

Contact Gold Corp. Reports 2022 Financial and Operating Results and Provides Corporate Update

05.04.2023 | [The Newswire](#)

Vancouver, April 4, 2023 - [Contact Gold Corp.](#) (the "Company" or "Contact Gold") (TSXV:C) (OTC:CGOLF) is pleased to announce the filing of its financial and operating results for the year ended December 31, 2022. All dollar amounts are presented in Canadian dollars unless otherwise stated.

Contact Gold is focused on advancing the Green Springs oxide gold project ("Green Springs") located on Nevada's Cortez Trend, and the Pony Creek gold project ("Pony Creek"), both of which host extensive and robust Carlin Type gold systems.

The Pony Creek project is located on the southern Carlin Trend and ties on to the southern boundary of the feasibility-stage South Railroad gold project operated by Orla Mining Ltd. (TSX: OLA; NYSE: ORLA). Exploration at the Company's Green Springs project is being funded through a partnership with a subsidiary of Centerra Gold Inc. ("Centerra") pursuant to an earn-in arrangement (the "Centerra Farm-out").

2022 highlights and recent developments

- Entered into the Centerra Farm-out providing Centerra the option to acquire a 70% interest in Green Springs for cumulative earn-in exploration expenditures of USD 10,000,000 and aggregate cash payments to the Company of USD 1,000,000, over a four-year period.
 - Centerra will solely fund a minimum commitment of USD 1,500,000 in exploration expenditures during the first year of the earn-in, or pay the difference to Contact Gold in cash.
 - Contact Gold is the project manager for exploration at Green Springs for at least the first year of the Centerra Farm-out (thereafter Centerra has the right to be project manager), and the Company shall collect a management fee based on eligible expenditures through the earn-in.
 - Green Springs is strategically located 7 km immediately east of the Gold Rock project operated by [Calibre Mining Corp.](#) (TSX: CXB; OTCQX: CXBMF) and 20 km southeast of their Pan Mine.
- Closed a non-brokered private placement (the "2023 Private Placement") of 50,000,000 units ("Units") at a price of \$0.02 per Unit for gross proceeds of \$1,000,000. Each Unit consists of one common share of the Company (a "Contact Share") and one Contact Share purchase warrant (a "Warrant"), with each Warrant entitling the holder to purchase an additional Contact Share at a price of \$0.05 per Contact Share until expiry on February 23, 2026
- Completed the 2022 exploration and drilling program at Green Springs with 23 holes completed for 2,123 metres.
- 2023 drilling highlights at the Tango target:
 - 0.51 grams per tonne ("g/t") gold ("Au") over 30.48 metres, from a depth of 4.57 metres, in drill hole GS22-09
 - Including: 1.02 g/t Au over 3.05 metres
 - 0.70 g/t Au over 16.76 metres, from a depth of 3.05 metres, in drill hole GS22-08
 - 0.45 g/t Au over 24.38 metres, from a depth of 19.81 metres, in drill hole GS22-11

- 2023 drilling highlights at the X-Ray target:
 - 1.66 g/t Au over 28.96 metres, from a depth of 9.14 metres, in drill hole GS22-01
 - Including: 2.66 g/t Au over 15.24 metres
 - 0.82 g/t Au over 35.05 metres, from a depth of 9.14 metres, in drill hole GS22-02
 - Including: 1.32 g/t Au over 16.76 metres
 - 1.95 g/t Au over 41.15 metres, from a depth of 15.24 metres, in drill hole GS22-04
 - Including: 3.71 g/t Au over 15.24 metres
- Announced an initial mineral resource estimate at Pony Creek, featuring:
 - 433,000 inferred pit total constrained ounces at an average grade of 0.52 g/t Au determined with a US\$1,600/oz pit shell and cut off grades of 0.14 and 0.22 g/t gold, depending upon recovery profile, with an overall strip ratio of 2.98 (see News Release dated February 28, 2022).

2023 Outlook

"2023 is the first year of our partnership with Centerra at Green Springs, and we are very excited to be starting a drill program at Green Springs in mid-May to follow-up on the Tango, X-Ray, and BC Gap discoveries made in 2021, and the outstanding follow up results from the 2022 drill program. Drilling is designed to increase the size and scale of these exciting high-grade oxide gold discoveries. The exploration and growth potential at Green Springs is excellent, and the team has developed a large number of additional drill ready targets." said Matt Lennox-King, President & CEO of Contact Gold, "At Pony Creek, our maiden resource estimate remains wide open for expansion, and we aim to complete resource expansion drilling in H2 2023. Pony Creek hosts the large scale, undrilled Mustang and Elliot Dome targets, which we are confident will deliver new oxide gold discoveries. We believe Green Springs and Pony Creek provide a strong platform for exploration success and resource growth in one of the world's premier mining jurisdictions."

Selected financial data

Details of financial results as at and for the years ended December 31, 2022, and 2021 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 periods; copies of which are available on SEDAR at www.sedar.com.

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

	Year ended	
Attributable to shareholders:	December 31, 2022	December 31, 2021
Loss	\$ 3,261,081	\$ 5,673,885
Loss and comprehensive loss	\$ 1,234,547	\$ 5,882,315
Basic and diluted loss per share	\$ 0.01	\$ 0.02

As at December 31,

	2022	2021
Cash	\$ 141,305	\$ 2,684,939
Working capital (deficit) (\$ 242,604)		\$ 2,834,991
Total assets	\$ 31,354,064	\$ 32,116,860
Current liabilities	\$651,889	\$ 340,180
Shareholders' equity	\$30,517,518	\$ 31,635,595

Losses attributable to shareholders for the years ended December 31, 2022, and 2021 of \$3.26 million and \$5.67 million, respectively, include (i) exploration and evaluation expenditures at Green Springs, Pony Creek, and certain other mineral property interests of \$1.42 million (2021: \$2.79 million), (ii) non-cash stock-based compensation expense of \$0.06 million (2021: \$0.36 million), (iii) a non-cash impairment charge on the write-down and disposal of certain exploration properties of \$nil (2021: \$0.16 million), and (iv) professional fees, administration & investor relations expenditures, and wages and salaries of \$1.85 million (2021: \$2.37 million).

During the year ended December 31, 2022, exploration and evaluation expenditures predominantly related to activity at Green Springs as the drill program continued. Approximately \$1.05 million (net of amounts recovered from Centerra) in expenditures had been incurred through year end for exploration at Green Springs (2021: \$2.41 million). An additional \$0.34 million in expenditures were incurred at Pony Creek during the year (2021: \$0.33 million).

Other comprehensive gain attributable to shareholders for the year ended December 31, 2022, was \$2.10 million, and primarily reflects the foreign currency impact arising on the carrying value of the assets and liabilities of the Company's US operating entity (2021: loss of \$0.21 million).

Net cash operating outflows for the year ended December 31, 2022, of \$2.69 million (2021: \$5.06 million) include exploration expenditures (\$1.42 million), marketing and investor relations activities (\$0.25 million), and general corporate activities (\$1.02 million).

The Company capitalizes mineral property acquisition costs, and expenses exploration expenditures as incurred. Total assets at December 31, 2022 primarily comprise: exploration properties of \$30.89 million (2021: \$28.92 million), and \$0.14 million in cash (2021: \$2.68 million). The year-over-year change reflects a \$1.98 increase to the reported value of Contact Gold's mineral property interest caused by foreign exchange, and a decrease of \$2.54 million in cash arising from ongoing exploration and business expenditures.

Total liabilities at December 31, 2022, include accounts payable and accruals of \$0.54 million, a short-term advance of \$0.1 million, and non-current liabilities of \$0.15 million relating to the mineral properties.

Annual General Meeting

The Company will hold its annual general meeting of shareholders ("Annual Meeting") on Thursday, May 25, 2023, commencing at 1:30 pm Vancouver time. Shareholders will be invited to join by teleconference.

Contact Gold uses the Notice and Access process for the delivery of meeting materials. Under Notice and Access, instead of receiving printed copies of the meeting materials, shareholders receive a Notice and Access Notification containing details of the Annual Meeting, its date and purpose, how to access the live teleconference call, and information on how to access the meeting materials electronically. Shareholders with existing instructions on their account to receive printed materials will be mailed a printed copy of the meeting materials.

Closing of financing

The 2023 Private Placement received final approval from the TSXV on March 1, 2023. There were no payments made to any non-arm's length parties, or persons conducting investor relations activities in connection with the 2023 Private Placement.

Planned use of net proceeds include the resumption of active exploration at Pony Creek, and for general working capital. It is expected that at least half of the funds will be dedicated to the Pony Creek property.

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").

With the exception of Pony Creek, Contact Gold mineral property interests are all early stage and do not contain any mineral resource estimates as defined by NI 43-101. With the exception of the Pony Creek deposits, the potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient exploration to define a mineral resource for the targets disclosed herein. It is uncertain if further exploration will result in targets at Green Springs, other targets at Pony Creek, or on any of Contact Gold's properties being delineated as a mineral resource.

Scientific and technical information contained herein is subject to all of the assumptions, qualifications and procedures set out in the technical reports, respectively entitled (i) "Technical Report and Maiden Mineral Resource, Pony Creek Property, Elko County, Nevada, USA", prepared for Contact Gold, effective and signed February 24, 2022, as prepared by Michael Dufresne, M.Sc., P.Geol., P. Geo., and Fallon T. Clarke, B.Sc., P.Geol., of APEX Geoscience, based in Edmonton, Alberta; and (ii) "NI 43-101 Technical Report for the Green Springs Project, White Pine County, Nevada, USA" prepared for Contact Gold, with an effective date of June 12, 2020, and dated August 5, 2020, as prepared by John J. Read, C.P.G; an independent consultant and qualified person under NI 43-101. Each of these technical reports can be viewed under Contact Gold's issuer profile on SEDAR at www.sedar.com, and reference should be made to the full details within each, respectively.

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 the anticipated exploration activities of the Company at the Green Springs and Pony Creek properties, the completion of the earn-in by Centerra at Green Springs, receipt of applicable regulatory approvals, planned expenditures through the remainder of the year, and the results of any exploration activities undertaken.

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: impacts remaining from the global disruption caused by the Covid-19 coronavirus outbreak, potential liquidity issues appearing in the US banking industry, and those arising from the conflict in Europe amongst Russia, Ukraine and a number of other nations; 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.

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