

Contact Gold Corp. Reports Q2 2023 Financial and Operating Results

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Vancouver, August 28, 2023 - [Contact Gold Corp.](#) (the "Company" or "Contact Gold")(TSXV:C) (OTC:CGOLF) is pleased to announce its financial and operating results for the three- and six-months ended June 30, 2023.

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

Green Springs is located on Nevada's Cortez Trend, 7 km immediately east of the Gold Rock project operated by [Calibre Mining Corp.](#) (TSX: CXB; OTCQX: CXBMF). Exploration at Green Springs is being funded through a partnership with a subsidiary of Centerra Gold Inc. ("Centerra") pursuant to an earn-in arrangement (the "Centerra Farm-out"). Pony Creek 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).

Drilling at Green Springs in 2023 continues to generate high-grade, oxide gold mineralization over an increasingly large footprint that remains open in all directions. Recent results from the X-Ray Zone at Green Springs highlight and reinforce the near-surface opportunity at the property (see releases dated July 27, 2023 and August 17, 2023).

The 2023 exploration program at Green Springs has an approved budget of USD 1.85 million and the Company, as project operator has completed 29 reverse circulation drill holes for 4,028 metres. Results from the initial 12 drill holes have been published as of the date of this news release, with 17 pending.

Selected Q2 2023 financial data

Details of financial results as at and for the three- and six-months ended June 30, 2023 and 2022, are described in the unaudited condensed interim consolidated financial statements and related notes thereto (the "Interim 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 Interim Financial Statements. Unless otherwise stated, the information herein, and in the tables below, is presented in Canadian dollars.

Attributable to shareholders for the period: June 30, 2023 June 30, 2022

Loss	\$ 2,243,716	\$ 1,966,764
Other comprehensive loss (gain)	\$ 637,302	\$ (494,971)
Comprehensive loss	\$ 2,881,018	\$ 1,471,793
Basic and diluted loss per share	\$ 0.01	\$ 0.01

Losses attributable to shareholders for the six-months ended June 30, 2023 of \$2.24 million (2022: \$1.97 million), respectively, reflect primarily i) a write-down of the value of the Rock Creek and Wilson Peak exploration properties of \$1.60 million (2022: \$nil); ii) costs incurred for professional, legal and advisory fees, administration & office expenditures, wages and salaries, and investor relations activities (in aggregate,

\$0.66 million, compared to \$1.04 million for the same period in 2022), and iii) exploration and evaluation of the Company's exploration property interests (\$0.14 million, compared to \$0.93 million for the same period in 2022). The amount reported for exploration and evaluation expenditures for the period is net of a recovery of cash pursuant to the terms of the Centerra Farm-out, whereby the cash received from Centerra offsets the accounting for expenditures incurred.

Other comprehensive gain attributable to shareholders for the six-month period ended June 30, 2023 of \$0.64 million (2022: gain of \$0.49 million) is primarily a reflection of the foreign currency impact arising on the carrying value of the Company's U.S. entity which holds the exploration property portfolio, whereby a gain or loss reflects the relative value of the Canadian dollar (the Company's reporting currency) compared to the United States dollar (the currency in which the value of the exploration property portfolio is recorded).

Details of exploration and evaluation activities incurred and expensed by Contact Gold at Green Springs, including non-cash items for each respective period, are as follows:

	Six months ended June 30,	
	2023	2022
Drilling, assaying & geochemistry	\$ 454,767	\$ 244,801
Geological contractors/consultants & related crew care costs	238,374	80,456
Wages and salaries, including non-cash share-based compensation	223,143	160,939
Amortization of Claims Maintenance fees	128,848	114,541
Permitting and environmental monitoring	81,415	121,801
Expenditures for the period	\$ 1,126,547	\$ 722,538
Less: Centerra recovery	(1,108,410)	-
Cumulative balance, net of Centerra recovery	\$ 6,584,910	\$ 6,243,880

Summarized balances from the statements of financial position of each period are as follows

	As at June 30, 2023	As at December 31, 2022
Cash	\$ 691,637	\$ 141,305
Working capital	\$ 284,550	\$ (242,604)
Total assets	\$ 29,633,324	\$ 31,354,064
Current liabilities	\$ 657,564	\$ 651,889
Shareholders' equity	\$ 28,797,119	\$ 30,517,518

Total assets at June 30, 2023 comprise primarily: exploration and evaluation assets of \$28.54 million, and \$0.69 million in cash. At December 31, 2022, total assets primarily comprise exploration and evaluation assets of \$30.89 million, and \$0.14 million in cash.

Total liabilities at June 30, 2023 include non-current liabilities of \$0.18 million, recorded to recognize a provision for site reclamation a lease obligation (December 31, 2022: \$0.18 million), and normal course payables and accruals of \$0.65 million (December 31, 2022: \$0.64 million), settled after period end.

Accumulated other comprehensive loss of \$0.86 million at June 30, 2023 (December 31, 2022: \$0.23 million)

is the aggregate foreign currency impact on the translation to Canadian dollars of the value of the Company's U.S. entity and its portfolio of exploration properties.

Net cash operating outflows for the six-month period ended June 30, 2023, of \$0.31 million (2022: \$1.56 million) include exploration expenditures (\$1.25 million), net of a \$1.11 million recovery from Centerra; marketing and investor relations activities (\$0.07 million), general corporate activities (\$0.10 million), and the settlement of balances due to related parties, service providers and vendors.

About Contact Gold Corp's property interests

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. The Green Springs property is 23.2 km², encompassing 3 shallow past-producing open pits and numerous targets that were not mined. The Company is operator of Green Springs and will lead exploration under Centerra's USD 10 million earn-in.

Strategically located immediately south of [Orla Mining Ltd.](#)'s Railroad-Pinion Project, on the Southern Carlin Trend (TSX: OLA), Pony Creek totals 81.7 km² and is 100% owned by Contact Gold. The Company published a first-time mineral resource estimate at Pony Creek in early 2022, and expects to commence a resource expansion program later in 2023.

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

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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: potential liquidity issues appearing in the US banking industry, and impacts remaining from the global disruption caused by the Covid-19 coronavirus outbreak;; 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.

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