

VANCOUVER, Aug. 16, 2016 /CNW/ - [NewCastle Gold Ltd.](#) (NCA:TSX-V, the "Company" or "NewCastle") is pleased to report initial assay results from the first four holes from the Company's 2016 Phase I drill campaign at the Castle Mountain Gold Project (the "Project") located in San Bernardino County, California.

The drill program (the "Program") started in mid-June 2016, and has initially focused on the southern portion of the Project known as "South Domes". This target area hosts a significant portion of the mineral resource that historically had been quantified by shallow vertical reverse-circulation drill holes, rarely extending below 250 metres vertical depth. The current Program uses angled diamond core holes designed to cross-cut the known resource and modeled steep fault structures trending NE-SW.

Assay highlights from the four-hole cross-section (10600N) across the South Domes target area include:

- 1.09 grams per tonne gold ("g/t Au") over 213.70 metres in hole CMM-079,
 - including 4.14 g/t Au over 16.00 metres;
- 0.72 g/t Au over 55.2 metres in hole CMM-080; and
- 0.72 g/t Au over 16.80 metres in hole CMM-078 (outside the current pit shell)

President and CEO, Gerald Panneton commented, "Our first cross section has confirmed the geological interpretation that the controls on gold mineralization are mainly vertical, and better assessed with angled drilling. Hole CMM-079 is showing us a wider and deeper structure than previously outlined, with higher grades than the modeled resource grade, and with 40% of the intersection outside the current 2015 measured and indicated resources. Further step-outs and infill drilling are now required at South Domes, which remains open at depth and along strike."

A total of 9,600 metres and 21 holes have been completed to the end of July with three rigs (one reverse circulation ("RC") drill rig and two diamond core rigs). The program has been increased to 22,000 metres in 54 drill holes and a second RC rig has been added to focus on the Oro Belle mine trend and the East Ridge target.

Mineralization encountered in CMM-079 and CMM-080 is associated with vertical hydrothermal breccia on the flanks of a previously unrecognized rhyolite plug and QFP. This setting is very similar to the original Mine Trend area which was the focus of drilling in 2014 and 2015. New mineralization outside the pit shell was also intersected in hole CMM-078 which opens up a new parallel target to the South Domes target.

Table 1: Summary of Significant 2016 Core Hole Intercepts at South Domes

Hole_ID	From (metres)	To (metres)	Interval (metres)	Au (g/t)
CMM-078	299.30	316.10	16.80	0.72
and	328.30	331.30	3.00	0.41
and	338.90	346.50	7.60	0.30
CMM-079	171.00	188.10	17.10	0.76
and	196.90	410.60	213.70	1.09
including	270.50	286.50	16.00	4.14
and including	327.10	345.60	18.50	1.54
and	421.20	436.50	15.30	0.34
and	450.20	462.40	12.20	0.28
and	479.60	482.60	3.00	0.22
and	521.80	524.80	3.00	0.89
CMM-080	77.10	90.80	13.70	0.35
and	132.30	187.50	55.20	0.72
and	221.30	241.10	19.80	0.30
and	279.50	296.30	16.80	0.31
and	367.00	375.50	8.50	0.28
CMM-081	No significant values			

All new exploration holes were drilled at 110 degrees or 290 degrees azimuth, with dips of either -60 or -70 degrees, and to an average depth of 450 metres. True widths are estimated to be 70% to 90% of the intersected widths.

All diamond core samples are submitted to ALS Minerals in Reno, Nevada for splitting and then crushing until 70% of the sample is finer than a nominal two millimeter in size. A 250 gram ("g") sub-sample is taken from the crushed material and pulverized until 85% passes a 200 mesh (75 µm) screen (ALS Method PREP-31). A 30 g portion of pulverized material (pulp) is then sampled and subjected to fire assay ("FA") with atomic absorption ("AA") finish (ALS Method AuAA-23). Any gold assays greater than 10 g/t Au are re-analyzed where a 30 g portion is taken from the pulp and assayed by FA with a gravimetric finish (ALS Method Au 30g FA – GRAV). All samples that yield greater than 0.2 ppm assay are also analyzed for gold cyanide solubility (ALS Method AuAA-13). NewCastle employs an industry standard QA/QC program consisting of standard pulps, coarse blanks and rig duplicates.

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 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.

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 news release.

Forward-Looking Statements

This news release contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. Forward-looking information includes information that relates to, among other things, statements with respect to the completion of the proposed drill program at Castle Mountain, the mineral resource expansion at Castle Mountain and the identification of future expansion targets at Castle Mountain. Forward-looking information is not, and cannot be, a guarantee of future results or events.

Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward looking information include, but are not limited to that the Company is able to procure personnel, equipment and supplies required for its exploration and development activities in sufficient quantities and on a timely basis and that actual results will be consistent with management's expectations.

The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, the risks discussed under the heading "Risks" in general to the business of NewCastle in documents filed (or to be filed) with Canadian regulatory authorities. Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, the reader should not place undue reliance on forward-looking information. NewCastle does not assume any obligation to update or revise any forward-looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

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