TORONTO, ON--(Marketwired - April 17, 2017) - NewCastle Gold Ltd. (TSX: NCA) (NewCastle Gold or the "Company") is pleased to report initial results from the first phase of a water testing program on its Castle Mountain gold project (the "Project"), located in San Bernardino County, California. These results form part of ongoing hydrogeological investigations aimed at identifying additional sources for process water in support of restarting the operation in 2018 and as part of its pre-feasibility study scheduled for release at the end of 2017.

Four vertical reverse circulation drill holes were drilled to explore and identify potential bedrock-hosted water sources within the approved area of disturbance of the Company's Mining and Reclamation Plan. The selection of the water targets was based on the following key criteria:

- Favorable geology and intersection of major, deep-seated fault zones and secondary structures;
- Gravity survey basement lows locating possible paleo-basins; and
- Measurable water flow observed from recent exploration and definition drilling.

Gerald Panneton, President and CEO commented: *"We are very pleased with the results of this first phase of water drilling as it demonstrates there is a considerable amount of water within the fault system around the deposit. We will immediately be installing at least two large diameter water supply wells and performing pump tests on the favorable wells to establish the productive capacity of the bedrock water sources that lie within our permitted disturbance area. It is our hope that the new wells, along with our existing wells, will provide us with enough water to put the Project back into production at the appropriate mining rate in 2018."*

Of the four exploratory holes, two holes were completed along the Oro Belle Trend in the vicinity of the JSLA backfilled open pit and two holes were drilled near the southern margin of the South Dump. Results to date are very encouraging, with initial water flow rates exceeding expectations as highlighted below and shown in Table 1 and on the attached maps. Areas of highest water flow appear to coincide with a major north-south structural lineament seen in satellite imagery which extends at least 10 kilometres.

JSLA Pit Area

- CMM-W-01 -- Static water table -- 643 foot depth -- water flow rate: 80 gallons per minute ("gpm")
  CMM-W-04 -- Static water table -- 1,065 foot depth -- water flow rate: negligible

South Domes Target

- CMM-W-02 -- Static water table -- 750 foot depth -- water flow rate: 120 gpm -- maximum 'air lift' capacity of the drill reached at the bottom of the hole. Hole terminated early because excessive water flows into the hole made it impossible to continue.

- CMM-W-03 -- Static water table -- 505 foot depth -- water flow rate: 95 gpm

Table 1 - Preliminary Results from 2017 Water Test Holes, Castle Mountain Project

Area	Bore Hole_ID	Total Depth (feet)	Bore Hole Diameter (inches)	Elevation of Hole Collar (feet)	Depth to Static Water Leve
JSLA - NE	CMM-W-01	1,505	5.5	4,454	643
SD - East	CMM-W-02	1,405	5.5	4,176	750
SD - West	CMM-W-03	1,500	5.5	4,219	505
JSLA - BC	CMM-W-04	1,205	5.5	4,526	1,065

The water test holes were drilled using a Schramm T685WS truck-mounted drill rig belonging to National Exploration, Wells & Pumps of Elko, Nevada and using reverse circulation drilling techniques. Hole diameters were 5.5 inches, and holes were drilled at dips of -90 degrees to a maximum depth of 459 metres (1,505 feet). Water flow rates were measured by performing industry standard 'airlift' tests by injecting air from the rig's compressor at 70-140 liters/sec (150-300 cubic feet per minute). Discharge water from the well head was measured by timing the flow of air/water discharge as it exited the rig's cyclone into a five-gallon container. Hydrological consulting is provided by Geo-Logic Associates based in Tucson, Arizona and representatives were present on site for the Phase 1 program.

Following a full analysis of this phase of the program, at least two of the most favorable holes will be re-drilled in a Phase II Water Testing Program using a licensed water well drill contractor and employing larger diameter (8 inch) bore holes, 6 inch installed well/screens and subsequent formal long-term pump testing.

The Company currently maintains ten active water rights with three production water wells on the Project. Total production from wells W-14, W-18 and W-45 located in the NW Wellfield is approximately 150 gpm.

Assays and Quality Assurance/Quality Control

The Company employs an industry-standard QA/QC program consisting of standard pulps, coarse blanks and rig duplicates.

Qualified Person

Ian R. Cunningham-Dunlop, P. Eng., the Company's Senior Vice President Technical Services, 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.

About NewCastle Gold

NewCastle Gold (an Augustagroup company) 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 1991 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.

Neither the TSX Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX 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 drill program at Castle Mountain, the mineral resource expansion at Castle Mountain, the identification of future expansion targets at Castle Mountain and the restart of operation using Run of Mine (ROM) material from the JSLA pit. 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.

Image Available:
http://www.marketwire.com/library/MwGo/2017/4/17/11G136017/Images/Figure_1_-_Location_of_2017_Water_Test_Holes,_Cast-7
Image Available:
http://www.marketwire.com/library/MwGo/2017/4/17/11G136017/Images/Figure_2_-_Plan_View_of_2017_Water_Test_Holes,_Cas-

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