



CONTACT GOLD ANNOUNCES POSITIVE INITIAL RESULTS FROM METALLURGICAL TESTING AT PONY CREEK GOLD PROPERTY, NEVADA

Vancouver, B.C. (May 17, 2018) – Contact Gold Corp. (the “Company” or “Contact Gold”) (TSXV: C) is pleased to announce the results of initial metallurgical test work completed on samples from the Pony Creek gold property (“Pony Creek”), located on the Carlin Trend in Elko County, Nevada, immediately south of Gold Standard Venture’s Railroad/Pinion project.

Key Points

- Cyanide soluble gold-to-fire assay ratios are 85-90% on oxidized material indicating that the oxidized portion of gold mineralization at Pony Creek’s Bowl Zone is amenable to standard cyanidation processing
- Contact Gold is completing cyanide solubility assays for gold on all drill samples that assay greater than 0.14 g/t by fire assay to guide understanding of metallurgical responses and develop a 3D oxide model to be used in constraining future mineral resource estimates, and in selecting the locations for drilling metallurgical core for column leach testing
- Metallurgical testing was not completed by any of the previous explorers at Pony Creek

“The initial results from our individual cyanide assays and composited bottle rolls demonstrate excellent gold recoveries from oxidized material at Pony Creek.” said Matt Lennox-King, President & CEO at Contact Gold, “While these are still early days, this test work indicates that gold mineralization at Pony Creek may yield excellent recoveries by traditional, low-cost, heap leach processing. This will serve to guide our 2018 drill programs as we continue to focus on the broad zones of oxidized gold mineralization at the Bowl and North Zones.”

The following table summarizes initial metallurgical test results for Pony Creek:

	Weighted Average Grade of Fire Assays	Bottle Roll Cyanide Assay	% Gold Recovery Bottle Roll versus Fire Assay
Bowl Zone Conglomerate Oxide Composite #1	0.55 g/t Au	0.45 g/t Au	90%
Bowl Zone Rhyolite Oxide Composite #2	0.27 g/t Au	0.23 g/t Au	85%

Based on these initial metallurgical results, the Company plans to complete further metallurgical testing and a maiden resource estimate upon completion of the 2018 drilling program.

Cyanide bottle rolls were completed by ALS Chemex in Reno, Nevada using the Au/AA-14 method of 12-hour cyanide leach with AAS finish on 1 kg samples composited from remaining pulp material from 2017 RC drilling at the Bowl Zone.

The 2018 drill program is underway with three drill holes completed. The program will comprise of 16,000 metres designed to:

- Add additional oxidized gold mineralization at the Bowl Zone and North Zones
- Discover new zones of gold mineralization at the newly generated Moleen and West targets
- Generate and drill test other targets in the district

For a location map of 2018 completed and proposed drill holes at Pony Creek – see:

<http://www.contactgold.com/resources/news/2018-New-holes.jpg>

The Company is disclosing an historical estimate of 1,426,000 ounces of gold in 29.4M tonnes grading 1.5 g/t gold Pony Creek's Bowl Zone (the "Historical Estimate", and as such term is defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101")).

A qualified person has not done sufficient work to classify the Historical Estimate as current mineral resources or mineral reserves and the Company is not treating the Historical Estimate as current mineral resources. Disclosure of the Historical Estimate in this news release is derived from the Technical Report. There are numerous uncertainties inherent in the Historical Estimate, which is subject to all of the assumptions, parameters and methods used to prepare such historical estimate and reference is made to the full text of the Technical Report with respect thereto. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There are no other recent estimates or data available to Contact Gold as at the date of this presentation and a detailed exploration program is required to be conducted by Contact Gold in order to verify or treat the Historical Estimate as a current mineral resource.

About Pony Creek

In 2017, Contact Gold initiated its maiden drill program at Pony Creek less than 44 days following the acquisition of the property. A 10,390 metre, 42 hole drill program was completed at Pony Creek, comprised of 31 confirmation and exploration holes at the Bowl Zone, and 11 exploration and confirmation holes at the property's North Zone. No drilling had been conducted at Pony Creek in 10 years.

For a table of all 2017 Pony Creek drill intervals– see:

<http://www.contactgold.com/resources/pdf/2017-Pony-Creek-Drill-Results.pdf>

Gold mineralization at Pony Creek's Bowl Zone is principally hosted within Pennsylvanian and Permian aged sedimentary rocks, and within Rhyolite to a lesser degree. The majority of historic exploration holes were drilled to a depth of less than 200 metres, with gold mineralization starting at the surface.

Pony Creek is an early stage exploration property and does not contain any mineral resource estimates as defined by NI 43-101.

Additional information about Pony Creek is summarized 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 Development Associates of Reno, Nevada (the "Technical Report"), which can be viewed under Contact Gold's issuer profile on SEDAR at www.sedar.com

The scientific and technical information contained in this news release has been reviewed and approved by Vance Spalding, CPG#10739, VP Exploration, Contact Gold, who is a "qualified person" within the meaning of NI 43-101.

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. For more information, please contact:

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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 the anticipated exploration activities of the Company on the Pony Creek and North Star 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.