TORONTO, ONTARIO--(Marketwired - Oct. 12, 2016) -

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NewCastle Gold Ltd. (TSX VENTURE:NCA) (the "Company" or "NewCastle") is pleased to announce it has entered into an agreement with a syndicate of underwriters led by TD Securities Inc., pursuant to which they have agreed to purchase, on a bought deal basis, 15,000,000 common shares of NewCastle at a price of $0.82 per common share, for aggregate gross proceeds of approximately C$12.3 million (the "Offering").

NewCastle plans to use the net proceeds of the Offering to fund exploration and development at its Castle Mountain Project and for general working capital purposes.

The common shares to be issued under the Offering will be offered by way of a short form prospectus in all of the provinces of Canada (excluding Quebec) and in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act").

The Offering is scheduled to close on or about November 1, 2016 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange and applicable securities regulatory authorities.

The securities offered in the Offering have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About NewCastle

NewCastle has a 100% interest in 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 2004. 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 Offering and the proposed use of the net proceeds from the Offering. 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 the satisfaction of the conditions precedent to the merger.

The risks, uncertainties, contingencies and other factors that may cause actual results to differ material 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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