



Castle Silver Resources Inc.
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CASTLE SILVER RESOURCES CORPORATE UPDATE

March 3, 2017 - Castle Silver Resources Inc. (TSXV:CSR, OTC:TAKRF, FRANKFURT:4T9B) (the “Company” or “Castle”), an exploration leader in the prolific Cobalt-Gowganda silver-cobalt district in northern Ontario, is pleased to provide a corporate update including details on a proposed private placement expected to close shortly.

The month of February featured a significant upswing in market activity for Castle. This can be largely attributed to dynamics in the energy metals space, a breakout in the price of cobalt to new multi-year highs above \$20 a pound (U.S.), and a major revival of interest in the Cobalt-Gowganda Camp. This region historically featured over 100 mines and contributed powerfully to the growth of the Canadian mining industry after a spectacular initial discovery in 1903.

Starting in 2011, well before the current upswing in the Cobalt market driven by new technological demand as well as supply concerns, Castle strategically positioned itself in this unique district with approximately \$4 million invested over the last six years to advance its Castle Property in Gowganda and its Beaver Property in Cobalt. Both were well-known silver-cobalt producers beginning in the early 1900’s and were also among the final few active mines when Agnico Eagle ceased production in the region just over 25 years ago due to a plunge in silver prices.

Castle Private Placement

Proceeds from a proposed non-brokered \$750,000 private placement in Castle at 15 cents per unit (non-flow-through) will be used, in part, to expand an ongoing exploration program at the Castle Property following a recently completed IPower3D (induced polarization) survey to identify potential new silver-cobalt drill targets. Importantly, the Company enjoys full access to the underground workings in the main adit after a closure plan accepted by the Ontario government and an agreement with local First Nations.

Meanwhile, the Company eagerly anticipates commencing a new work program at Beaver, also funded through proceeds from this financing, following release of preliminary results from bench-scale metallurgical flotation and gravity testwork as reported in the Company’s news release January 31, 2017.

Private Placement Details

Each unit of the private placement comprises one share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.20 per share for a period of two years from closing, subject to TSX Venture Exchange (“Exchange”) approval. The expiry of the warrants may be accelerated if the closing price of the Company’s shares on the TSX Venture Exchange is at least \$0.30 per share for a period of 10 consecutive trading days during the term of the warrant. The Company may accelerate the expiry of the warrants to 20 calendar days from the date express written notice is given by the Company to the holder. Proceeds of the private placement will also be used for general working capital purposes. Finder’s fees will be paid in connection with the private placement, subject to Exchange policies and approval.

All securities issued in connection with the private placement are subject to a four-month and a day hold period in accordance with applicable Securities Laws.

About Castle Silver Resources Inc.

Castle Silver Resources Inc. (formerly Takara Resources Inc.) is a TSX Venture-listed junior natural resource company focusing on the exploration and development of former silver and cobalt mine properties in northern Ontario including the Castle Silver mine near Gowganda and the Beaver and Violet mines near Cobalt. Additional information on the Company’s properties is available by visiting its website at www.CastleSilverResources.com.

“Frank J. Basa”

Frank J. Basa P. Eng.

President and Chief Executive Officer

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