NewCastle Gold´s Recent In-fill Drilling Increases Mineral Resource Grade by 9% with 4.0 Moz in Measured and Indicated Categories at Castle Mountain

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TORONTO, Sept. 11, 2017 - NewCastle Gold Ltd. (TSX:NCA) (“NewCastle Gold” or the “Company”) is pleased to report the results of an independent mineral resource estimate update by Mine Technical Services Ltd. (MTS) of Reno, Nevada, following the Company’s successful in-fill drilling program on its Castle Mountain gold project (the “Project”), located in San Bernardino County, California.

The recent Phase II definition and exploration drill program that took place from November 1, 2016 through to April 30, 2017 and totaled 121 holes/44,500 metres of Reverse Circulation (RC) and diamond core drilling. The program using angled holes focused on improving the grade and proving our understanding of the deposit. The new mineral resource estimate will be supported by a NI 43-101 Technical Report that will be filed within 45 days under the Company’s SEDAR profile at sedar.com.

Table 1 – Castle Mountain 2017 Mineral Resource Estimate (by Category)

	Measured			Indicated		
Cut-off Grade (g/t Au)	Mt	Grade (g/t Au)	Au Moz	Mt	Grade (g/t Au)	Au Moz
0.14	172.1	0.542	3.0	75.3	0.528	1.3
0.20	135.0	0.643	2.8	57.2	0.640	1.2
0.50	46.8	1.245	1.9	19.7	1.251	0.8
1.20	12.1	2.688	1.0	5.5	2.547	0.5
	Measured & Indicated			Inferred		
Cut-off Grade (g/t Au)	Mt	Grade (g/t Au)	Au Moz	Mt	Grade (g/t Au)	Au Moz
0.14	247.3	0.538	4.3	193.1	0.336	2.1
0.20	192.2	0.642	4.0	102.3	0.481	1.6
0.50	66.5	1.247	2.7	23.1	1.104	0.8
1.20	17.6	2.644	1.5	4.8	2.503	0.4

Notes:
1) Mineral resources that are not mineral reserves do not have demonstrated economic viability.

2) Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.

3) The resource estimate is based on a cut-off grade of 0.20 g/t Au.

4) The mineral resource statement has been estimated using initial costs prepared by our independent qualified persons and updated geotechnical and mining inputs. These inputs were used to establish a resource pit limit using a Lerchs-Grossman pit optimization solution and US$1,300 per ounce gold price which demonstrate reasonable prospects for economic extraction.

5) The resource estimate was prepared by the qualified person Don Tschabrun, SME-RM, of Mine Technical Services Ltd.

Gerald Panneton, President and CEO commented: *“Our recent in-fill program succeeded in improving the confidence in the previous 2015 resource estimate, and increasing both the grade and the ounces in the measured category of the deposit. This updated M+I resource model demonstrates the solidity of our geological model, and the better understanding of the high-grade component of this deposit for mining and processing. The increase in the measured category is significant as it defines a solid base for what the*

mineable reserves should be. The new resource will be used as the basis for the future reserve statement to be included in the pre-feasibility study expected to be completed by year end. At the same time, we would like to thank the technical team for their dedicated work, interpretation and staying on schedule for the release of this resource.”

The updated 43-101 Mineral Resource utilizes a 0.20 gram per tonne gold (“g/t Au”) cut-off grade within an optimized pit shell calculated at a gold price of US$1,300 per ounce. Highlights include:

- A total in-pit resources of 4.0 Moz in the M+I categories and an additional 1.6 Moz in the Inferred category
- 9% increase in the Measured + Indicated category’s grade of 0.64 g/t Au from 0.59 g/t Au
- 70% increase in the Measured category (now 135 Mt of 192.2 Mt) due to the better geological control and understanding of the deposit.
- 2.7 Moz gold with a grade of 1.25 g/t Au at a cut-off grade of 0.5 g/t Au
- The cut-off grade (“COG”) table shows the classification that will be used in the ongoing pre-feasibility study to evaluate the different processing options and rate of return based on gold recoveries:
  - 0.2 g/t Au COG for Run-of-Mine (“ROM”) valuation
  - 0.5 g/t Au COG for 2 stage crush or ROM
  - 1.2 g/t Au COG for higher grade material to be processed with a normal grinding – gravity circuit
- The JSLA pit (table 2) indicates a potential of 1.0 Moz to be mined first, in addition to a target potential of low-grade backfill material of approximately 8 to 13 Mt @ 0.31 to 0.40 g/t Au
- The large 1.6 Moz Inferred material in the global resource represents an upside opportunity that will require additional drilling in the future as the deposit remains open in all directions (for example, hole CMM-195 intersection of 2.26 g/t Au over 126m located outside the current resource pit)
- The Company resumed drilling on September 5th to further evaluate the Inferred portion, and also test targets outside the current modeled pit limits.

Table 1 summarizes the results of the mineral resource estimate by category for differing cut-off grades. The Company has chosen to present the mineral resource at 0.2 g/t Au as this corresponds to the previous mineral resource statement. In the pre-feasibility study, the Company will be investigating the effects of updated metallurgical test work and cost studies on using ROM heap leach techniques to process the lower grade portion of the deposit. This could potentially have the effect of reducing the cut-off grade used in the mine plan that will be found in the future pre-feasibility study. Table 2 presents the mineral resource statement for the different parts (domains) of the deposit.

Table 2 – Castle Mountain 2017 Mineral Resource Estimate (by Domain)

	Measured			Indicated		
Zone	Mt	Grade (g/t Au)	Au Moz	Mt	Grade (g/t Au)	Au Moz
JSLA	51.2	0.559	0.9	4.9	0.559	0.1
Jumbo	13.5	0.775	0.3	6.6	0.737	0.2
Oro Belle	42.8	0.658	0.9	15.8	0.545	0.3
South Domes	27.5	0.713	0.6	29.9	0.682	0.7
	Measured & Indicated			Inferred		
Zone	Mt	Grade (g/t Au)	Au Moz	Mt	Grade (g/t Au)	Au Moz
JSLA	56.1	0.559	1.0	21.1	0.418	0.3
Jumbo	20.1	0.762	0.5	15.2	0.518	0.3
Oro Belle	58.6	0.628	1.2	37.5	0.456	0.6
South Domes	57.4	0.697	1.3	28.5	0.542	0.5

Notes:
1) Mineral resources that are not mineral reserves do not have demonstrated economic viability.

2) Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.

3) The resource estimate is based on a gold price of US$1,300/oz and a cut-off grade of 0.20 gpt Au.

4) The mineral resource statement has been estimated using initial costs prepared by our independent qualified persons and updated geotechnical and mining inputs. These inputs were used to establish a

resource pit limit using a Lerchs-Grossman pit optimization solution and US$1,300 per ounce gold price which demonstrate reasonable prospects for economic extraction.

5) The resource estimate was prepared by the qualified person Don Tschabrun, SME-RM, of Mine Technical Services Ltd.

The resource estimate developed by MTS utilized an inverse distance weighting method bounded by multiple grade shell and updated geologically-interpreted domains. A resource classification was developed based on sample support within various distances.

In addition to the mineral resource presented here, there is material contained within the historic waste rock piles at the Project that were mined by the previous operator from 1992 to 2001 that contain a geological potential for mineralization. The previous operator used a 0.5 g/t Au cut-off grade which was based on the need for a three-stage crushing circuit to process the lower-grade parts of the deposit, as well as, a mill to process the higher grade portions of the ore body. In addition, the gold price was significantly lower than it is now.

The Company anticipates using a low cost ROM heap leach method to process the very low grade parts of the deposit. This low cost process method as well as current metal price, allows similar ROM projects in the south western USA to use a 0.14 to 0.20 g/t Au cut-off grade. As a result of this difference in cut-off grade, the current waste rock piles contain some potentially economic mineralized material. Based on the RC drilling of the JSLA backfill and the previously reported rotary air blast (RAB) drilling program, it is estimated that the JSLA backfill contains between 8.0 and 13.0 million tonnes of mineralized material at a grade of between 0.31 and 0.40 g/t Au. It should be noted the entire JSLA pit contains 50 million tonnes of backfill material and the South Domes waste dump contains an additional 20 million tonnes of backfill material. The previously discussed potentially economic mineralized material is only the material that is within 30 metres (100 feet) of a sampling point either from the RC or the RAB drilling program. The Company will continue to evaluate this potentially economic mineralized material going forward and establish possible methods at increasing the certainty of a resource estimate for this material. It should be noted that this potentially economic mineralized material is not considered to be part of the mineral resource estimate nor does it have the geological continuity to be classified within any category of mineral resource at this time.

Qualified Person

Marc Leduc, P. Eng., the Company’s Chief Operating Officer, 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 Augusta Group 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.

This resource statement will be updated when the new NI 43-101 Technical Report for the updated resource is posted on SEDAR within the next 45 days. 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 steeply dipping high grade and stratabound hosted mineralization orientations.

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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 Company’s intentions for its Castle Mountain gold project including the new drill program, mineral resource expansion, the identification of future expansion targets, completion of a pre-feasibility study and the restart of operations 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.