

TORONTO, ONTARIO--(Marketwired - May 10, 2016) - [NewCastle Gold Ltd.](#) (TSX VENTURE:NCA) (the "Company" or "NewCastle") is pleased to announce that it has completed its non-brokered offering with [Franco-Nevada Corp.](#) ("Franco-Nevada") for 3,636,364 subscription receipts of NewCastle (each, a "Subscription Receipt") at a price of \$0.32 per Subscription Receipt for proceeds of approximately C\$1.2 million (the "Placement"). Each Subscription Receipt will, immediately upon the completion of certain conditions, without payment of any additional consideration or taking of further action, entitle Franco-Nevada to receive one unit of NewCastle (each, a "Unit"). Each Unit consists of one common share of NewCastle and one half of one common share purchase warrant of NewCastle, where each whole common share purchase warrant is exercisable by Franco-Nevada to acquire one common share at a price of \$0.64 until May 9, 2021. The Subscription Receipts and Units are subject to a hold period that expires September 7, 2016.

About NewCastle

NewCastle 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 (the "Project") 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 Mine and Reclamation Plan, under which the mine operated, was authorized by the County of San Bernardino as the Lead Agency and remains in effect. Water for the drill programs was accessed from existing patented wells on the Project.

An updated NI 43-101 resource for the project was announced December 2, 2015 which includes Measured Mineral Resources of 17.4 million tonnes grading 0.86 g/t gold containing 0.48 million gold ounces, Indicated Mineral Resources of 202.5 million tonnes grading 0.57 g/t gold containing 3.71 million gold ounces along with Inferred Mineral Resources of 40.8 million tonnes grading 0.58 g/t gold and containing 0.76 million gold ounces. The Project hosts a disseminated low sulphidation epithermal system. Gold is primarily hosted by late-stage rhyolite volcanic units within zones of silicification and brecciation associated with northeast-southwest trending/southeast dipping fault structures which are interpreted to have developed within a collapsed caldera environment. Eleven gold domains are represented by both steep and shallow-dipping orientations.

Ian R. Cunningham-Dunlop, P. Eng., the Company's Vice President Exploration, is the designated Qualified Person for this news release within the meaning of NI 43-101. He has reviewed and verified that the technical information contained in this release is accurate and has approved of the written disclosure of the same.

Cautionary Note Concerning Estimates of Inferred and Indicated Resources

This news release uses the terms "Inferred Resources" and "Indicated Resources", which have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred and/or Indicated Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. NewCastle advises U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. U.S. investors are cautioned not to assume that part or all of an Inferred and Indicated resource exists, or is economically or legally minable.

Contact

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