

Contact Gold Further Expands Pony Creek Through Acquisition of Adjacent East Bailey Property

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VANCOUVER, British Columbia, Feb. 06, 2018 (GLOBE NEWSWIRE) -- [Contact Gold Corp.](#) (the "Company" or "Contact Gold") (TSXV:C) is pleased to announce the continued expansion of its flagship Pony Creek gold property ("Pony Creek"), through the acquisition of the East Bailey gold property ("East Bailey"). East Bailey is comprised of 109 unpatented mining claims covering 7.8 square kilometres of highly prospective mineral tenure contiguous with Pony Creek. Total consideration for the acquisition of East Bailey is 250,000 shares of Contact Gold and the granting of a 2% net smelter returns ("NSR") royalty over certain portions of East Bailey which do not already have royalties in place. Existing royalties over certain portions of East Bailey are comprised of a 3% NSR royalty, with the option to reduce the NSR royalty to 1%.

This acquisition increases the size of Pony Creek by a further 8% to 1,325 unpatented mining claims covering 107.4 square kilometres. Since June 2017, the Company has added 438 claims to Pony Creek, increasing the property position by over 40%. Including the Dixie Flats and North Star gold properties, Contact Gold now controls approximately 134.8 square kilometres (52 square miles) on the Carlin Trend adjacent to Gold Standard Ventures' Railroad project and proximal to Newmont Mining's Rain and Emigrant mines.

Matthew Lennox-King, President and CEO, Contact Gold, commented "The acquisition of East Bailey continues to strengthen Contact Gold's district-scale land position on a very active area of the South Carlin Trend. East Bailey has a favourable structural and stratigraphic setting conducive to hosting Carlin-type gold deposits. The widespread, low grade to anomalous gold values obtained from a limited number of shallow historic drill holes, which were mostly completed prior to critical CSAMT surveys in 2006 and 2007, demonstrate that East Bailey is prospective for the discovery of Carlin-type mineralization."

A map showing Pony Creek's expanded land position can be viewed here:
http://www.contactgold.com/_resources/news/Pony-Land-acquisitions_Feb52018.pdf

East Bailey adds to the extensive pipeline of high quality exploration targets at Pony Creek outside of the historical resource area, and Contact Gold will systematically advance the project during the 2018 field season

The East Bailey Project:

East Bailey is located on a major structural zone extending from Newmont's Emigrant Mine through Gold Standard's Dark Star deposit and Contact Gold's Bowl Zone; approximately 12 kilometres southeast of the Bowl Zone at Pony Creek. Historic exploration work at East Bailey includes several programs of surface geochemical sampling (rocks and soils), gravity and CSAMT surveys. A total of 14,383 metres of drilling in 48 holes has been completed at East Bailey by previous operators. The majority of the historic drill holes completed at the property returned anomalous to low grade gold values. Several shallow holes encountered gold in the Mississippian Chainman formation that were stopped short of the regional gold host horizon at the Devonian Webb – Devil's Gate contact. The few holes that were drilled deep enough to reach the target returned anomalous to low-grade values at the Devonian Webb and Devil's Gate formations which is the traditional gold host at the Rain & Emigrant mines, and at the Pinion deposit to the north; and the Alligator Ridge deposits at the Bald Mountain mine 40 kilometres to the southeast.

In addition to the favourable stratigraphy and being located on a major North-South structural strand of the Carlin Trend, historic gravity and CSAMT surveys indicate that East Bailey is cut by several intersecting

northwesterly striking fault features that create favorable mineralizing fluid pathways, and an overall complex horst and graben setting.

Pony Creek and East Bailey are early stage exploration properties and do 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/East Bailey. 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, 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 29,130 hectares (291 square kilometres) 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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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 Pony Creek or East Bailey.

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

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