
CONTACT GOLD REPORTS Q1 2018 FINANCIAL AND OPERATING RESULTS

Vancouver, B.C. (May 29, 2018) – Contact Gold Corp. (the "Company" or "Contact Gold") (TSXV: C) is pleased to announce its financial and operating results for the three months ended March 31, 2018.

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

Quarterly highlights and recent developments

- Commenced a 16,000-metre exploration drill program at the Pony Creek gold project¹
- Further expanded the Pony Creek property with the acquisition of the 7.8 km² East Bailey property²
- Reported final 2017 drill results from Pony Creek's "Bowl Zone" and the "North Zone" target³, including:
 - 2.12 g/t Au over 22.86 metres from 64.01 to 86.87 metres in drill hole PCC17-040 OXIDE
 - Including 4.53 g/t Au over 9.14 metres from 65.53 to 74.67 metres OXIDE
 - 0.59 g/t Au over 32.00 metres from 25.91 to 57.91 metres in drill hole PC17-41 OXIDE
 - 3.95 g/t Au over 6.10 metres from 160.02 to 166.12 metres in drill hole PC17-19
 - 1.88 g/t Au over 6.10 metres from 199.65 to 205.74 metres in drill hole PC17-28 OXIDE
- Reported cyanide soluble gold-to-fire assay ratios of 85-90% on oxidized material from Pony Creek indicating that the oxidized portion of gold mineralization at the Bowl Zone is amenable to standard cyanidation processing⁴
- Pony Creek's North Zone now measures over 1,000 metres in strike length and 300 metres wide; the majority of drill intercepts are oxidized or partially oxidized
The Bowl Zone, at Pony Creek, is host to a historical mineral resource estimate and features a significant drilled footprint (1200 metres x 400 metres), with room to expand in multiple directions, particularly to the north towards North Zone and to the northwest towards several planned 2018 drill targets.
- As of March 31, 2018, the Company had approximately \$5.27 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 with an aggressive and systematic exploration program.

The 2018 drill program will focus on four priority target areas at Pony Creek: North Zone and the Bowl Zone, and the never-before drilled Moleen Target and West Target.

For a map of the 2018 Targets at Pony Creek – see:

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

The 2018 Pony Creek program is designed to:

- Increase the footprint of oxidized gold mineralization at the Bowl Zone and North Zone
- Discover new zones of gold mineralization at the Moleen and West targets
- Continue to generate and drill test additional targets in the district

The Company has mobilized one reverse circulation (RC) drill rig and will add a core drill rig shortly with plans to drill 70 holes on newly-generated, high priority, previously undrilled targets, and to expand existing gold zones at Pony Creek. The planned program will be 25% core and 75% reverse circulation drilling. There are 8 RC drill holes completed (approximately 1,500 metres) as of the date of this news release.

The Company also expects to complete a separate drill program at the North Star property, which is immediately north of Gold Standard Ventures' North Dark Star deposit.

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

¹ See news release dated April 24, 2018

² See news release dated February 6, 2018

³ See news release dated February 14, 2018

⁴ See news release dated May 17, 2018

Selected financial data

Details of financial results as at and for the three months ended March 31, 2018 are described in the unaudited condensed interim consolidated financial statements and related notes thereto (the "Interim Financial Statements"), and MD&A for the corresponding period, copies of which are available on SEDAR at www.sedar.com.

The Interim Financial Statements reflect the closing of a series of transaction in June 2017, including a reverse takeover ("RTO") and the acquisition of an extensive portfolio of target rich mineral exploration properties in the State of Nevada (the "Contact Gold Properties"), that created Contact Gold (together with the RTO, the "Transactions").

Operating results presented herein and in the Interim Financial Statements for the three-month period ended March 31, 2017, reflects only the operations of Carlin Opportunities Inc. ("Carlin"), the entity determined to be the parent for accounting purposes following the RTO. Assets and liabilities presented herein and in the Interim Financial Statements are reflective of the consolidated entity for both the current and comparative periods.

The following selected financial data is derived from the Interim Financial Statements, as prepared in accordance with International Financial Reporting Standards ("IFRS").

	<u>Three months ended</u> <u>March 31, 2018</u>	<u>Three months ended</u> <u>March 31, 2017</u>
Attributable to shareholders:		
Loss for the period	\$ 1,248,596	\$464,489
Other comprehensive income for the period	\$ 1,089,809	-nil
Loss and comprehensive income for the period	\$ 158,787	\$464,489
Basic and diluted loss per share	\$0.02	\$0.05

	<u>As at March 31, 2018</u>	<u>As at December 31, 2017</u>
Cash	\$5,271,411	\$6,176,258
Working capital	\$5,342,270	\$6,239,022
Total assets	\$45,593,817	\$45,424,278
Current liabilities	\$366,628	\$524,212
Preferred shares	\$9,515,010	\$9,466,747
Shareholders' deficit	\$35,620,891	\$35,348,230

Losses attributable to shareholders for the three months ended March 31, 2018 of \$1.25 million, reflect primarily (i) exploration and evaluation of the Company's exploration property interests (\$0.61 million), (ii) costs incurred for professional, legal and advisory fees, administration & office expenditures, wages and salaries, and investor relations activities (in aggregate, \$0.44 million), and (iii) non-cash stock-based compensation expense of \$0.29 million, net of a fair value adjustment recognized on the embedded derivatives within the Preferred Shares (gain of \$0.56 million). Losses for the three-month period ended March 31, 2017 reflect the professional, legal and advisory fees incurred in order to secure the Transactions.

During the three months ended March 31, 2018, exploration and evaluation expenditures were predominantly related to activity at the Pony Creek property, including the evaluation and review of data generated through 2017 and the commencement of the planned 2018 program. Approximately \$0.48 million in expenditures had been incurred through March 31, 2018 for exploration at Pony Creek (in aggregate through March 31, 2017: \$-nil).

Other comprehensive income attributable to shareholders for the three-month period ended March 31, 2018 was \$1.1 million (three months ended March 31, 2017: \$-nil). Other comprehensive income reflects the foreign currency impact arising on the post-acquisition carrying value of the Contact Gold Properties.

Net cash operating outflows for the three-month period ended March 31, 2018 of \$0.9 million 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 year end.

The Company's has elected to capitalize mineral property acquisition costs, and expense exploration expenditures as incurred. Total assets at March 31, 2018 comprise primarily: exploration and evaluation assets of \$39.7 million, including the "bump" of \$35.01 million recorded on closing of the Transactions, net of a \$1.6 million foreign currency adjustment, and \$5.27 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 \$0.15 million, and \$6.17 million in cash.

Total liabilities at March 31, 2018 include the value of the Preferred Shares (\$9.52 million), and accounts payable and accruals (\$0.37 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). 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 Interim 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 values of each will change from period-to-period, reflecting accretion of the host obligation and the impact of foreign currency changes on the host, and (ii) a fair value adjustment (three months ended March 31, 2018: loss of \$0.56 million) and the impact of foreign exchange on the embedded derivatives (three months ended March 31, 2018: \$0.18 million gain).

Accumulated other comprehensive loss of \$1.7 million at March 31, 2018 (December 31, 2016: \$2.8 million) is 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").

Pony Creek and North Star 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 Pony Creek, North Star or on any of Contact Gold's properties. Scientific and technical 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.

Options award

The Company also announces that its Board of Directors has resolved to grant an aggregate of 150,000 incentive stock options ("Options") to acquire common shares of the Company pursuant to the Company's Stock Option Plan (the "Plan") to a new employee of the Company, subject to the applicable policies of the TSX Venture Exchange.

The Options were awarded are exercisable at \$0.295 per share, vesting in thirds at the end of each successive year, and will expire in accordance with the Plan and not later than May 29, 2023

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 275 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.

For more information, please contact (604) 449-3361 for either:

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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 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.