

VANCOUVER, British Columbia, July 20, 2017 (GLOBE NEWSWIRE) -- [Contact Gold Corp.](#) ("Contact Gold") (TSXV:C) is pleased to announce that it has received approval of its Notice of Intent (NOI) permit to perform drilling on its Pony Creek gold property ("Pony Creek") in Elko County, Nevada. Reverse Circulation and core drilling at Pony Creek is expected to start on July 25th.

"We are extremely excited to begin drilling at Pony Creek," stated Vance Spalding, VP Exploration of Contact Gold. "The desktop and field work we have completed since the transaction has generated numerous compelling drill targets in and around the historic gold resource area, as well as in the Pony Creek North target area. Our exploration program, including mapping, geochemical sampling, geophysical compilation and a topographic survey is underway and is designed to generate future growth at Pony Creek in the form of additional high-quality drill targets."

Key Points:

- NOI permit approved to allow drilling from 17 drill stations on the north and central targets
- Over 9,000 metres of diamond core and reverse circulation drilling anticipated
- Drilling focused on delineating and expanding existing mineralized zones at Pony Creek Central from 10 pads covering an area measuring 800 m north-south by 500 m east-west and Pony Creek North from 7 pads covering an area measuring 1,000 m north-south by 200 m east-west
- Initial drill results anticipated in September 2017
- Exploration program underway to identify next suite of drill targets
- Comprehensive soil sampling program initiated on June 27

Pony Creek 2017 Exploration Program

Drilling will be concentrated in areas of previously drilled gold mineralization which remains open for expansion in multiple directions, specifically at areas within and adjacent to the historical resource in the west of the Pony Creek tenure, as well as Pony Creek North (a map of target areas and historic drilling can be viewed here: http://www.contactgold.com/_resources/news/nr_20170720-Map.pdf). Drilling will be completed in two phases, totalling approximately 3,500 metres of diamond core drilling and 5,800 metres of reverse circulation drilling. The first phase of drilling is expected to start on July 25th and be completed in early September. The second phase of drilling is planned to start in October 2017.

The 2017 field program is focused on generating new drill targets across the tenure, through systematic stratigraphic and structural mapping, soil sampling with rock chip follow up and ground based geophysical programs. This effort will target the approximate 70% of Pony Creek which has had limited exploration work completed on it, much of which is interpreted to be underlain by the same prospective regional gold host units (the Webb-Devil's Gate contact and Moleen formations) at which high grade gold discoveries have recently been announced by other operators in the district on the adjacent property to the north.

Soil sampling began on June 27th. Approximately 4,000 samples will be collected on a 100 x 100 metre grid over large, previously-unsampled exposures of the newly recognized prospective host lithologies. Sample spacing will be 100 x 50 meters over the large area underlain by a mineralized rhyolite sill where significant drill intercepts were encountered by previous operators including 2.88 g/t gold over 99.1 meters from 82.3m to 181.4m in PC-020, 2.59 g/t gold over 42.7 meters from 111.3m to 153.9m in PC-07-19, and 1.46 g/t gold over 42.7 meters from 131.1m to 173.7m in PC-07-20. This tighter sample spacing will help identify structural controls to mineralization in combination with detailed outcrop mapping.

About Pony Creek:

Pony Creek is Contact Gold's most advanced project and is the focus of exploration efforts in 2017. The Pony Creek gold property is comprised of a total of 887 unpatented lode mining claims covering approximately 7,285 hectares on the Carlin Trend in the southern part of the Pinon Range in Elko County, Nevada.

The Pony Creek property hosts a previously identified Carlin type gold system and numerous targets that have been the subject of intermittent past exploration campaigns with very limited recent work completed. Pony Creek has largely been dormant since 2007, seeing limited exploration efforts since the renewed focus on the Railroad-Pinion Project to the north.

Pony Creek's exploration database is extensive with a total of 202 holes having been drilled from 1981 through 2007, for a total of 38,586 meters. 12 of the holes were drilled with diamond core methods and the rest were by RC drilling. A total of 81 holes were inclined and the other 121 holes were drilled vertically or sub-vertically. Extensive drilling around historic resource areas has been completed, but much of it was RC or vertical meaning that the structural controls are not fully understood. The majority of holes drilled in the historic resource area were less than 150 metres deep, with a maximum of 300 metres.

Pony Creek is an early stage exploration property and does not contain any mineral resource estimates as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("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. 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 Developments 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, VP Exploration, and Contact Gold's designated "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 make district scale gold discoveries in Nevada. Contact Gold's extensive land holdings are on the prolific Carlin and Independence gold trends which host numerous gold deposits and mines. Contact Gold's land position is comprised of 24,772 hectares (247 square kilometres) of target rich mineral tenure which hosts numerous known gold occurrences, ranging from early- to advanced-exploration and resource definition stage.

Additional information about Contact Gold is available at www.contactgold.com. For more information, please contact:

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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.

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 anticipated exploration activities at Pony Creek.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Contact Gold 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 Contact Gold 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 Contact Gold believes, or believed at the time, to be reasonable assumptions, Contact Gold 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. Contact Gold assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Information Regarding Historical Resources

All scientific and technical information relating to the Pony Creek gold project is based on and derived from the Technical Report. The information contained herein is subject to all of the assumptions, qualifications and procedures set out in the Technical Report and reference should be made to the full details of the Technical Report which may be obtained from Contact Gold's issuer profile on SEDAR at www.sedar.com. Disclosure of the historical estimate in this news release is derived from the Technical Report and has been judged to be relevant and therefore suitable for disclosure, however should not be relied upon. 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. The historic estimate of mineral resources was estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserve Best Practices" Guidelines. 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 news release 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. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves and Contact Gold is not treating the historical estimate as current mineral resources.