
CONTACT GOLD REPORTS 2017 FINANCIAL AND OPERATING RESULTS

Vancouver, B.C. (April 27, 2018) – Contact Gold Corp. (the "Company" or "Contact Gold") (TSXV: C) is pleased to announce its financial and operating results for the year ended December 31, 2017.

All dollar amounts are presented in Canadian dollars unless otherwise stated.

2017 Highlights and Recent Developments

- Closed a series of transactions on June 7, 2017, including a reverse take-over ("RTO") transaction, and the acquisition of a portfolio of exploration properties located on Nevada's Carlin Trend, to establish Contact Gold
- Raised \$19.6 million, net of transaction and financing costs on June 7, 2017
- Trading of Contact Gold's common shares began on the TSX Venture Exchange (the "TSXV") under the symbol "C" on June 15, 2017
- Expanded the total land position of the Pony Creek gold property ("Pony Creek") by 47% through the addition of 34.5km² of strategic claims
- Successfully completed the 2017 drill program at Pony Creek, including:
 - completion of 10,390 metres in 42 reverse circulation ("RC") and core drill holes
 - continued validation of a robust gold system with widespread oxidized gold mineralization at Pony Creek's Bowl Zone
 - definition of a significant corridor of shallow oxidized gold mineralization measuring approximately 1 km by 300 metres at Pony Creek's North Zone
- Generated multiple, high priority, previously undrilled targets, and announced the 2018 drill program, expected to comprise 16,000 metres of RC and core drilling at Pony Creek

Highlights from initial results received to date, including assays from RC and core drill holes include¹:

- 2.82 grams per tonne ("g/t") Au over 45.72 m, including 5.45 g/t Au over 21.34 m in drill hole PC17-010
- 0.78 g/t Au over 79.25 metres in drill hole PC17-007
- 1.36 g/t Au over 43.74 metres in drill hole PC17-024
- 0.65 g/t Au over 65.53 metres in drill hole PC17-003 (Oxide)
- 0.61 g/t Au over 47.24 metres in drill hole PC17-017
- 3.95 g/t Au over 6.10 metres in drill hole PC17-019
- 0.41 g/t Au over 47.24 metres in drill hole PC17-001 (Oxide)
- 0.82 g/t Au over 19.81 metres in drill hole PC17-014 (Oxide)
- 0.92 g/t Au over 15.24 metres in drill hole PC17-009
- 1.03 g/t Au over 7.62 metres in drill hole PC17-008, including 0.87 g/t Au over 10.67 metres
- 2.12 g/t Au over 22.86 metres, including 4.53 g/t Au over 9.14 m, in drill hole PCC17-040 (Oxide)

As of December 31, 2017, the Company had approximately \$6.2 million available in cash and cash equivalents, with no significant balance of accounts payable or accruals due.

Outlook

Exploration activities and the related budget for 2018 will continue to focus on creating value at Pony Creek.

The 2018 drill program will focus on four priority target areas at Pony Creek: the Moleen Target; the West Target; the North Zone; and the Bowl Zone. For a map of the 2018 Targets at Pony Creek – please click:

http://www.contactgold.com/_resources/news/2018Apr24Drill-Start_PonyTargetMap.jpg

The 2018 program objectives have been designed to:

- Add additional oxide mineralization at the Bowl Zone and North Zone
- Discover new zones of mineralization at the Moleen and West targets
- Generate and drill test other targets in the district

The approved 2018 exploration budget is approximately \$4.7 million.

¹ See news releases dated [October 4, 2017](#), [November 2, 2017](#), [January 16, 2018](#), and [February 14, 2018](#).

Selected financial data

The following selected financial data is derived from the Consolidated Financial Statements, as prepared in accordance with International Financial Reporting Standards (“IFRS”). Consistent with IFRS for a reverse takeover (“RTO”) transaction, the number of common shares issued and outstanding at December 31, 2017 (50,346,986) (and that which is reflected at December 31, 2016, having adjusted retrospectively for the 8-for-1 share rollback: 2,769,486) are those of Contact Gold, the legal entity, while the values reflected are those of Carlin Opportunities Inc. (“Carlin”), the accounting acquirer. Similarly, the comparative financial information presented herein and in the consolidated financial statements and related notes thereto for the year ended December 31, 2017 (the “Consolidated Financial Statements”), reflects only the assets, liabilities and operations of Carlin since its incorporation.

The Consolidated Financial Statements, and the corresponding MD&A are available on SEDAR at www.sedar.com.

Attributable to shareholders:	<u>Three months ended</u> <u>December 31, 2017</u>	<u>Year ended</u> <u>December 31, 2017</u>	<u>For the period from</u> <u>incorporation on</u> <u>November 23, 2016 to</u> <u>December 31, 2016</u>
Loss for the period	\$2,237,579	\$3,238,190	\$274,048
Loss and comprehensive loss for the period	\$1,959,019	\$6,028,565	\$274,048
Basic and diluted loss per share	\$0.04	\$0.10	\$0.05
	<u>As at December 31, 2017</u>	<u>As at December 31, 2016</u>	
Cash	\$6,176,258	\$250	
Working capital/(deficit)	\$6,239,022	(\$1,001,710)	
Total assets	\$45,424,278	\$731,673	
Current liabilities	\$524,212	\$1,005,471	
Preferred shares	\$9,466,747	\$ -nil	
Shareholder’s equity/(deficit)	\$35,348,230	(\$273,798)	

Losses attributable to shareholders for the year ended December 31, 2017 of \$3.2 million, reflect primarily (i) non-cash expenses arising from the RTO transaction (\$2.2 million “listing expense”), (ii) exploration and evaluation of the Company’s exploration property interests (\$4.3 million), and (iii) costs incurred for professional, legal and advisory fees, wages and salaries and for investor relations activities (in aggregate, \$3.2 million), net of (i) a fair value adjustment recognized on the embedded derivatives within the Preferred Shares (gain of \$5.8 million) and (ii) foreign currency gains of \$0.6 million). Losses from the period from incorporation on November 23, 2016 to December 31, 2016 relate to the professional, legal and advisory fees incurred in order to secure the transactions that gave rise to the establishment of Contact Gold (the “Transactions”).

During the year ended December 31, 2017, exploration and evaluation expenditures predominantly related to activity at the Pony Creek property with the commencement of an active drill program in July. Approximately \$4.0 million in expenditures had been incurred through year end for exploration at Pony Creek.

Other comprehensive loss attributable to shareholders for the year ended December 31, 2017, was \$2.8 million, and reflects the foreign currency impact arising on the post-acquisition carrying value of the Contact Gold Properties.

Net cash operating outflows for the year ended December 31, 2017 of \$6.1 million reflects the commencement of an active exploration program at Pony Creek, marketing and investor relations activities, and the settlement of balances due to service providers and vendors after closing of the Transactions.

The Company’s has elected to capitalize mineral property acquisition costs, and expense exploration expenditures as incurred. Total assets at December 31, 2017 comprise primarily: exploration and evaluation assets of \$38.5 million, including the acquisition “bump” of \$35.01 million attributed to, and subsequently allocated across, the individual properties and assets acquired by Contact Gold, net of a \$2.9 million foreign currency adjustment, and \$0.4 million in cash. At December 31, 2016, total assets included \$0.73 million in expenditures deferred in advance of closing the Transactions. Some of the deferred balance at year end was subsequently included as part of the \$0.59 million in cost capitalized to the acquisition of the Contact Gold Properties, while a portion was included within the total of \$1.56 million share issue costs, offsetting the value of share capital.

Total liabilities at December 31, 2017, include the value of the Preferred Shares (\$9.46 million), and accounts payable and accruals (\$0.52 million). The Preferred Shares were concluded to be a form of obligation and have been included

as a non-current liability. The terms and conditions of the Preferred Shares are detailed in the Consolidated Financial Statements. The accounting value of the Preferred Shares reflects both a "host" component of the instrument and certain embedded derivatives. At inception these were determined to be \$8.14 million and \$6.85 million, respectively. The fair values of each will change from period to period, reflecting (i) an accretion to the host, (ii) a fair value adjustment, and the (iii) the impact of foreign exchange on the embedded derivatives (\$0.9 million, \$0.6 million gain, and \$5.8 million gain, respectively in the period from issuance to December 31, 2017).

The scientific and technical information contained in this news release has been reviewed and approved by Vance Spalding, CPG, VP Exploration, Contact Gold, who is a "qualified person" within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

Drill intercepts were calculated using a minimum thickness of 3.05 metres averaging 0.14 ppm gold and allowing inclusion of up to 4.57 metres of material averaging less than 0.14 ppm gold for low grade intervals and higher-grade intervals were calculated using a minimum thickness of 3.05 metres averaging 1.00 ppm gold and allowing inclusion of up to 4.57 metres of assays averaging less than 1.00 ppm gold. True width of drilled mineralization is unknown, but owing to the apparent flat lying nature of mineralization, is estimated to generally be at least 70% of drilled thickness. Quality Assurance / Quality Control consists of regular insertion of certified reference standards, blanks, and duplicates. All failures are followed up with additional investigation whenever such an event occurs. Multi element geochemical assays are completed on composites using the MEMS 61 method. All assays are completed at ALS Chemex; an ISO 17025:2005 accredited lab. Check assays are being assayed for gold by Bureau Veritas

Pony Creek is an early stage exploration property and does not contain any mineral resource estimates as defined by NI 43-101. There has been insufficient exploration to define a mineral resource estimate at Pony Creek or on any of Contact Gold's properties. The information contained herein is subject to all of the assumptions, qualifications and procedures set out in a technical report entitled "Technical Report on the Pony Creek Gold Project, Elko County, Nevada, USA" dated April 18, 2017, and effective March 15, 2017, prepared by Michael M. Gustin, C.P.G. of Mine Developments Associates of Reno, Nevada (the "Technical Report"), which can be viewed under Contact Gold's issuer profile on SEDAR at www.sedar.com, and reference should be made to the full details of the Technical Report.

About Contact Gold Corp.

About Contact Gold Corp. Contact Gold is a gold exploration company focused on leveraging its properties, people, technology and capital to produce district scale gold discoveries in Nevada. Contact Gold's extensive land holdings are on the prolific Carlin, Independence and Northern Nevada Rift gold trends which host numerous gold deposits and mines. Contact Gold's land position comprises 265 km² of target rich mineral tenure hosting numerous known gold occurrences, ranging from early- to advanced-exploration and resource definition stage.

Additional information about the Company is available at www.contactgold.com.

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Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to planned expenditures through the remainder of the year, and the anticipated exploration activities of the Company at Pony Creek.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include; business integration risks; fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in spot and forward prices of gold, silver, base metals or certain other commodities; fluctuations in

currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formations pressures, cave-ins and flooding); inability to obtain adequate insurance to cover risks and hazards; the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities and indigenous populations; availability of increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development (including the risks of obtaining necessary licenses, permits and approvals from government authorities); and title to properties. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.