

CONTACT GOLD REPORTS 2018 FINANCIAL AND OPERATING RESULTS

Vancouver, B.C. (April 5, 2019) – 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, 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 200 km² 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.

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

2018 highlights and recent developments

- Closed a non-brokered private placement (the "Offering") of common shares of the Company ("Common Shares"). The Company issued 9,827,589 Common Shares at a price of \$0.29 per Common Share for gross proceeds of \$2,850,000. Net proceeds of the Offering are expected to be used to undertake further drilling at Contact Gold's Pony Creek project located in Elko County, Nevada, and for general working capital.
- 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.
- Continued to report high-grade and oxide gold ("Au") drill results at Pony Creek's Bowl Zone, the majority of which are step-outs from the historical mineral resource area; confirming that the Bowl Zone is open for continued expansion.
 - Highlights of most recent drill results include:
 - 2.42 g/t over 35.05 metres ("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; and
 - 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
- 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 oxide gold drill results include:
 - 0.42 g/t Au over 33.53 m from 4.57 m in discovery hole PC18-018;
 - 0.33 g/t Au over 92.97 m from surface in hole PC18-51;
 - 0.29 g/t 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 Au over 32.00 m from 64.01 m in hole PC18-23;
 - 0.71 g/t Au over 10.67 m from 19.81 m in hole PC18-022; and
 - 0.34 g/t Au over 10.67 m from 10.67 m in hole PC18-21.
- Announced another 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 oxide gold drill results include:
 - 0.19 g/t Au over 27.43 m from 65.53 m in hole PC18-26; and
 - 0.21 g/t Au over 19.81 m from 53.34 m in hole PC18-27.
- 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 Pony Creek's Bowl Zone and adjacent to the "Jasperoid Wash" discovery made by Gold Standard Ventures ("GSV"); the "Palomino" target, immediately NW of the Bowl Zone; and the "Willow" target immediately south of 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 in 2019.

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 continue advancing exploration at the Bowl Zone, to expand the new discovery at the West Zone, and the footprint of the North Zone, and follow-up on the Palomino, 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 intersected gold mineralization in 87 of 93 holes drilled since acquiring the property in June 2017, management has confidence that the property will continue to deliver.

Although the 2019 budget has not been finalized, management anticipate targeting at least 75% of total expenditures to exploration and field activities (2018: 66%).

Selected financial data

Details of financial results as at and for the years ended December 31, 2018 and 2017, are described in the consolidated financial statements and related notes thereto (the "Financial Statements"), as prepared in accordance with International Financial Reporting Standards ("IFRS"), and the MD&A for the corresponding period; copies of which are available on SEDAR at www.sedar.com.

The following selected financial data is derived from the Financial Statements.

	<u>Year ended</u> <u>December 31, 2018</u>	<u>Year ended</u> <u>December 31, 2017</u>
Attributable to shareholders:		
Loss for the period	\$11,855,092	\$3,238,190
Loss and comprehensive loss for the period	\$8,565,066	\$6,028,565
Basic and diluted loss per share	\$0.23	\$0.10
	<u>As at December 31, 2018</u>	<u>As at December 31, 2017</u>
Cash	\$545,164	\$6,176,258
Working capital	\$425,897	\$6,239,022
Total assets	\$40,861,284	\$45,424,278
Current liabilities	\$921,004	\$524,212
Preferred shares	\$11,589,700	\$9,466,747
Shareholders' equity	\$28,275,551	\$35,348,230

Losses attributable to shareholders for the years ended December 31, 2018 and 2017 of \$11.86 million and \$3.24 million, respectively, include expenditures for (i) exploration and evaluation on the Contact Gold Properties of \$4.45 million (2017: \$4.26 million), (ii) loss on disposal of the Santa Renia and Golden Cloud exploration properties of \$1.96 million (2017: -nil), (iii) non-cash stock-based compensation expense of \$1.20 million (2017: \$0.57 million), and (iv) professional, legal and advisory fees, administration & office expenditures, wages and salaries, and investor relations activities of \$2.24 million (2017: \$1.76 million). 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 \$0.46 million (2017: \$5.80 million), and an accretion expense on the 'host' instrument of the Preferred Shares of \$1.84 million (2017: \$0.90 million).

During the year ended December 31, 2018, exploration and evaluation expenditures predominantly related to activity at the Pony Creek property with the commencement of an active drill program in July. Approximately \$3.85 million in expenditures had been incurred through year end for exploration at Pony Creek (2017: 3.95 million).

Other comprehensive gain attributable to shareholders for the year ended December 31, 2018, was \$3.29 million, and primarily reflects the foreign currency impact arising on the post-acquisition carrying value of the Contact Gold Properties (2017: loss of \$2.79 million).

Net cash operating outflows for the year ended December 31, 2018 of \$6.06 million reflects the commencement of an active exploration program at Pony Creek, marketing and investor relations activities, and general corporate activities (2017: \$6.09 million).

The Company has elected to capitalize mineral property acquisition costs, and expense exploration expenditures as incurred. Total assets at December 31, 2018 primarily comprise: exploration and evaluation assets of \$39.28 million, and \$0.54 million in cash. At December 31, 2017, total assets included exploration and evaluation assets of \$38.47 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.

Total liabilities at December 31, 2018, include the value of the Preferred Shares (\$11.59 million), and accounts payable and accruals (\$0.89 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 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 value of the host instrument, and (ii) the impact of foreign exchange on the embedded derivatives (\$1.84 million, and \$0.46 million gain, respectively in the year ended December 31, 2018).

Equity awards

The Company announces that it granted stock options to purchase 1,670,000 common shares of Contact Gold ("Options") on April 3, 2019, to officers, directors, employees and consultants of the Company at an exercise price of \$0.275 per share. The Options have been granted pursuant to Contact Gold's stock option plan (the "Plan") and will expire five years from the date of grant. All of the Options vest as to one third thereof on each of the first, second and third anniversaries of the date of grant, and will expire in accordance with the Plan and not later than April 3, 2024, subject to the applicable policies of the TSX Venture Exchange (the "TSXV").

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

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Scientific and Technical Information

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, and reference should be made to the full details of the Technical Report.

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 the other Contact Gold Properties.

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.