

NewCastle Gold Ltd. (formerly known as Castle Mountain Mining Company Limited)
Management's discussion and analysis
For the three and nine months ended September 30, 2015 and 2014

FORWARD-LOOKING STATEMENT

The following discussion of the results of operations, financial condition and cash flows of NewCastle Gold Ltd. and its wholly-owned subsidiaries (collectively the “Company”) was prepared as at November 30, 2015 and should be read in conjunction with the Company’s interim unaudited consolidated financial statements for the three and nine months ended September 30, 2015 and 2014 and the Company’s consolidated financial statements for the years ended December 31, 2014 and 2013 prepared in accordance with International Financial Reporting Standards (“IFRS”), the Management’s Discussion and Analysis for the years ended December 31, 2014 and 2013 and the Annual Information Form for the year ended December 31, 2014, all documents are available on www.sedar.com. All amounts disclosed are in Canadian dollars unless otherwise stated.

Forward-Looking Statements

Statements contained in this MD&A that are not historical facts are “forward-looking information” or “forward-looking statements” (collectively, “Forward-Looking Information”) within the meaning of applicable Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward Looking Information includes, but is not limited to, disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; the timing and costs of future exploration and testing activities on the Company’s properties; success of exploration activities; time lines for technical reports; planned exploration and development of properties and the results thereof; and planned expenditures and budgets and the execution thereof. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “suggest”, “optimize”, “estimates”, “forecasts”, “intends”, “anticipates”, “potential” or “does not anticipate”, “believes”, “anomalous” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including, but not limited to, that the current testing and other objectives concerning the Castle Mountain project can be achieved and that its other corporate activities will proceed as expected; that the current price and demand for gold will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned exploration on the Castle Mountain project will be obtained in a timely manner and on acceptable terms; the continuity of the price of gold and other metals, that the Company’s existing patented and unpatented land has not been altered by any designation under U.S. Federal statute or other laws and economic and political conditions and operations. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and other factors include, among others, obtaining financing on commercially reasonable terms, operations and contractual obligations; changes in exploration programs based upon results of exploration; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry; environmental risks, including environmental matters under U.S. federal and California rules and regulations; impact of environmental remediation requirements and the terms of existing and potential consent decrees on the Company’s planned exploration on the Castle Mountain project; certainty of mineral title; community relations; delays in obtaining governmental approvals or financing; fluctuations in mineral prices; the Company’s dependence on one mineral project; the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits; the Company’s lack of operating revenues; governmental regulations and the ability to obtain necessary licenses and permits; risks related to mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title; impacts to patented and unpatented land by designation under U.S. Federal Statute or other laws, currency fluctuations; changes in environmental laws and regulations and changes in the application of standards pursuant to existing laws and regulations which may increase costs of doing business and restrict operations; risks related to dependence on key personnel; and estimates used in financial statements proving to be incorrect; as well as those factors discussed in the Company’s public disclosure record. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this MD&A to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers should refer to the Company’s Annual Information Form and Management Discussion and Analysis for the year ended December 31, 2014 as well as the Company’s most recent Management Discussion and Analysis, available on www.sedar.com.

Cautionary Note to U.S. Readers Regarding Estimates of Indicated and Inferred Resources

This MD&A uses the terms “measured” and “indicated” mineral resources and “inferred” mineral resources. The Company advises U.S. investors that while these terms are recognized and required by Canadian securities administrators, they are not recognized by U.S. securities administrators. The estimation of “measured” and “inferred” mineral resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. The estimation of “inferred” resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. It cannot be assumed that all or any part of a “measured”, “inferred” or “indicated” mineral resource will ever be upgraded to a higher category.

Under Canadian rules, estimates of “inferred mineral resources” may not form the basis of feasibility studies, pre-feasibility studies or other economic studies, except in prescribed cases, such as in a preliminary economic assessment under certain circumstances. U.S. securities administrators normally only permit issuers to report mineralization that does not constitute “reserves” as in-place tonnage and grade without reference to unit measures. Under U.S. standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part or all of a “measured”, “indicated” or “inferred” mineral resource exists or is economically or legally mineable. Information concerning descriptions of mineralization and resources contained herein may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of U.S. securities administrators.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category. The inclusion of inferred mineral resources are considered too speculative geologically to have the economic considerations applied to enable them to be categorized as mineral reserves. The mineral resources in this MD&A were reported using CIM Standards.

OVERVIEW

NewCastle Gold Ltd. (“NewCastle” or the Company), formerly known as Castle Mountain Mining Company Limited, was incorporated under the Business Corporations Act (Ontario) on December 16, 2009 and commenced activities as a capital pool company on January 29, 2010 under the name of Foxpoint Capital Corp. On April 25, 2013, the Company completed its Qualifying Transaction (the “Transaction”) by way of amalgamation, with a subsidiary of the Company and Telegraph Gold Inc. (“Telegraph”). At the time of the Transaction, the Company changed its name from Foxpoint Capital Corp. The registered head office is located in Toronto, Ontario, Canada.

On June 25, 2015, the Company’s shareholders approved a name change to NewCastle Gold Ltd., with the name change becoming effective on June 26, 2015.

Subject to certain obligations, the Company 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 Castle Mountain Venture land holdings (7,458 acres total) include patented claims (1,298 acres), and unpatented claims (6,160 acres).

NewCastle through its wholly owned subsidiaries including Castle Mountain Venture, is focused on the exploration and, if warranted, development of gold deposits in San Bernardino County, California. The principal zones gold mineralization identified to date within the Project are below and surrounding historically mined pits on the property including the Oro Belle-Hart Tunnel, Jumbo, and Lesley Anne-Jumbo South Pits, as well as in the South Domes area.

The Company’s common shares trade on the TSX Venture exchange under the symbol “NCA” and on the OTCQX under the ticker “CTMQF”.

Canadian dollars	As at September 30, 2015	As at December 31, 2014
Statements of financial position		
Cash and cash equivalents and short-term investments	\$ 849,370	\$ 5,342,622
Total current assets	\$ 1,052,894	\$ 5,431,715
Total assets	\$ 9,055,845	\$ 13,423,625
Total current liabilities	\$ 3,009,115	\$ 4,625,894
Total liabilities	\$ 5,623,220	\$ 6,835,901
Total equity attributed to common shareholders	\$ 3,432,625	\$ 6,587,724
Total liabilities and equity	\$ 9,055,845	\$ 13,423,625

Canadian dollars	For the three months ended September 30,		For the nine months ended September 30,	
Statements of Operations	2015	2014	2015	2014
Exploration and evaluation	\$ (711,455)	\$ (1,522,522)	\$ (2,811,892)	\$ (2,457,955)
Share-based payment	(45,576)	(196,184)	(478,036)	(559,079)
Salaries	(193,865)	(195,122)	(1,062,831)	(576,716)
Depreciation	(4,216)	(5,657)	(12,648)	(13,562)
Professional and consulting fees	(44,725)	(38,533)	(207,576)	(183,036)
Filing fees and regulatory costs	(24,095)	(25,685)	(69,946)	(55,781)
Travel	(27,795)	(44,510)	(73,088)	(66,787)
Technology and telecommunications	(9,199)	(3,326)	(32,704)	(34,193)
Office and sundry and other	(45,241)	(40,422)	(135,683)	(94,914)
Other income (expense)	(167,937)	(244,548)	(715,111)	(694,756)
Net loss	\$ (1,274,104)	\$ (2,316,509)	\$ (5,599,515)	\$ (4,736,779)

Net loss per share attributed to common shareholders

Basic	\$ (0.02)	\$ (0.03)	\$ (0.07)	\$ (0.07)
Diluted	\$ (0.02)	\$ (0.03)	\$ (0.07)	\$ (0.07)

HIGHLIGHTS

- On June 26, 2015, the Company changed its name to "NewCastle Gold Ltd." from Castle Mountain Mining Company Limited, following approval from its shareholders on June 25, 2015.
- For the three months ended September 30, 2015, the Company recorded a net loss of \$1,274,104 or \$0.02 per share compared with a loss of \$2,316,509 or \$0.03 per share for three months ended September 30, 2014. For the nine months ended September 30, 2015, the Company recorded a net loss of \$5,599,515 or \$0.07 per share compared with a loss of \$4,736,779 or \$0.07 per share for the nine months ended September 30, 2014.
- On August 31, 2015, the Company amended the payment terms of its agreement with Sprott Resource Lending Corp. ("Sprott"). The details of the amendments are described below.
- During the first quarter of 2015, the Company announced positive exploration drilling results from its 2014 Phase 2 drill campaign.
- During the first quarter of 2015, the Company completed a 10-hole 3,792 metre Phase 3 drill campaign following up on recent high-grade intercepts returned within the Lucky John and South JSLA target areas.
- During the first quarter of 2015, the Company announced positive initial results from its metallurgical testing program, with final results announced during the second quarter of 2015.
- On April 7, 2015, the Company announced that David Adamson had joined the Company as Chief Executive Officer and as a member of its Board of Directors and Ian Cunningham-Dunlop

had joined as Vice President, Exploration. Additionally, David Reid and William Cavalluzzo joined the Board of Directors.

- On April 17, 2015, the Company completed a non-brokered offering of 5,714,402 units ("Units") at \$0.35 per Unit for aggregate gross proceeds of \$2,000,040.70 ("Offering"). Each Unit consists of one common share of the Company ("Common Share") and one half of one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional Common Share of the Company at an exercise price of \$0.60 per Common Share until April 17, 2017.

RESULTS OF OPERATIONS

During the first nine months of 2015, the Company was focussed on a 10 hole drill campaign at the Castle Mountain property, which was concluded during the first half of the year. Additionally, the Company performed metallurgical test work. During the first nine months of 2014, the Company was focussed on completion of its Preliminary Economic Assessment ("PEA").

Exploration expenditures for the three months ended September 30, 2015 and 2014 were \$711,455 and \$1,522,522, respectively. Exploration expenditures for the nine months ended September 30, 2015 and 2014 were \$2,811,892 and \$2,457,955, respectively.

The decrease during the three months ended September 30, 2015, compared with the three months ended September 30, 2014, was due to the fact that the Company had completed its drill campaign during the early part of 2015 and was primarily focussed on metallurgical test work during the remainder of the nine month period. In 2014, the Company incurred costs related to the completion of the PEA. The increase during the first nine months of 2015 compared with the first nine months of 2014, was due to the Company completing a drill campaign compared with focussing on the completion of the PEA during 2014. Additionally, the Company was impacted by the strengthening of the US dollar relative to the Canadian dollar during 2015.

A breakdown of the Company's exploration and evaluation expenditures is noted in the table below.

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Personnel, contractor and consultant costs	\$ 282,629	\$ 631,147	\$ 768,831	\$ 1,206,813
Site administration	24,176	51,380	71,739	102,390
Drilling, assaying, field activities and property costs	404,650	839,995	1,971,322	1,148,752
	<u>\$ 711,455</u>	<u>\$ 1,522,522</u>	<u>\$ 2,811,892</u>	<u>\$ 2,457,955</u>

Included in the amounts above are exploration costs related to the Company's first quarter 2015 drill campaign. Costs of drilling and assaying for the drill program amounted to \$1.2 million. Additionally, reflected in the exploration and evaluation costs are costs related to the Company's metallurgical test program which amounted approximately \$0.5 million during the nine months ended September 30, 2015 and are reflected in the Drilling, assaying, field activities and property costs in the table above.

The Company also completed geological data compilation, geological modelling, structural mapping, third party check assaying, and a ground based gravity survey during 2015.

During the first nine months of 2015, the Company announced the final assay results from the Company's 2014 Phase 2 drill campaign. The Phase 2 program included 37 total holes drilled for 10,136 metres split between Core (3,336 metres) and RC (6,800 metres). Results from the drilling were encouraging and returned high-grade intercepts within the Lucky John target area, as well as, broad intervals of gold mineralization around the southern margins of the proposed JSLA pit. Highlights included:

- 74.4 m @ 9.11 g/t gold, including 35.1 m @ 18.97 g/t gold in hole CMM-060
- 33.3 m @ 30.31 g/t gold, including 10.6 m @ 94.04 g/t gold in hole CMM-054

- 137.8 m @ 1.5 g/t gold, including 16.8 m @ 3.07 g/t gold in hole CMM-018, and
- 79.2 m @ 0.89 g/t gold, including 23.8 m @ 1.48 g/t gold in hole CMM-040.

For additional details, please refer to the Company's press release dated January 19, 2015 along with drill hole sections and plans, available on the Company's website and on www.sedar.com.

The Company previously drilled four large diameter holes for metallurgical testing purposes in the third and fourth quarters of 2014, designated CMM-012, CMM-013, CMM-014, and CMM-017. All four holes provided samples across different geological lithologies and alteration zones with the known mineral resource zones. CMM-012 and CMM-013 were drilled into the Jumbo mineral resource zone, CMM-014 was drilled into the Lucky John mineral resource zone, and CMM-17 was drilled into the South JSLA mineral resource zone. From these four holes a total of 19 composites were developed for metallurgical testing. For additional details please refer to the Company's press release dated March 11, 2015, available on the Company's website and on www.sedar.com.

During the first nine months of 2015, the Company announced final drill results from the metallurgical test program. This includes column leach test ("CLT") results from the metallurgical drilling program, and preliminary results from the run of mine ("ROM") test program. For additional details, please refer to the Company's press releases dated March 11, 2015 and June 4, 2015, available on the Company's website and on www.sedar.com.

Beginning in May, the Company began a program of geological and structural mapping and internal modelling designed to improve its understanding of the controls on mineralization.

Share-based payment expense

During the three months ended September 30, 2015 and 2014, the Company incurred share-based payment expense of \$45,576 and \$196,184, respectively. For the nine months ended September 30, 2015 and 2014, the Company incurred share-based payment expense of \$478,036 and \$559,079, respectively. The decrease was due to the fact the most of the share-based payment expense for the options granted had already been recognized.

Salaries

For the three months ended September 30, 2015, salaries expense was \$193,865, compared with \$195,122 for the three months ended September 30, 2014. For the nine months ended September 30, 2015 and 2014, salaries expense was \$1,062,831 and \$576,716, respectively. Salaries expense was higher during the nine months ended September 30, 2015 compared with the nine months ended September 30, 2014 due to severance paid as a result of the departure of certain officers.

Depreciation

The Company recorded depreciation expense of \$4,216 for the three months ended September 30, 2015, lower than the depreciation for the three months ended September 30, 2014. The Company recorded depreciation of \$12,648 and \$13,562, respectively, for the nine months ended September 30, 2015 and 2014. Depreciation was lower for the nine months ended September 30, 2015, as a result of lower net balances being depreciated.

Professional and consulting fees

During the three months ended September 30, 2015 professional fees were \$44,725 higher than the \$38,533 for the three months ended September 30, 2014. During the nine months ended September 30, 2015 and 2014, the Company incurred \$207,576 and \$183,036, respectively in professional and consulting

fees. The increase was largely due to higher corporate activity during the current year compared with the prior year periods.

Filing fees and regulatory costs

Filing fees and regulatory were consistent with the three months ended September 30, 2015 compared with the three months ended September 30, 2014. Filing fees and regulatory were higher for the nine months ended September 30, 2015 compared with the same periods in the prior year as a result increased corporate activity during the early part of 2015.

Travel

Travel includes visits to site, marketing, attendance at conferences and other corporate travel. During the three months ended September 30, 2015 the Company recorded \$27,795 in travel costs, lower than the \$44,510 recognized for the three months ended September 30, 2014. The decrease was due to corporate fewer trips taken during the current year period. The Company incurred travel costs of \$73,088 for the nine months ended September 30, 2015 higher than the travel costs of \$66,787 for the nine months ended September 30, 2014. Travel costs were higher during the nine month period in 2015 due to certain travel related to marketing as well as trips to site during the early part of 2015.

Technology and telecommunications

Technology costs of \$9,199 and \$3,326 for the three months ended September 30, 2015 and 2014, respectively. Technology costs were higher as a result of the set up of an office in Vancouver and the relocation of the corporate offices in Toronto. Technology costs were \$32,704 and \$34,193 for the nine months ended September 30, 2015 and 2014, respectively. Technology costs were lower during the current year period compared with the prior year period as a result of lower required technology support during the current year.

Office and sundry expenses and other operating costs

Other operating costs include the cost of supplies, rent and miscellaneous items. These amounts were higher for the three and nine months ended September 30, 2015 compared with the three and nine months ended September 30, 2014 as a result of increased rent and an increase in activity, largely incurred during the first three months of 2015.

Other income (expense)

Other income (expense) was higher for the three and nine months ended September 30, 2015 compared with the three and nine months ended September 30, 2014, primarily as a result of the accretion on the Company's acquisition liability slightly offset by a foreign exchange gain.

Net loss

For the three months ended September 30, 2015, the Company recorded a net loss of \$1,274,104 or \$0.02 per share compared with a loss of \$2,316,509 or \$0.03 per share for three months ended September 30, 2014. For the nine months ended September 30, 2015, the Company recorded a net loss of \$5,599,515 or \$0.07 per share compared with a loss of \$4,736,779 or \$0.07 per share for the nine months ended September 30, 2014.

OUTLOOK

At the time of filing of this report, the gold price continues to be extremely volatile and gold equities have been sharply depressed. In this difficult environment Management, under the guidance of the Board of Directors of the Company, are reassessing our plans with a view to preserving financial flexibility, while preserving essential work to optimize project value.

Quarterly review

Summarized quarterly information for the past eight quarters is as follows:

Three Month Periods Ended	Net Revenues (\$)	Total assets	Net loss attributable to common shareholders	
		(\$)	Total (\$)	Per Share (\$)
2015 – September 30	-	9,055,845	(1,274,104)	(0.02)
2015 – June 30	-	10,171,068	(1,582,362)	(0.02)
2015 – March 31	-	9,947,925	(2,743,049)	(0.04)
2014 – December 31	-	13,423,625	(3,375,745)	(0.05)
2014 – September 30	-	14,880,164	(2,316,509)	(0.03)
2014 – June 30	-	16,505,309	(1,398,525)	(0.02)
2014 – March 31	-	12,181,284	(1,021,745)	(0.02)
2013 – December 31	-	13,292,862	(1,646,414)	(0.03)

The Company's quarterly results have been impacted by the level of exploration activity undertaken. Total assets have decreased largely the result of the use of cash.

During the third quarter of 2015, the company net loss was smaller compared with the second quarter of 2015 as the second quarter of 2015 included amounts related to severance and share-based payment expense for options which vested immediately. This was offset to some extent by higher exploration and evaluation costs.

During the second quarter of 2015, the net loss was smaller compared with the net loss for the first quarter of 2015 and the fourth quarter of 2014, due to the fact that the Company was performing more drilling in the prior quarters compared with the current quarter.

Impacting results for the fourth quarter of 2014 was exploration costs as the Company was in the process of its Phase II drilling campaign. The net loss in the first and second quarters of 2014 reflects a lower level of exploration as the Company was not actively drilling and focussed on the completion of the PEA.

Impacting results for the fourth quarter of 2013, was share-based payment expense, salaries and professional fees.

Liquidity and Capital Resources

As at September 30, 2015, the Company had cash and cash equivalents and short-term investments of \$849,370 compared with \$5,342,622 at December 31, 2014.

The Company's primary source of additional liquidity is financing transactions. The Company's primary use of cash to September 30, 2015 included exploration and evaluation expenses as well as general and administrative expenses.

At September 30, 2015, the Company had a net working capital deficit of \$1,956,221, largely due to the acquisition liability. However, the Company does have the option at its sole discretion and subject to certain conditions, to settle the liability by issuing shares, which under current market conditions would be its course of action. This compares with a positive working capital balance of \$805,821 at December 31, 2014. Should activity increase, the Company may seek additional funds through financing transactions, if they are available. It is not possible to predict whether financing efforts will be successful or sufficient in the future.

Operating Activities

For the nine months ended September 30, 2015 and 2014, the cash used in operating activities was \$6,489,769 and \$3,613,373, respectively. The primary use of cash was exploration, general and administrative and other operating expenses. The increase in cash used in operating activities compared with the same period in 2014, was largely the result of exploration and general and administrative expenditures as well as a larger reduction in accounts and other payables.

Investing Activities

During the nine months ended September 30, 2015, the Company did not have any cash flows from investing activities. During the nine months ended September 30, 2014, the Company invested \$45,470 in equipment and acquired claims, which were previously leased in the amount of \$55,065.

Financing Activities

During the nine months ended September 30, 2015, the Company generated cash of \$1,966,380 from the issuance of units. During the nine months ended September 30, 2015, the Company generated \$5,252,874 in net proceeds as a result of the issuance of units. Additionally, the Company received \$74,688 as a result of the exercise of options.

Outstanding Share Data

As at November 30, 2015, the Company had 77,605,820, common shares issued and outstanding. Additionally, the Company had 9,158,750 stock options and 7,284,701 common share purchase warrants outstanding. If all warrants and options, were exercised and issued, it would bring the fully diluted issued common shares to a total of 94,049,271 and would generate cash of approximately \$11.1 million.

Share capital and warrants

On April 17, 2015, the Company completed a non-brokered offering of 5,714,402 units at \$0.35 per Unit for aggregate gross proceeds of \$2,000,040.70. Each Unit consists of one common share of the Company and one half of one Common Share purchase warrant. Each Warrant entitles the holder thereof to acquire one additional Common Share of the Company at an exercise price of \$0.60 per Common Share until April 17, 2017.

The 2,857,201 warrants were assigned a fair value of \$189,958 using the Black-Scholes pricing model. The following weighted average assumptions were used: Risk free interest rate - 1.30%; expected volatility - 75%; based on comparable companies, expected dividend yield - nil; expected life - 2 years.

In addition to the fair value assigned to the warrants, the Company incurred \$33,660 in transaction costs.

Planned Use of Proceeds as Previously Disclosed	Actual Use of Proceeds to September 30, 2015
The net cash raised of approximately \$2.0 million is to be used for certain exploration activities and general corporate working capital purposes.	The \$1.1 million was used for exploration and studies and corporate working capital up to September 30, 2015

On June 27, 2014, the Company completed a public offering (the "Offering") of 8,855,000 units (the "Units"), at a price of \$0.65 per Unit for gross proceeds to the Company of \$5,755,750.

Each Unit consists of one common share (a "Common Share") and one half of one Common Share purchase warrant (a "Warrant") of the Company. Each Warrant expires twenty four (24) months from the date of issuance and will entitle the holder thereof to purchase one Common Share (a "Warrant Share") at a price of \$1.00 per Warrant Share. A breakdown of the net proceeds from the Offering is noted in the table below.

8,855,000 units issued	\$ 5,755,750
Fair value of warrants	(756,517)
Transaction costs	(577,564)
Total	\$ 4,421,669

The 4,427,500 Warrants were assigned a fair value of \$756,517 using the Black-Scholes pricing model. The following weighted average assumptions were used: Risk free interest rate - 1.11%; expected volatility - 70%; based on comparable companies, expected dividend yield - nil; expected life - 2 years.

Planned Use of Proceeds as Previously Disclosed	Actual Use of Proceeds to September 30, 2015
Of the net cash raised of \$5.2 million, \$3.8 million was to be used for exploration, drilling, metallurgical test work and hydrogeological, metallurgical and other studies, with the balance to be used for general corporate working capital purposes.	The \$5.2 million was used for exploration and studies and corporate working capital up to September 30, 2015

During the three and nine months ended September 30, 2015, the Company no options were exercised. During the three and nine months ended September 30, 2014, the Company issued 56,250 and 331,250 shares, respectively, as a result of the exercise of options.

Options

On April 7, 2015, the Company issued a total of 2,200,000 options to directors and officers, with 1,200,000 options granted at a price of \$0.40 per option, 500,000 granted at a price of \$0.50 per option, and 500,000 at a price of \$0.60 per option for a period of 5 years. Of the 1,200,000 granted at \$0.40, 800,000 vested during the nine months ended September 30, 2015, 300,000 vest rateably over a one year period beginning one year from the date of grant and 100,000 vest rateably over a one year period beginning two years from the date of grant. The 500,000 granted at \$0.50 vest when the Company's share price trade at or above \$0.70 per share, calculated on a volume weighted average price ("VWAP") basis, over a period of 60 trading days. The 500,000 granted at a price of \$0.60 per common share will vest if and when the common shares trade at or above \$1.00 per Common Share, calculated on a VWAP basis, over a period of 60 trading days.

The grant date fair value of \$137,146 for the 800,000 options that vested during the nine months ended September 30, 2015, was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 75%, based on comparable companies, a risk-free rate of return of 0.78% and an expected maturity of 5 years.

The grant date fair value of \$79,114 for the 300,000 options that vest rateably over a one year period beginning one year from the date of grant, was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 106%, based on comparable companies, a risk-free rate of return of 0.91% and an expected maturity of 5 years.

The grant date fair value of \$28,043 for the 100,000 options that vest rateably over a one year period beginning two years from the date of grant, was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 117%, based on comparable companies, a risk-free rate of return of 1.03% and an expected maturity of 5 years.

The grant date fair value of \$93,280 for the 500,000 options that vest when the Common Shares trade at or above \$0.70 per common share, calculated on a VWAP basis, over a period of 60 trading days was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 75%, based on comparable companies, a risk-free rate of return of 0.78% and an expected maturity of 5 years.

The grant date fair value of \$86,581 for the 500,000 options that vest when the Common Shares trade at or above \$1.00 per common share, calculated on a VWAP basis, over a period of 60 trading days was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 75%, based on comparable companies, a risk-free rate of return of 0.78% and an expected maturity of 5 years.

On May 15, 2015, the Company issued a total of 300,000 options to officers, and a consultant at an exercise price of \$0.43 for a period of 5 years and vesting over a one year period. The grant date fair value of \$59,360 was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 75%, based on comparable companies, a risk-free rate of return of 0.88% and an expected maturity of 5 years.

On June 8, 2015, the Company issued a total of 125,000 options to an officer of the Company at an exercise price of \$0.41 for a period of 5 years and vesting over a one year period. The grant date fair value of \$25,160 was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 75%, based on comparable companies, a risk-free rate of return of 0.88% and an expected maturity of 5 years.

On January 17, 2014, the Company issued a total of 800,000 options to directors, an officer, and consultants at an exercise price of \$0.60 for a period of 5 years and vesting over a one year period. The grant date fair value of \$295,200 was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 75%, based on comparable companies, a risk-free rate of return of 1.69% and an expected maturity of 5 years.

On February 24, 2014, the Company issued a total of 200,000 options to consultants at an exercise price of \$0.89 for a period of 5 years and vesting over a one year period. The grant date fair value of \$111,600 was assigned to the stock options as estimated using the Black-Scholes valuation model with the following assumptions, expected dividend yield of 0%, a volatility of 77%, based on comparable companies, a risk-free rate of return of 1.70% and an expected maturity of 5 years.

During the three and nine months ended September 30, 2015, the Company no options were exercised. During the three and nine months ended September 30, 2014, the Company issued 56,250 and 331,250 shares, respectively, as a result of the exercise of options.

On June 25, 2015, the Company's shareholders approved a new fixed stock option plan. The total number of options that can be issued under the new plan will not exceed 11,640,000.

Related Party Transactions

Compensation of Directors and management

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

For the three months ended September 30, 2015 and 2014, the Company recorded \$224,193 and \$1,149,662, respectively, in salaries and consulting costs to Officers of the Company. During the nine months ended September 30, 2015, the Company paid \$527,917 in severance to former officers of the Company.

For the three and nine months ended September 30, 2014 the Company paid \$271,726 and \$719,283, respectively, in salaries and consulting fees to Officers of the Company.

For the three and nine months ended September 30, 2015, the Company recognized \$220,404 and \$397,740, respectively in share-based payment expense to directors and officers of the Company. For the three and nine months ended September 30, 2014, the Company recognized \$183,895 and \$519,083, respectively in share-based payment expense to directors and officers of the Company.

Commitments

Compliance with laws and regulations

The Company's exploration and evaluation activities are subject to various US and Canadian federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management Contracts

As at September 30, 2015, the Company has entered into contracts with certain officers whereby upon the occurrence of a change of a control and a triggering event the Company is required to pay a maximum of 18 months' salary for certain officers and 24 months salary for others in addition to a bonus equal to the bonus paid in the prior year. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. The total that would have been owed to these officers in the event of a change of control and triggering event would be approximately \$1.8 million at September 30, 2015.

The Company has currently entered into management contracts whereby the Company is committed to pay a maximum of \$1.0 million in salaries or fees over a twelve month period.

BUSINESS ENVIRONMENT AND RISKS

The Company has exposure to liquidity risk and foreign currency risk. The Company's risk management objective is to preserve and redeploy the existing treasury as appropriate and, ultimately protect shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Company's risks and the related exposure are consistent with the business objectives and risk tolerance.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity by ensuring that there is sufficient capital to meet short and long-term business requirements, after taking into account cash requirements from operations and the Company's holdings of cash, cash equivalents, and short-term investments. The Company also strives to maintain sufficient financial liquidity at all times in order to participate in investment opportunities as they arise, as well as to withstand sudden adverse changes in economic circumstances.

The Company's primary source of additional liquidity is through financing transactions. The Company's primary use of cash to September 30, 2015 was exploration and evaluation expenses as well as general and administrative expenses.

Management forecasts cash flows for its current and subsequent fiscal years to predict future financing requirements. Future requirements may be met through a combination of credit and access to capital markets. The Company's cash requirements are dependent on the level of operating activity, a large portion of which is discretionary. Should management decide to increase its operating activity, more funds than what is currently in place would be required. It is not possible to predict whether financing efforts will be successful or sufficient in the future. At September 30, 2015 the Company had \$849,370, (December 31, 2014 - \$5,342,622) in cash and cash equivalents and short-term investments.

In addition, the Company has a payment owing to Sprott, as described in note 5 of the financial statements, which is due in 2016. The Company does have the option at its sole discretion and subject to certain conditions, to settle the liability by issuing shares, which under current market conditions would be its course of action.

The Company has a liability, related to certain payments owed to Sprott Resource Lending Corp. ("Sprott") as a result of the acquisition of the Castle Mountain property on September 6, 2012. On August 31, 2015, the terms of the acquisition were amended.

The details of the payments are as follows:

- The second payment, originally due to Sprott on September 8, 2015, will now be due on February 1, 2016 (the "Second Payment").
- The amount of the Second Payment is increased by 5% from C\$3,000,000 to C\$3,150,000, payable in cash, shares or both at the election of the Company.
- The third and final payment of C\$5,000,000 remains due to Sprott on September 6, 2018 (the "Third Payment") unless, at any time following September 6, 2017, NewCastle's share price based on its 20 day VWAP exceeds \$0.65, in which case the Third Payment becomes immediately due. The Third Payment is payable in cash, shares or both at the election of the Company.
- If either the Second Payment or the Third Payment is satisfied by the Company with shares, the market price of such shares will be calculated using NewCastle's share price based on its 20 day VWAP (excluding up to nine non-trading days) prior to the date of such payment. If there are more than nine non trading days in the 20 day period then the VWAP is calculated as the average of (i) the average of the closing bid and ask prices for each day on which there was no trading, and (ii) the VWAP for the days on which there has been trading.
- If, at any time prior to September 6, 2018, the Castle Mountain property is sold, leased or optioned or if the Company incurs debt out of the ordinary course or completes a debt financing, the Second Payment (if not already made) and the Third Payment become due to Sprott and must be satisfied in cash.

The discounted long-term liability was estimated to be \$5,528,104 as at September 30, 2015 (December 31, 2014 - \$4,787,922) assuming payments will be made in 2016 and 2018.

Accretion costs are expensed in the statement of loss and comprehensive loss. The adjustment to the liability during the three and nine months ended September 30, 2015 was \$130,825.

The total undiscounted amount of cash flows required to settle the long-term liability is \$8,150,000 as at September 30, 2015, (December 31, 2014 - \$8,000,000). A discount rate of 25% was used to calculate the fair value of the long-term liability. Determination of the undiscounted liability and the timing of these obligations were based on internal estimates using the information currently available.

The Company does have the option at its sole discretion and subject to certain conditions, to settle the liability by issuing shares, which under current market conditions would be its course of action.

Currency risk: The Company's expenditures are incurred in Canadian and US dollars. The results of the Company's operations are subject to currency transaction risk. The Company mitigates foreign exchange risk through forecasting its foreign currency denominated expenditures and maintaining an appropriate balance of cash in each currency to meet the expenditures. As the Company's reporting currency is the Canadian dollar, fluctuations in US dollar will affect the results of the Company.

Credit risk: Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at September 30, 2015, the Company's credit risk is primarily attributable to cash and short-term investments. At September 30, 2015, the Company's cash was held with reputable Canadian chartered banks.

Interest rate risk: Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's most significant interest rate risk arises from its investments in short-term investments. As at September 30, 2015, the Company had \$524,605 (December 31, 2014 - \$521,367) in a guaranteed investment certificate.

Land title risk: Although the Company may receive title opinions for any mineral properties in which the Company has or will acquire a material interest, there is no guarantee that title to such properties will not be challenged or impugned. In some jurisdictions, the system for recording title to the rights to explore, develop and mine natural resources is such that a title opinion provides only minimal comfort that the holder has title. Also, in the United States, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the government. A determination of defective title or restrictions in connection with a challenge to title rights could impact the Company's ability to develop and operate at the Castle Mountain project.

The Mojave Desert Preserve, established in 1994, surrounds the Company's patented and unpatented lands. In addition, there is a "buffer zone" of approximately 22,000 acres surrounding the Company's lands. During 2015, US Senator Dianne Feinstein introduced a new bill which would include a significant percentage of the "buffer zone" as part of the expanded Mojave Desert Preserve. The bill can be viewed at http://www.feinstein.senate.gov/public/index.cfm/files/serve/?File_id=8ca1f771-c79c-471b-9c57-e8b26bd32a35.

Also in 2015, Congressman Paul Cook submitted a separate Bill to Congress which can be reviewed at

<https://cook.house.gov/sites/cook.house.gov/files/documents/09-30-15%20CMORCA%20Language.pdf>.

The Company has provided, and continues to provide, input into both bills.

In August, 2015, the Company learned from media reports that Senator Feinstein had requested that President Obama consider using his powers under the Antiquities Act of 1906 to create by presidential proclamation three additional national monuments in the California desert, one of which was called 'Castle Mountains'. In October, 2015, Senator Feinstein announced a public meeting to discuss the three proposed monuments. The Company attended and made a brief presentation at the meeting. The public meeting notice contained a map of the proposed Castle Mountain Monument (see <http://www.feinstein.senate.gov/public/index.cfm/press-releases?ID=38F9EC95-D67F-41F4-822B-DE2E38B7CDD2> displaying the same boundaries as those proposed in Senator Feinstein's Senate bill. Following the public meeting, the Company provided further input to Senator Feinstein's team and representatives of the Administration. Senator Feinstein has publicly stated her intent not to jeopardize the operation of the Castle Mountain Project.

In the Company's view, each of the three foregoing proposals can provide workable solutions to varying degrees, assuming they are not adversely modified from their current form. The Company prefers a legislated solution rather than a proclamation to resolve this matter but there can be no guarantee this will be the case. While the Company continues to work to ensure its best interests are protected and recognized in any of the proposed outcomes, the Company is not able to provide any assurance regarding the final designation of lands subject to the various proposals, nor the timing of implementation of any such designation.

There has been no material changes in the Company's other business risks from those disclosed and more fully described in the MD&A and Annual Information Form for the year ended December 31, 2014 available at www.sedar.com.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING CHANGES

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards. In preparing these statements, management must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and assumptions are believed to be reasonable under the circumstances and are based on historical experience and current conditions. The use of other assumptions could result in different estimates, and actual results may vary from results based on these estimates. As events occur and additional information is obtained, these estimates may be subject to change. Estimates are deemed critical when the Company's financial condition or results of operations could be materially impacted by a change in estimate. The areas where management has made significant judgements include, but are not limited to, mineral interests, provision for income taxes, share-based payments, decommissioning liabilities, and long-term liability.

The Company's significant accounting policies and changes in accounting policies are discussed in its consolidated financial statements for the years ended December 31, 2014 and 2013.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company has considered the effectiveness of the Company's disclosure controls and procedures as at September 30, 2015 and have concluded that these controls and procedures are effective, given the Company's size. It should be noted that while the Company believes that the design of the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with International Financial Reporting Standards. Based on a review of its internal control procedures at the end of the period covered by this management's discussion and analysis, management believes, given the size of the Company, that its internal controls and procedures are appropriately designed as at September 30, 2015.

Sampling Procedures and Quality Assurance

The scientific and technical information regarding the results of the Phase 2 drill program in this MD&A has been reviewed and approved by Kevin Kunkel, CPG, Castle Mountain Project Manager, who is a Qualified Person as defined by NI 43-101. The exploration activities at the Castle Mountain project were carried out under the supervision of Mr. Kunkel.

William J. Pennstrom, Jr., Metallurgical Consultant for the Company, a Qualified Person as defined by National Instrument 43-101, has reviewed and approved the contents of MD&A, with respect to the metallurgical test program. Mr. Pennstrom verified the data by reviewing all available data and the work completed by McClelland Laboratories of Reno, Nevada. No limitations were imposed on his review process. McClelland Laboratories is independent of the Company.

All gold assays are by a 30 g Fire Assay charge followed by an atomic absorption finish (with a 0.0005 g/t lower reporting limit). Cyanide solubility assays are determined by agitating the sample in a dilute cold cyanide solution for 1 hour. Samples reporting values > 10 g/t are analysed using a 30 g Fire Assay charge followed by a gravimetric finish. All composites utilize a 0.2 g/t cut off and may include internal waste. Some intervals may not add or subtract correctly due to rounding, but are deemed insignificant. Analyses are carried out by ALS, Bureau Veritas Minerals, and McClelland Laboratories, Inc. all of which are Sparks, Nevada based laboratories. McClelland Laboratories is independent of the Company and any of its subsidiaries. Blank and standard samples are used for quality assurance and quality control and a review of the results of analyses of the blanks, standards and duplicates by the Company's Qualified Person indicates values are within normal and acceptable ranges. Mr. Kunkel has verified the data underlying the results contained in this MD&A. Mr. Kunkel experienced no limitations in his verification process and is of the opinion that there are no material factors that could affect the reliability of the results.