

## CONTACT GOLD REPORTS Q3 2018 FINANCIAL AND OPERATING RESULTS

Vancouver, B.C. (November 29, 2018) – Contact Gold Corp. (the "Company" or "Contact Gold") (TSXV: C) is pleased to announce its financial and operating results for the three- and nine-months ended September 30, 2018.

Contact Gold's extensive land holdings are on Nevada's prolific Carlin, Independence and Northern Nevada Rift gold trends which host numerous gold deposits and mines. Contact Gold's land position comprises approximately 212 km<sup>2</sup> of target-rich mineral tenure hosting numerous known gold occurrences, ranging from early- to advanced-exploration and resource definition stage (the "Contact Gold Properties"). The Company's focus is on the Pony Creek gold project.

### Quarterly highlights and recent developments

- Closed the sale of the "Santa Renia" and "Golden Cloud" properties on November 27, 2018 generating approximately \$635,000 in additional cash; enhancing the Company's working capital balance to advance our strategic plan and reduce land holding costs.
- Announced a new near-surface discovery of oxide gold at the 2 kilometre ("km") long "West Zone" at Pony Creek, approximately 1 km from the property's "Bowl Zone".
  - Highlights of drill results include:
    - 0.42 g/t Au over 33.53 metres oxide from 4.57 metres ("m") in discovery hole PC18-018;
    - 0.33 g/t oxide Au over 92.97 metres from surface in hole PC18-51;
    - 0.29 g/t oxide Au over 15.24 m from 10.67 m, and 0.24 g/t oxide Au over 7.62 m from 39.62 m, and 0.22 g/t oxide Au over 32.00 m from 64.01 m in hole PC18-23;
    - 0.71 g/t oxide Au over 10.67 m from 19.81 m in hole PC18-022;
    - 0.34 g/t oxide Au over 10.67 m from 10.67 m in hole PC18-21.
- Announced a new gold discovery at the Pony Creek property's "Pony Spur" target, located 2 kilometres NW of the Bowl Zone, and 1 kilometre west of the West Target.
  - Highlights of drill results include:
    - 0.19 g/t oxide Au over 27.43 m from 65.53 m in hole PC18-26;
    - 0.21 g/t oxide Au over 19.81 m from 53.34 m in hole PC18-27.
- Continued to report high-grade and oxide drill results at Pony Creek's Bowl Zone, the majority of which are step-outs from the historical mineral resource estimate and confirm that the Bowl Zone is open for continued expansion.
  - Highlights of most recent drill results from the Bowl Zone include:
    - 2.42 g/t over 35.05 m from 266.7 m in hole PC18-33,
      - including 3.15 g/t Au over 24.38 m from 274.32 m;
    - 0.55 g/t oxide Au over 25.91 m from 105.16 m in hole PC18-034
    - 0.39 g/t oxide Au over 35.05 m from 92.97 m in hole PC18-31
      - including 1.77 g/t oxide Au over 4.57 m from 99.06 m;
- Further defined large scale, high-priority Carlin-type gold drill targets for the 2019 program at Pony Creek, including the "Elliott Dome" target and the "Moleen" target, each located north of the Bowl Zone, and adjacent to the "Jasperoid Wash" discovery made by Gold Standard Ventures ("GSV").
- Filed a base shelf prospectus (the "**Shelf Prospectus**") with securities regulatory authorities in each of the provinces and territories of Canada, except Québec in order to provide the Company with greater flexibility to raise capital over the 25-month period through which the Shelf Prospectus is valid.

### Outlook

The Company will continue to focus on the Pony Creek property and expects to begin advancing its other South Carlin Trend properties (the "North Star" and "Dixie Flats" gold properties) in 2019. Results from the final drill holes completed in 2018 at Pony Creek will be released through the remainder of the year.

Based upon drill results generated since August 2017, management believes Pony Creek has the potential to host multiple Carlin-type gold systems and if successful, could play an important role in the development of potential operations in the district. The Company expects to complete an initial mineral resource estimate at the Bowl Zone in

2019, and plans to grow the new discovery at the West Zone, expand the footprint at North Zone and follow-up on the Pony Spur, Moleen and Elliott Dome targets through 2019.

Target generation efforts at the property continue to produce new large-scale drill targets featuring the same characteristics that define Carlin-type gold deposits in the district: strong gold values in rock and soil sampling, geophysical anomalies in CSAMT and gravity, and widespread hydrothermal alteration. The Company continues systematic target generation on the approximately 85% of Pony Creek that is outside the Bowl/North and West Zone areas that has never been drilled.

With the prospectivity demonstrated to date at Pony Creek, and after having hit gold mineralization in 89 of 93 holes drilled since acquiring the property in June 2017 (with results from 3 drill holes pending as at the effective date of this MD&A), management has confidence that the property will continue to deliver.

Although the 2019 budget has not been finalized, management anticipate allocating at least 75% of total expenditures to exploration and field activities (year-to-date 70%).

### Selected financial data

Details of financial results as at and for the three- and nine-months ended September 30, 2018 are described in the unaudited condensed interim consolidated financial statements and related notes thereto, as prepared in accordance with International Financial Reporting Standards ("IFRS") (the "Interim Financial Statements"), and the MD&A for the corresponding periods; copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

The following selected financial data is derived from the Interim Financial Statements. Unless otherwise stated, the information herein, and in the tables below, is presented in Canadian \$000s, except per share data.

Attributable to shareholders:	<u>Three months</u> <u>ended</u> <u>September 30,</u> <u>2018</u>	<u>Three months</u> <u>ended</u> <u>September 30,</u> <u>2017</u>	<u>Nine months</u> <u>ended</u> <u>September 30,</u> <u>2018</u>	<u>Nine months</u> <u>ended</u> <u>September 30,</u> <u>2017</u>
	Loss for the period	\$ 3,180	\$ 163	\$ 7,258
Other comprehensive loss(income)	\$ 696	\$ 1,500	\$ (1,205)	\$ 1,569
Loss and comprehensive loss	\$ 3,876	\$ 1,663	\$ 6,053	\$ 2,569
Basic and diluted loss per share	\$ 0.06	\$ 0.00	\$ 0.14	\$ 0.03

	<u>As at September 30, 2018</u>	<u>As at December 31, 2017</u>
Cash	\$ 815,888	\$ 6,176,258
Working capital	\$ 983,055	\$ 6,239,022
Total assets	\$ 41,668,990	\$ 45,424,278
Current liabilities	\$ 695,530	\$ 524,212
Preferred shares	\$ 10,393,897	\$ 9,466,747
Shareholders' deficit	\$ 30,479,566	\$ 35,348,230

Losses attributable to shareholders for the three- and nine-months ended September 30, 2018 of \$3.18 million and \$7.26 million, respectively, include expenditures for (i) exploration and evaluation on the Contact Gold Properties (\$1.94 million and \$3.90 million for each of the three- and nine-month periods), (ii) professional, legal and advisory fees, administration & office expenditures, wages and salaries, and investor relations activities (in aggregate for the three- and six-month periods \$0.64 million and \$1.61 million), and (iii) non-cash stock-based compensation expense of (\$0.27 million and \$0.94 million for each of the three- and nine-month periods). The Company also recognized non-cash gains, offsetting operating activities through each of the periods. These gains include a fair value adjustment recognized on the embedded derivatives within the Company's Preferred Shares of \$0.00 million and \$0.59 million for each of the three- and nine-month periods. Losses for the comparative three- and nine-month periods reflect the professional, legal and advisory fees incurred in order to close the transactions that established Contact Gold, and administrative expenditures, wages and salaries, and investor relations activities (in aggregate, \$0.49 million and \$1.13 million, respectively), net of the fair value adjustment recognized on the embedded derivatives in the comparative periods.

During the three and nine-month periods ended September 30, 2018, exploration and evaluation expenditures predominantly related to activity at the Pony Creek property, including the evaluation and review of data generated through 2017 and the ongoing 2018 drilling program. Approximately \$3.41 million in expenditures had been incurred through September 30, 2018 for exploration at Pony Creek (through September 30, 2017: \$1.82 million).

Other comprehensive income attributable to shareholders for the three- and nine-month periods ended September 30, 2018 was loss of \$0.70 million, and gain of \$1.20 million, respectively (three- and nine-months ended September 30,

2017: losses of \$1.50 million and \$1.57 million). Other comprehensive income/loss reflects predominantly the foreign currency impact arising on the post-acquisition carrying value of the Contact Gold Properties.

Net cash operating outflows for the three- and nine-month periods ended September 30, 2018 of \$2.66 million and \$5.23 million, respectively, reflects primarily (i) ongoing activity and exploration at Pony Creek, (ii) investor relations and head office costs, and (iii) the settlement of balances due to service providers and vendors at prior period ends.

The Company's has elected to capitalize mineral property acquisition costs, and expense exploration expenditures as incurred. Total assets at September 30, 2018 comprise primarily: exploration and evaluation assets of \$39.77 million, including the "bump" of \$35.01 million recorded on closing of the acquisition to acquire the Contact Gold Properties net of a \$1.63 million foreign currency adjustment, and \$0.82 million in cash. At December 31, 2017, total assets included primarily capitalized mineral property acquisition costs of \$38.5 million, the carrying value of prepaid mineral property claims fees of \$0.19 million, and \$6.18 million in cash.

Total liabilities at September 30, 2018 include the value of the Preferred Shares (\$10.39 million), and accounts payable and accruals (\$0.70 million). At December 31, 2017, the balance of total liabilities included the value of the Preferred Shares (\$9.47 million), and accounts payable and accruals (\$0.52 million).

Accumulated other comprehensive loss of \$1.59 million at September 30, 2018 (December 31, 2017: \$2.79 million) reflects the aggregate foreign currency impact on the translation to Canadian dollars of the value of the Contact Gold Properties.

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").

All of the Contact Gold Properties are early stage exploration properties and do not contain any mineral resource estimates as defined by NI 43-101. There has been insufficient exploration to define a mineral resource estimate at any of Contact Gold Properties. Scientific and technical information contained herein is subject to all of the assumptions, qualifications and procedures set out in a technical report entitled "*NI 43-101 Technical Report on the Pony Creek Project, Elko County, Nevada, USA*" (the "Technical Report"), prepared for Contact Gold, with an effective date of October 16, 2018, and dated October 22, 2018, as prepared by Vance Spalding, C.P.G; VP Exploration of Contact Gold, and can be viewed under Contact Gold's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com), and reference should be made to the full details of the Technical Report.

Additional information about the Company is available at [www.contactgold.com](http://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, Dixie Flats and North Star.*

*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.