

TORONTO, ONTARIO--(Marketwired - Mar 16, 2016) - [Castle Resources Inc.](#) (CSE:CRI) ("Castle" or the "Company") is pleased to announce that it has entered into a memorandum of understanding with Drake Private Investments LLC ("Drake"), a "control person" of the Company, as such term is defined in the *Securities Act* (Ontario), setting out the details of a comprehensive debt restructuring proposal regarding certain outstanding indebtedness of the Company (the "Transaction").

The debt restructuring provides for the immediate assignment of the following loan instruments (the "Loan Facility") from the existing lender to Drake:

- Loan agreement dated July 14, 2010 between the Company and the lender in the amount of \$2,200,000 (the "Loan").
- Promissory note of the Company dated July 14, 2010 to the lender in the amount of \$2,200,000.
- General security agreement dated July 14, 2010 between the Company and the lender regarding the Loan.
- Loan amending agreement dated November 7, 2014 between the Company and the lender in respect of an extension to the maturity date of the Loan to July 14, 2017.
- Loan amending agreement dated July 24, 2015 between the Company and the lender in respect of an increase of the Loan by \$75,000 to an aggregate amount of \$2,275,000.

As at March 15, 2016, a total of \$3,608,836 in principal and interest were outstanding under the Loan Facility.

The Company has agreed to provide its consent to the assignment of the Loan Facility on closing of the proposed transaction, which is scheduled to occur on or about April 8, 2016. In consideration of such consent, Drake has agreed to the following terms and conditions to be implemented on or before closing, including the following:

- Extension of the term of the Loan Facility from July 14, 2017 to July 14, 2018;
- Agreement to provide the necessary funding to the Company to maintain the listing of its shares on the Canadian Securities Exchange until at the least the extended maturity date of the Loan Facility (unless in the event of a transaction where the Company would cease being a reporting issuer under applicable Canadian securities law);
- Propose a debt settlement to the existing unsecured creditors;
- A right by Drake to nominate a director to board of directors of the Company and reorganize the appointments of the Chief Executive Officer and Chief Financial Officer of the Company.

Certain of the transactions described in this news release between the Company and Drake constitute or will constitute "related party transactions" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Shareholders in Special Transactions* ("MI 61-101"). In the absence of exemptions, the Company would be required to obtain a formal valuation for, and minority shareholder approval of, the "related party transaction". For these transactions the Company intends to rely on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(b) of MI 61-101 on the basis that no securities of the Company are listed on a specified market set out in such section, and the Company intends to rely on the exemption from the minority shareholder approval requirements of MI 61-101 contained in Section 5.7(1)(e) of MI 61-101 on the basis of financial hardship.

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 proposed debt reorganization and the Company's ability to continue as a going concern. 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, the ability to enter into agreements to reorganize the debt of the Company on the terms as announced, and the ability to complete the terms of the debt restructuring and continue as a going concern. 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.

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