working capital. The Offering is expected to close on or about Thursday, November 19, 2015 (the "Closing Date") and is subject to certain conditions including, but not limited to, the receipt of applicable regulatory approvals and the completion of required filings with the Canadian Securities Exchange ("CSE"), as well as the satisfaction of other customary closing conditions.

The Debentures mature and the principal amount thereof becomes due and payable on October 31, 2020 (the "Maturity Date"). All or any portion of the outstanding principal amount of indebtedness under the Debentures will be convertible into common shares of Castle ("Common Shares") at the option of the holder thereof at a conversion price of \$0.025 per Common Share at any time prior to the Maturity Date (the "Principal Conversion"), provided that no Principal Conversion may occur prior to the consolidation of the Common Shares on the basis of at least 2.5 existing Common Shares for 1 new Common Share (the "Future Share Consolidation") (or unless otherwise permitted under applicable stock exchange policies). Interest on the principal amount of the Debentures shall be due in quarterly instalments on March 31, June 30, September 30 and December 31. All or any portion of the outstanding interest payments will be convertible into Common Shares at the option of the holder on any interest payment date, and at the option of the Company upon any Principal Conversion, at a conversion price equal to the greater of the closing price of the Common Shares on the CSE on the last trading day of the applicable interest period or \$0.025 (the "Interest Conversion"). No Interest Conversion may occur prior to the Future Share Consolidation.

Each Warrant shall entitle the holder thereof to acquire one (1) Common Share at a price of \$0.025 per Common Share until October 31, 2020 (the "Warrant Shares"), provided that no Warrants may be exercised prior to the Future Share Consolidation (or unless otherwise permitted under applicable stock exchange policies).

The Debenture, the Warrants, the Common Shares issuable upon any Principal Conversion, and the Warrant Shares issuable upon exercise of the Warrants will be subject to a regulatory hold of four months and a day from the Closing Date, and the Common Shares issuable upon any Interest Conversion will be subject to a regulatory hold of four months and a day from the Interest Conversion date.

It is expected that all of the units in the Offering will be subscribed for by Drake Private Investments LLC ("Drake"). Drake is an insider of the Company by virtue of its current ownership of approximately 37.1% of the Company's issued and outstanding Common Shares (or approximately 48% on a partially-diluted basis). At closing of the Offering, Drake will own 37.1% of the Company's then issued and outstanding Common Shares (or approximately 65.6% of the Company's then outstanding Common Shares on a partially-diluted basis, assuming the exercise by Drake of all of the convertible securities held by it, excluding conversion of interest on the Debentures).

Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), entering into the Offering with Drake will be a "related party transaction". The Company will be exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Offering in reliance on section 5.5(g), as the Company is in serious financial difficulty, the Offering is designed to improve the financial position of the Company, the Company is currently not subject to any court approval under bankruptcy or insolvency law or section 186 of the *Business Corporations Act* (Ontario) or any equivalent legislation of another jurisdiction, the Company has one or more independent directors in respect of the Offering, the Company's board of directors, acting in good faith, have all determined that subparagraphs (i) and (ii) of section 5.5(g) apply and the terms of the Offering are reasonable in the circumstances of the Company.

About Castle Resources

Castle is a Toronto-based junior mineral development company focusing on high-quality, advanced projects. The Company is the 100% owner of the past producing Granduc Copper Mine in Stewart, British Columbia. For more information please visit the Castle Resources' website at www.castleresources.com.

Disclaimer

Certain statements contained in this news release may contain forward-looking information within the meaning of Canadian securities laws. Such forward-looking information is identified by words such as "estimates", "intends", "expects", "believes", "may", "will" and include, without limitation, statements regarding the Company's plan of business operations (including the Offering and any plans for the Future Share Consolidation), estimates regarding mineral resources, projections regarding mineralization and projected expenditures. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include, among others, metal prices, risks inherent in the mining industry, financing risks, labour risks, uncertainty of mineral resource estimates, equipment and supply risks, title disputes, regulatory risks and environmental concerns. Most of these

factors are outside the control of the company. Investors are cautioned not to put undue reliance on forward-looking information. Except as otherwise required by applicable securities statutes or regulation, the company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

Contact

[Castle Resources Inc.](#)

Tim Mann

Chairman, Interim President & Chief Executive Officer

647-295-2830