

Schroeter, Tom EMPR:EX

From: NEWCASTLE [JeanWhitelaw@telus.net]
Sent: Monday, January 16, 2006 12:02 PM
To: NEWCASTLE
Subject: NEWCASTLE (NCM - TSXV) TO HIT TARGET WITH EXPLORATION PROGRAM
Importance: High

→ Target
→ Snip North
→ Waratah (Bug)
→ Phiz

NEWCASTLE MINERALS LTD.

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Press Release

("TARGET")

TELEGRAPH CREEK EXPLORATION

PROGRAM

VICTORIA, BC, January 16, 2006 – Newcastle Minerals Ltd. (TSXV:NCM) is pleased to announce that it has received the results of a helicopter-borne geophysical survey on its 200 square kilometer Target property, located in the Telegraph Creek area of northwestern British Columbia. A total of 169 line-kilometers of magnetic gradiometer and gamma ray spectrometer surveys were completed.

Several circular magnetic anomalies were delineated, the largest of which has a diameter of one kilometer. Some of these anomalies are coincident with mapped intrusive bodies. The geological environment of the property is similar to that which hosts numerous porphyry copper-gold prospects within or adjacent to alkalic or sub-alkalic sub-volcanic intrusive complexes of the Stikine Arch. These examples include the Red Chris, Schaft, Galore Creek, GJ and Kemess deposits – most of which display a distinctive magnetic signature. The Red-Chris prospect has a resource of 185 million tonnes of 0.41% copper and 0.33g/t gold. The Galore Creek deposit (80 km to the south) hosts a resource of 243 million tonnes of 0.75% copper and 0.45g/t gold.

Numerous high grade gold/silver showings have been discovered by Newcastle in the western part of the property. Regional geochemical surveys done by the British Columbia Geological Survey showed highly anomalous values for copper and gold in stream sediments draining the area of the magnetic anomalies and intrusive bodies. Placer gold has been recovered from the Barrington River, immediately downstream from the best airborne magnetic anomalies.

Newcastle is planning a comprehensive exploration program on the Target property as well as its three wholly owned properties located within the Iskut River valley area of northwestern British Columbia. All three properties, namely the SNIP NORTH, BUG / WARATAH, and the PHIZ are within 5 kilometers of the past producing SNIP MINE (1 million ounces gold production).

The technical information contained herein has been reviewed by Mr. David G. DuPre, P.Geo., a consulting geologist and Qualified Person under Canadian securities law.

The company also announces that it has negotiated, subject to regulatory approval, a non-brokered private placement consisting of up to 500,000 units at a price of \$0.15 per unit, to qualified investors. Each unit will