



Contact Gold Corp.
TSXV: C

Annual Information Form

For the year ended December 31, 2017

April 26, 2018

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GENERAL

Reference is made in this annual information form (the “**AIF**”) to the management’s discussion and analysis (the “**MD&A**”) and audited consolidated financial statements (the “**Financial Statements**”) for Contact Gold Corp. (the “**Company**” or “**Contact Gold**”) for the year ended December 31, 2017 and the period from incorporation on November 23, 2016 to December 31, 2016, together with the auditors’ report thereon.

The Financial Statements and MD&A are available for review under the Company’s issuer profile on SEDAR at www.sedar.com and on the Company’s website at www.contactgold.com. All financial information in this AIF is prepared in accordance with International Financial Reporting Standards (“**IFRS**”), as issued by the International Accounting Standards Board and is subject to Canadian auditing and auditor independence standards. IFRS differs in some respects from United States generally accepted accounting principles (“**US GAAP**”) and thus may not be comparable to financial statements of United States companies that are prepared in accordance with US GAAP.

This AIF applies to the business and activities of the Company for the year ended December 31, 2017, and other material subsequent events. Unless otherwise noted herein, information in this AIF is presented as at April 26, 2018, and references to “\$” are to Canadian dollars and references to “US\$” are to United States dollars.

All references in this AIF to the Company or Contact Gold also include references to all subsidiaries of the Company as applicable, unless the context requires otherwise.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This AIF contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its subsidiaries and its mineral project, the future price of metals, test work and confirming results from work performed to date, the estimation of mineral resources and mineral reserves, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, and limitations of insurance coverage. Often, but not always, forward-looking statements can be identified by the use of words and phrases such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions such as 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.

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 be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current and future exploration activities; meeting various expected cost estimates;

changes in project parameters and/or economic assessments as plans continue to be refined; future prices of metals; possible variations of mineral grade or recovery rates; the risk that actual costs may exceed estimated costs; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled “Risk Factors” in this AIF. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this AIF and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements.

CANADIAN MINERAL DISCLOSURE STANDARDS

The scientific and technical information contained in this AIF, including references to mineralization, mineral resources or mineral reserves, are in accordance with Canadian requirements, which differ significantly from the requirements of the United States Securities and Exchange Commission (the “**SEC**”) applicable to reports filed by U.S. companies pursuant to the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”), as amended or the U.S. Securities Exchange Act of 1934, as amended. As such, information contained in this AIF concerning descriptions of mineralization under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“**NI 43-101**”) and the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM**”) — *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. These definitions differ from the definitions in Industry Guide 7 (“**Industry Guide 7**”) under the U.S. Securities Act. Under Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this AIF containing descriptions of any mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

CORPORATE STRUCTURE

Name, Address and Incorporation

Winwell Ventures Inc. (“**Winwell**”) was incorporated under the *Business Corporations Act* (Yukon) on May 26, 2000. On June 14, 2006, Winwell changed its name from “NutraMed Capital Corp.” to “Winwell Ventures Inc.”, and changed its governing jurisdiction from the Yukon Territory to British Columbia.

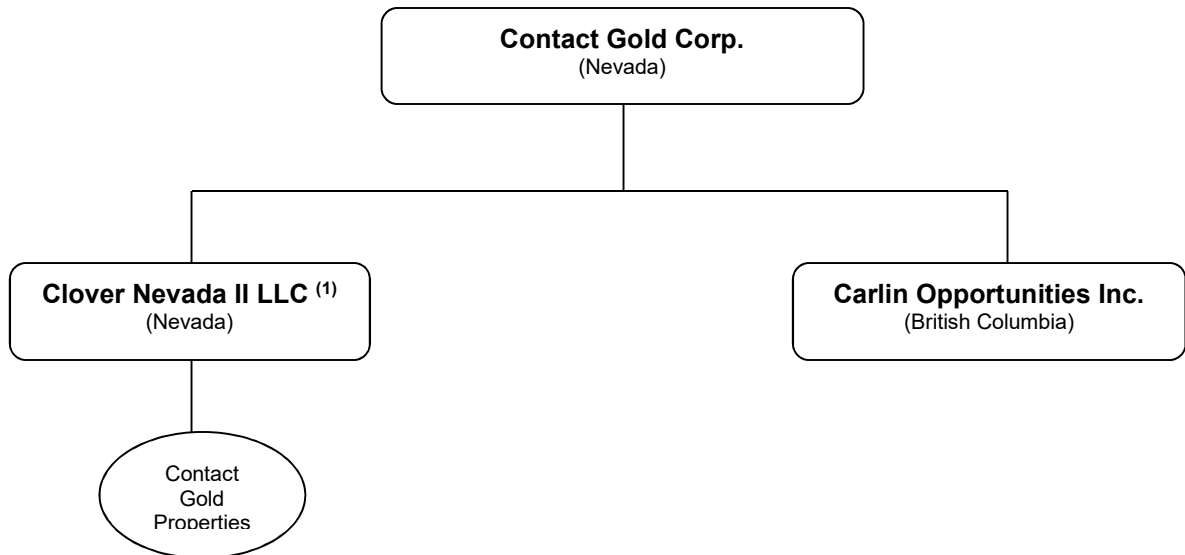
On June 7, 2017, Winwell and Carlin Opportunities Inc. (“**Carlin**”), completed a court approved statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the “**Arrangement**”), pursuant to which, among other things, Winwell acquired all of the issued and outstanding common shares of Carlin, continued into the State of Nevada (the “**Continuance**”) and changed its name to “Contact Gold Corp.” (the “**Name Change**”). The Company is currently governed by the Revised Statutes applicable to Nevada corporations, Title 7, Chapter 78 (the “**Nevada Act**”).

The Transactions (as defined herein) included the completion of a reverse take over (“**RTO**”) of Winwell by Carlin; accordingly, for accounting and financial reporting purposes, and pursuant to IFRS 3, *Business Combinations* (“**IFRS 3**”), Carlin has been identified as the accounting acquirer and is presented in the Financial Statements as the parent company. The comparative financial information presented herein and in the Financial Statements thus reflects only the assets, liabilities and operations of Carlin since its incorporation.

The Company’s head office is located at Suite 1050, 400 Burrard St., Vancouver, BC Canada V6C 3A6. The address of the Company’s registered agent for service of process in Nevada is 4625 W. Nevso Drive, Suite 2, Las Vegas, NV USA 89103.

Intercorporate Relationships

The Company has two wholly-owned subsidiaries as set forth below:



(1) Clover Nevada II LLC (“**Clover Nevada**”), established under the laws of Nevada, is the only material subsidiary of the Company and holds the Contact Gold Properties (as defined herein) on which the Company’s flagship property (the “**Pony Creek Project**”) is located.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a gold exploration company focused on district-scale gold discoveries in Nevada. The Company's extensive land holdings are on the prolific Carlin, Independence and Northern Nevada Rift gold trends. The Company's current properties include the Pony Creek¹, North Star and Dixie Flats properties, as well as a portfolio of prospective properties comprised of the following: Cobb Creek, Dry Hills, South Silver (Golden) Cloud, Hot Creek, Rock Creek, Rock Horse, Santa Renia, Sno, Woodruff, and Wilson Peak. As at the date of this AIF, the Contact Gold Properties comprise in aggregate, 295 square kilometers of unpatented mining claims and mineral tenure.

Recent Developments

On September 13, 2017, the Company acquired the Pony Spur property ("**Pony Spur**") covering approximately 0.5 square kilometers ("**km**") of prospective mineral tenure adjacent to the Pony Creek Project, located approximately 25 km south of Elko, Nevada. Total consideration for the acquisition of Pony Spur was US\$50,000 in cash, 75,000 common shares of Contact Gold ("**Contact Gold Shares**") and the reimbursement of claims fees.

On February 6, 2018, the Company acquired an additional 109 unpatented mining claims known as the Lumps, Umps and East Bailey properties, (together, "**East Bailey**") covering 9.1 km² of prospective mineral tenure adjacent to the Pony Creek Project, in exchange for 250,000 Contact Shares, and the grant of a 2% net smelter returns royalty ("**NSR**") on certain portions of the East Bailey property which do not already have royalties in place. Existing royalties over certain portions of the East Bailey property comprise a 3% NSR, with an option to reduce such royalty to 1%. East Bailey also carries an escalating advance royalty payment obligation, the first amount of which (US\$10,000) is payable in September 2018.

Since closing the Transactions, the Company has also staked an additional 10 unpatented lode claims covering 0.8 km² of prospective mineral tenure adjacent to Pony Creek, primarily to the east and south.

The new claims (i) cover prospective host rocks with strong exploration potential that have seen minimal exploration effort in the past, and (ii) further consolidate the continuity of the property footprint and capture key regional exploration targets in areas underlain by Pennsylvanian-Permian and Mississippian clastic and carbonate rocks known to host gold occurrences in the Railroad-Pinion district. Pony Creek now encompasses approximately 107 km². Including the Dixie Flats and North Star gold properties, Contact Gold controls approximately 135 km² in the district.

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 property's "Bowl Zone", and 11 exploration and confirmation holes at the property's "North Zone".

Three-Year History

Corporate

Over the most recently completed financial year, the following events have contributed to the Company's corporate development:

- December 8, 2016, Winwell announced that it agreed to complete a series of transactions (the "**Transactions**") with Carlin and Waterton Precious Metals Fund II Cayman, LP ("**Waterton**") that resulted in the acquisition of Clover Nevada from a subsidiary of Waterton, that held at that time, a portfolio of 2,762 unpatented mining claims distributed over 13 gold properties located in Nevada (the "**Contact Gold Properties**") including the Pony Creek, North Dark Star and Dixie Flats properties. The Transactions were effected through a securities exchange agreement dated December 8, 2016, as amended on January 31, 2017, among Waterton, Clover Nevada, Winwell and Carlin (the "**Securities Exchange Agreement**"), and an arrangement agreement dated December 8, 2016, as amended on January 31, 2017, between Winwell and Carlin.

¹ Pony Creek includes those claims acquired pursuant to the Transactions, newly staked claims and the Pony Spur and East Bailey properties acquired during 2017.

- March 17 and 22, 2017, Carlin completed two tranches of a private placement of subscription receipts (the "**Subscription Receipts**"), whereby Carlin issued an aggregate of 18,500,000 Subscription Receipts at a price of C\$1.00 per Subscription Receipt for aggregate proceeds of C\$18,500,000.
- June 7, 2017, Winwell and Carlin completed the Transactions. In connection with the completion of the Transactions, Winwell consolidated its share capital on the basis of eight (8) (existing) common shares for one (new) common share, and effected the Continuance and the Name Change. The Subscription Receipts were also converted on a one-for-one basis into a total of 18,500,000 common shares of Carlin, which upon completion of the Arrangement, the Continuance and the Name Change, automatically became Contact Gold Shares.
- On closing of the Transactions, a governance and investor rights agreement dated June 7, 2017 among the Company, Waterton, Matthew Lennox-King, Andrew Farncomb, John Dorward, Mark Wellings and George Salamis (the "**Governance and Investor Rights Agreement**") and an investor rights agreement dated June 7, 2017 between the Company and Goldcorp USA, Inc. ("**Goldcorp**") (the "**Goldcorp Investor Rights Agreement**") were entered into. See "Material Contracts" for a summary of the Governance and Investor Rights and Agreement and the Goldcorp Investor Rights Agreement.
- June 15, 2017, the Contact Gold Shares commenced trading on the TSX Venture Exchange ("**TSXV**") trading under the ticker symbol "C".

Contact Gold Properties

The Company currently owns, through its wholly-owned subsidiary Clover Nevada, a 100% interest in the Contact Gold Properties located on Nevada's Carlin and Independence gold trends, and the along the North Nevada Rift. The Company's main focus is on advancing the Pony Creek Project, which is located in Elko County, Nevada and comprises 1,325 unpatented mining claims covering 107 square kilometers.

Over the most recently completed financial year, in particular for the period from closing the Transactions on June 7, 2017 to December 31, 2017, the following events have contributed to the Company's development of the Pony Creek Project:

Highlights from initial results received to date, including assays from RC and core drill holes include²:

- 2.82 grams per tonne ("**g/t**") gold ("**Au**") over 45.72 metres in drill hole PC17-010
- 0.78 g/t Au over 79.25 metres in drill hole PC17-007
- 1.36 g/t Au over 43.74 metres in drill hole PC17-024
- 0.65 g/t Au over 65.53 metres in drill hole PC17-003 (Oxide)
- 0.61 g/t Au over 47.24 metres in drill hole PC17-017
- 3.95 g/t Au over 6.10 metres in drill hole PC17-019
- 0.41 g/t Au over 47.24 metres in drill hole PC17-001 (Oxide)
- 0.82 g/t Au over 19.81 metres in drill hole PC17-014 (Oxide)
- 0.92 g/t Au over 15.24 metres in drill hole PC17-009
- 1.03 g/t Au over 7.62 metres in drill hole PC17-008, including 0.87 g/t Au over 10.67 metres
- 2.12 g/t Au over 22.86 metres in drill hole PC17-040, including 4.53 g/t Au over 9.14 metres

² Released on October 4, 2017, November 2, 2017, January 16, 2018, and February 14, 2018. These news releases are not and shall not be deemed to be incorporated by reference in this AIF.

Drill intercepts were calculated using a minimum thickness of 3.05 metres averaging 0.14 ppm gold and allowing inclusion of up to 4.57 metres of material averaging less than 0.14 ppm gold for low grade intervals and higher-grade intervals were calculated using a minimum thickness of 3.05 metres averaging 1.00 ppm gold and allowing inclusion of up to 4.57 metres of assays averaging less than 1.00 ppm gold. True width of drilled mineralization is unknown, but owing to the apparent flat lying nature of mineralization, is estimated to generally be at least 70% of drilled thickness. Quality Assurance / Quality Control consists of regular insertion of certified reference standards, blanks, and duplicates. All failures are followed up with additional investigation whenever such an event occurs. Multi element geochemical assays are completed on composites using the MEMS 61 method. All assays are completed at ALS Chemex; an ISO 17025:2005 accredited lab. Check assays are being assayed for gold by Bureau Veritas.

DESCRIPTION OF THE BUSINESS

Business Objectives and Operations

The Company is in the business of mineral exploration and indirectly holds all of the rights to the property interests of Clover Nevada, which are described below. The Company is currently engaged in a Phase 1 exploration program on the Pony Creek Project as recommended in the Technical Report (defined herein), consisting of soil and rock-chip sampling, geologic studies, and geophysics, to aid in target definition; and initial RC and core drilling. The work program commenced in June, 2017 and was undertaken through December 2017. The cost of this Phase 1 program at Pony Creek was approximately US\$3.1 million.

See “The Pony Creek Project” in this AIF.

Competitive Conditions

The mining business is competitive in all phases of exploration, development and production. The Company competes with a number of other exploration and mining companies in the search for, and acquisition of, mineral properties. As a result of this competition, many of whom have greater financial resources, the Company may be unable to acquire attractive mineral properties in the future on terms it considers acceptable. The Company also competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The ability of the Company to acquire properties largely depends on its success in exploring and developing its present properties and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. The Company may compete with other exploration and mining companies for the procurement of equipment and for the availability of skilled labour. Factors beyond the control of the Company may affect the marketability of minerals mined or discovered by the Company. See “Risk Factors”.

Foreign Operations

The Company’s material property interests are located in Nevada. As such, the Company’s operations are exposed to various levels of regulatory, economic, political and other risks and uncertainties. See “Risk Factors”.

Environmental Regulation

The Company’s exploration and development activities, as well as any current or future operations, are subject to environmental laws and regulations in the jurisdictions in which it operates. See “Risk Factors”. The Company maintains, and anticipates continuing to maintain, a policy of operating its business in compliance with all environmental laws and regulations.

Employees

As at April 26, 2018, the Company has 5 employees located in Canada and 2 employees located in Nevada. The Company also operates through sub-contractors and consultants.

THE PONY CREEK PROJECT

Unless stated otherwise, the information in this section is summarized, compiled or extracted from the independent technical report regarding the Pony Creek Project dated effective March 15, 2017 and entitled “*Technical Report on the Pony Creek Project, Elko County, Nevada, USA*” prepared for Winwell and Carlin by Michael M. Gustin, Ph.D., C.P.G., of Mine Development Associates (the “**Technical Report**”). The Technical Report was prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) and has been filed with the securities regulatory authorities in British Columbia, Alberta and the Yukon. The disclosure in this AIF derived from the Technical Report has been prepared with the consent of Michael M. Gustin, Ph.D., C.P.G., of Mine Development Associates, who is a qualified person within the meaning of NI 43-101 and independent of the Company.

The Technical Report is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which has been filed with the applicable Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company’s issuer profile on SEDAR at www.sedar.com. The Technical Report is not and shall not be deemed to be incorporated by reference in this AIF.

For updated disclosure relating to non-material activities and results at the Pony Creek Project since the effective date of the Technical Report, see “General Development of the Business – Recent Developments”, and “Contact Gold Properties”, in this AIF.

Property Description and Location

The Pony Creek property is comprised of a total of 887 unpatented lode mining claims covering approximately 7,285 hectares in the southern part of the Piñon Range in Elko County, Nevada (see Figure 1 below). The property is centered at approximately 40°21’10”N, 115°58’20”W, in the southern portion of the Carlin gold trend approximately 27 km south of the presently producing Emigrant gold mine of Newmont Mining Corporation (“**Newmont**”) and 11 km south of Gold Standard Ventures Corp.’s Pinion and Dark Star gold deposits (see Figure 2 below). From south to north, the claims occupy portions of T28N, R53E and R54E; T29N, R53E and R54E; and T30N, R53E, Mount Diablo Base and Meridian.

Figure 1 – Location Map, Pony Creek Project

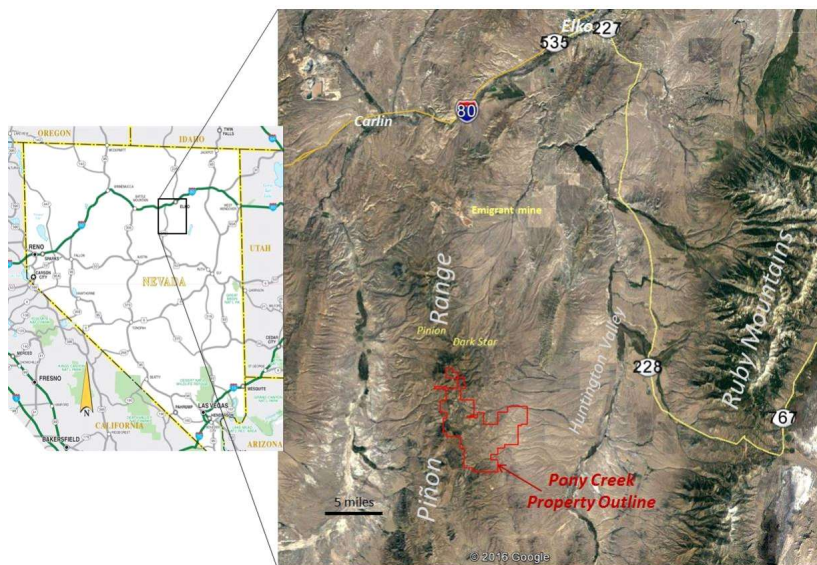
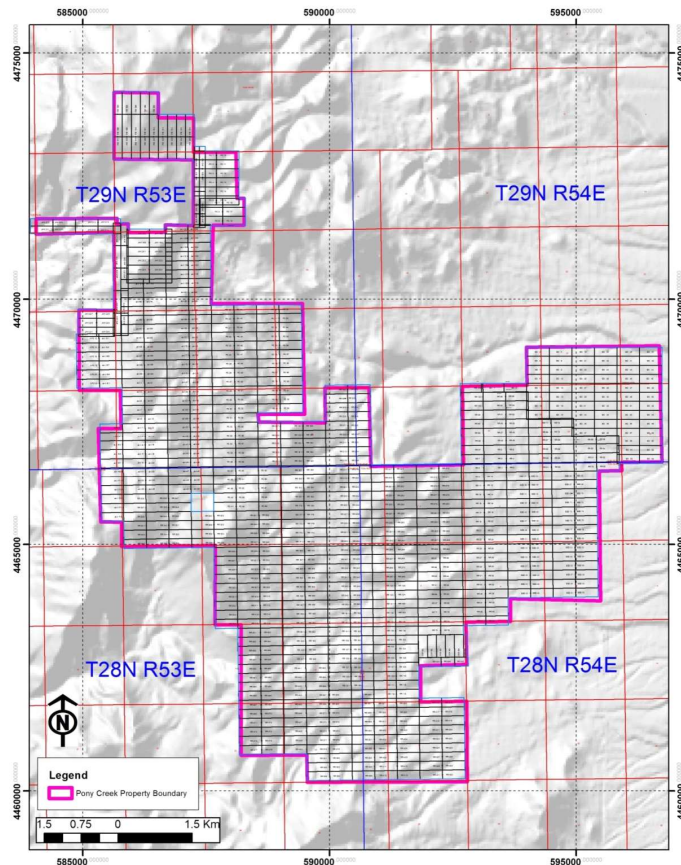


Figure 2 – Property Map for the Pony Creek Project



Ownership of the unpatented mining claims is in the name of the holder (locator), subject to the paramount title of the United States of America (the “**United States**”), under the administration of the U.S. Bureau of Land Management (“**BLM**”). Under the *General Mining Act of 1872*, which governs the location of unpatented mining claims on federal lands in the United States, the locator has the right to explore, develop, and mine minerals on unpatented mining claims without payments of production royalties to the U.S. government, subject to the surface management regulation of the BLM. Annual claim maintenance fees are the only federal payments related to the unpatented mining claims, and these fees have been paid in full through September 1, 2017. Holding costs for the Pony Creek unpatented mining claims are estimated at US\$148,129 annually, including the county recording fees.

A 2017 title report on the Pony Creek Project noted that, based solely upon the title evidence examined, and subject to the comments, qualifications, and exceptions set forth in the Technical Report, it appeared that as of the effective date of the Technical Report, Clover Nevada was the recorded owner of the Pony Creek Project, subject to paramount ownership of the land by the United States given that all of the subject claims covering the Pony Creek Project are unpatented.

Royalties and Agreements

On December 8, 2016, Winwell, Carlin, Waterton and Clover Nevada entered into the Securities Exchange Agreement, pursuant to which the Company acquired all of the issued and outstanding membership interests of Clover Nevada, which is the holder of the Contact Gold Properties, in exchange for the issuance of securities of the Company and a cash payment of \$7,000,000.

On February 8, 2017, Clover Nevada granted certain royalties to its affiliate, Royalty Consolidation Company, LLC (“**Royalty Consolidation**”). The royalties affect 12 of the 13 Contact Gold Properties, including the Pony Creek Project. Royalty Consolidation holds a royalty of 3.0% of the net smelter returns from any and all production and sale of minerals from the Pony Creek Project. Clover Nevada has the option to permanently reduce the royalty rate from 3.0% to 2.0% in exchange for the payment to Royalty Consolidation of US\$1,500,000. The royalty reduction option expires on February 7, 2020.

Mineral production from the Pony Creek claims would be subject to the Nevada net proceeds tax (“NPT”). For operations with annual gross proceeds over US\$4,000,000, the NPT rate is 5%. For operations with gross proceeds less than US\$4,000,000 annually, the NPT tax rate is dependent on the ratio of net proceeds to gross proceeds.

Environmental and Permitting

There are no known environmental liabilities within the Pony Creek Project. Prior to commencement of any surface disturbance, permits must be obtained from the Elko district office of the BLM, which regulates exploration activities such as trenching, drilling, or construction of new roads in the project area. A reclamation bond must also be posted prior to any surface disturbance on the property. For disturbances of less than 2.02 hectares in aggregate, no environmental impact statement is needed to conduct such work in the area in which the property is located. To complete the recommended exploration activities and drilling, the Company plans to apply for a Notice of Intent (“NOI”) level permit from the BLM, with surface disturbance of less than 2.02 hectares.

Based on the personal observations of the author of the Technical Report on the previous site visit, there is no indication of encumbrances or known problems with legal access of the Pony Creek property, and the author was not aware of any land use or conflicting rights, or such other factors and risks that might affect title or the right to explore, beyond what is described in the Technical Report.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Physiography

The Contact Gold Properties cover the crest of the Piñon Range at elevations ranging from 2,000 meters to approximately 2,400 meters within the Bailey Mountain and Robinson Mountain U.S.G.S. 7.5 minute topographic quadrangles. Most of the property comprises gently rolling to moderately steep, sagebrush and grass covered hills with a few juniper and pine trees.

Access to Property

Access to the Pony Creek Project from the west is achieved by traveling the Indian Pony road off State Highway 278, or from the east via the Red Rock Ranch road off a junction with State Highway 228. From Elko access to the property is via the Lamoille Highway, proceeding south on State Highway 227 for a distance of 8.7 km, then south on State Highway 228 past the town of Jiggs, for a total of 53.3 km to the intersection with a graded gravel county road. Proceeding west on the county road, after 2.1 km bear left at the intersection and bear left again at the next intersection after another 2.3 km. After traveling 24.3 km, turn right on a two-track road and after 2.1 km turn right on another two-track road. The southeastern edge of the property is then reached in a distance of a few kilometers.

Climate

The climate can be described as dry and montane. Temperatures are cool to cold during the winter, with occasional moderate snowfalls, and summers are warm with cool nights. The area is fairly dry, with infrequent rains during the summer. Total annual precipitation is about 23 centimetres per year, mostly as snow during the winter months. The climate is favorable for year-round mining. Road access for exploration may be limited or interrupted by snow during December through April, and by mud in the spring. Conditions can be highly variable from year to year.

Local Resources and Infrastructure

A highly-trained mining and industrial workforce is available at Elko, Carlin, Winnemucca, and Reno, Nevada, as well as in Salt Lake City, Utah. The project area is served by U.S. Interstate Highway 80, which passes about 45 kilometres to the north. Mining and industrial equipment, fuel, maintenance, and engineering services and supplies are available in Elko, as are telecommunications, a regional commercial airport, hospitals, and banking.

There are no inhabitants in the immediate project area and there is no electrical power at the project site, but ranch power is available a few miles away. Although the project area is generally hilly, flat areas are present and have the potential for siting a processing plant, tailings storage areas, waste disposal areas, and leach pads.

Year-round surface water is not available within the Pony Creek property. However, according to a 2006 43-101 technical report on the Pony Creek property entitled "*Evaluation of the Gold Resource on the Pony Creek Property Larrabee Mining District Elko County, Nevada*" prepared for Vista Gold Corp. ("**Vista**") and Allied Nevada Gold Corp. ("**Allied Nevada**") (the "**2006 Technical Report**") groundwater was reportedly encountered in most of the historical drill holes. Drill hole PC-12A was used as a well during the first few years of drilling. Water may also be present in sufficient quantities in the nearby valleys to the east and west.

History

Silver, gold, copper, lead, and zinc were discovered approximately 22.5 km north of the Pony Creek property in the central Piñon Range in 1869, at what was subsequently organized into the Railroad (or Bullion) mining district. The Railroad district was worked throughout the 1870s and 1880s, mainly for lead, copper, and silver. The district was later revived in 1905, and there was intermittent production through to the early 1940s.

In the southern Piñon Range, the Larrabee mining district was organized and covered two areas of shallow workings and prospects where small, but unrecorded, amounts of silver and copper may have been produced, as well as less than 1,000 tons of barite. Modern historical exploration in the southern Piñon Range commenced with regional stream-sediment sampling by Newmont in 1980. This led to the recognition of anomalous gold and arsenic in exposures of hydrothermally altered rhyolite within what is now the Pony Creek property. Table 1 below summarizes the historical exploration of the Pony Creek Project area.

Newmont located 180 claims at Pony Creek in the early 1980s and, beginning in 1981, conducted drilling programs intermittently through 1989. In 1987, NERCO drilled 6 reverse-circulation rotary ("**RC**") holes, but it is not known if this was done under an agreement with Newmont or on ground not controlled by Newmont; the holes were drilled outside of the current property limits. Gold mineralization was intersected by Newmont's drilling in the south lobe of a rhyolitic intrusive body and in sedimentary rocks beneath the rhyolite, in what became to be known as the Bowl area.

The results of Newmont's exploration program apparently did not meet their corporate objectives, and Newmont optioned the property to Westmont Mining, Inc. ("**Westmont**") in 1990. Westmont drilled 31 RC holes through 1992.

In April of 1993, Quest International Management Services, Inc. ("**Quest**") acquired Westmont and in 1994 formed a joint venture with Uranerz U.S.A., Inc. ("**Uranerz**") to explore the property. In 1995, the Uranerz joint venture was terminated. A total of 173 holes were drilled from 1981 through 1995.

Quest and Barrick Gold Exploration Inc. ("**Barrick**") formed a joint venture in August 1997. Barrick's main effort consisted of recompiling and reinterpreting drill hole and geophysical data generated by previous operators and conducting a controlled-source audio-magnetotelluric ("**CSAMT**") survey in the northern part of the claim block. The joint venture drilled 4 RC holes.

In 1999, Quest was acquired by the Standard Mining Co., which abandoned the Pony Creek property. Later that year, Mr. Carl Pescio located new claims over the mineralized rhyolite area and leased the property to the Homestake Mining Company ("**Homestake**") shortly afterward. Homestake drilled 5 RC holes and terminated their agreement with Mr. Pescio.

Nevada Contact Inc. optioned the property from Mr. Pescio in 2001 and drilled 8 RC holes in 2002 before terminating the agreement in early 2003. In July 2003, Mill City International Corp. ("**Mill City**") purchased the property from Mr. Pescio, who became an officer of Mill City.

Grandview Gold Inc. ("**Grandview**") entered into a letter option agreement with Mill City in 2004. Grandview carried out mapping and surface sampling, and in 2005 and 2006 drilled a total of 10 core holes.

The 2006 Technical Report presented regional gravity and total-field aeromagnetic maps compiled and interpreted by J. Wright in 2004. The 2006 Technical Report did not specify the company that commissioned the Wright 2004 geophysical interpretations, so it is not clear if this work was done for Mill City or Grandview.

By 2006 ownership of the Pony Creek property had been transferred from Mill City to the Pescio Group. In mid-2006, Vista acquired the Pony Creek property from the Pescio Group and, following a series of transactions, control of the property was assigned to Allied Nevada in May 2007. Neither Vista nor Allied Nevada conducted exploration of the Pony Creek property, but the claims were maintained.

Allied Nevada entered bankruptcy in March 2015. In June of the same year, Clover Nevada I LLC, a subsidiary of Waterton, acquired Pony Creek, along with other exploration assets, through the bankruptcy process. On November 8, 2016, Clover Nevada II LLC acquired the Contact Gold Properties from Clover Nevada I LLC. Since then, no further exploration work had been completed on the property.

Table 1 – Historical Exploration at Pony Creek Since 1980

Year	Operator	Drilling (holes)	Comments
1980	Newmont	none	Stream sediment sampling; staked 100 claims
1981-1982	Newmont	20 RC; 2 Core	Mapping, soil geochemistry, aeromagnetic survey, add 80 claims
1983-1985	Newmont	59 RC	Drilling in the Bowl area; photogeologic study, structural analysis, soil sampling, mapping
1987	NERCO	6 RC	Drilling to the west of present claim boundary
1987-1989	Newmont	40 RC	Mapping; Drilling in Bowl area, Pot Holes, Picnic Ridge, and 5 holes drilled west of the present property boundary
1990	Westmont-Newmont JV	none	JV formed with Westmont as operator
1991-1992	Westmont-Newmont JV	31 RC	Soil sampling, induced potential ("IP"); RC drilling
1993	Ramrod Gold Inc.	none	Westmont acquired by Ramrod Gold (Quest International Resources)
1994-1995	Uranerz U.S.A.	15 RC	Uranerz U.S.A. acquires option from Quest International; IP, ground magnetic survey, mapping, soil sampling
1996-1997	Quest international	none	purchase of Newmont interest by Quest International
1997-1998	Barrick-Quest JV	4 RC	Barrick enters JV with Quest; drilling and geophysics
1999	Homestake	none	Quest acquired by Standard Mining, claims lapse; C. Pescio stakes area and leases to Homestake
2000	Homestake	5 RC	Homestake lease terminated
2001-2003	Nevada Contact	8 RC	Leased by Nevada Contact; re-log drill holes, CSAMT survey
2003	Mill City International	none	Mill City purchase of Pony Creek property from C. Pescio
2004-2007	Grandview Gold	10 Core; 13 RC	Grandview Gold option with mapping, drilling; property returned to Allied Gold in 2007
2006-2014	Vista Gold Allied Nevada	none	Pony Creek acquired by Vista Gold in 2006; spun off to Allied Gold in 2007
2015-2016	Waterton	none	Acquired in 2015 by a subsidiary of Waterton Precious Metals Funds II Cayman, LP

No recorded mineral production has been attributed to the Pony Creek property and no workings larger than a few small prospect pits are known to exist.

Historical Mineral Resource Estimates

Based on a report prepared for Mill City in 2004, Newmont completed a resource estimation in 1983 that is judged to be relevant and therefore suitable for disclosure in Table 2 below. This estimate is not classified, the author of the Technical Report has not done sufficient work to categorize this historical estimate as current mineral resources, the Company is not treating this historical estimate as current resources, and therefore, although considered relevant, this historical resource should not be relied on.

Table 2 – Historical Newmont Mineral Resource Estimate

Year	1983
Estimate	Newmont*
Cut-off oz Au/ton	unknown
Tons, no classification	1,124,000
Au oz, no classification	65,000

* as reported by Russell (2004); table in Technical Report notes "Au oz/ton", corrected in this AIF to remove typographical reference to per ton

In a technical report prepared for Vista Gold and Allied Nevada, Russell (2006) re-stated his prior resource estimate of 32,409,100 tons at a grade of 0.044 oz Au/tonne (1,426,000 ounces) prepared for Mill City International in 2004. The author of the Technical Report has not done sufficient work to categorize this historical estimate as current mineral resources, and it is the author's opinion that the Russell (2004, 2006) historical resource estimate does not meet current Canadian Institute of Mining, Metallurgy and Petroleum standards. **The Company is not treating this historical estimate as current and this historical resource should not be relied upon.**

Geological Setting and Mineralization

The Pony Creek Project is situated in the Piñon Range within the south-central Carlin trend, a north-west-south-east alignment of sedimentary rock-hosted gold deposits and mineralization in the Basin and Range geologic province of western North America. The central part of the Piñon Range is composed of Ordovician through Mississippian marine sedimentary rocks that form a structural dome with clastic marine sedimentary rocks as young as Pennsylvanian or early Permian along the margins. The Paleozoic sedimentary rocks have been intruded and overlain by subvolcanic and volcanic stocks, dikes and extrusive units of the Eocene Indian Well volcanic field, which comprise the Indian Well Formation, and the Eocene Robinson Mountain volcanic center.

Prominent structural features include the north-south trending Piñon Range anticline and the related "Piñon graben" and associated faults. Basin and Range faults have overprinted the Piñon Range anticline.

Hydrothermal alteration at Pony Creek is reported to be characterized by the assemblage quartz-sericite-pyrite within the intrusive body in and near north-trending and northeast-trending faults. The fault zones are fragmental and/or brecciated, and contain very fine-grained quartz, sericite, and pyrite or limonite. Pyrite occurs both as disseminated grains and on fracture surfaces while limonite occurs after pyrite or is secondary in fractures. Away from the faults the intrusion becomes less altered, grading outward from a rock with relict feldspar ghosts to one with a distinct porphyritic texture. In the center of the intrusion, a granular texture in which the feldspars have been argillically altered is present, leaving open or clay-filled vugs. The intrusion locally contains 3% to 5% pyritized and chloritized hornblende crystals.

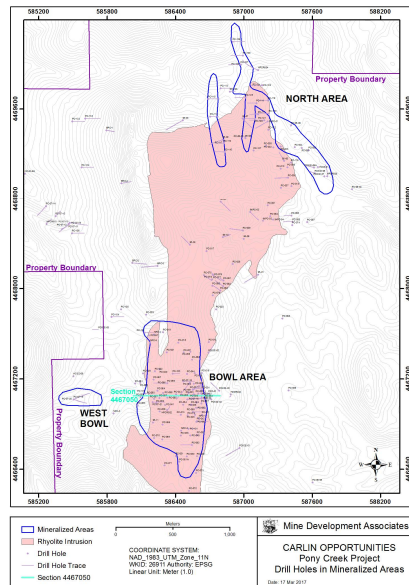
Newmont geologists used the terms "sanded rhyolite" and "rhyolite sand" to describe the texture of the rhyolite intrusion in some of the altered and mineralized areas. They reported that sanded rhyolite consists of medium-grained, rounded clasts of glassy rhyolite breccia commonly occurring near the margins and at the base of the intrusion, and locally as narrow stockwork zones within the intrusion. The distribution and texture of the sanded rhyolite suggest that the unit formed in vitric chill margins and was apparently affected by subsequent hydrothermal activity.

At the Pony Creek property, a porphyritic rhyolite intrusion of Eocene age is present near the axis of the Piñon Range anticline, emplaced as a north-south elongated body that is approximately 3.2 km long and 1.2 km wide. It is variably hydrothermally altered and locally mineralized. Almost all significant gold mineralization identified to date in surface exposures and drilling is spatially associated with the rhyolite intrusive body, either within it or in silicified and altered Mississippian-Permian clastic rocks immediately beneath and adjacent to the intrusion. This mineralization appears to be related to or controlled by north and north-east striking structures.

In the Bowl area, the gold mineralization is associated with marcasite, pyrite, and minor realgar and stibnite that occur along fractures and as disseminations in the rhyolite intrusion, as well as in the matrix of breccias in the intrusion. The Bowl area is somewhat continuously mineralized over a north-south strike length of about 1,400 meters, with maximum east-west extents of 600 meters and a maximum depth of about 200 meters. Two zones of mineralization have been defined by drilling in the Bowl area, one of which occurs at, or on either side of, the lower contact of the rhyolite intrusion with the underlying Paleozoic sediments.

Smaller zones of gold mineralization have been identified with drilling at the West Bowl area and the North area. In the West Bowl area, significant gold mineralization is present along the lower contact of the rhyolite intrusion with the underlying Paleozoic sedimentary units. Further drilling is needed to determine whether this zone is continuous with the Bowl area mineralization. In the North area, drilling has penetrated two north-trending zones of gold mineralization, with a possible northwest-trending zone of generally lower-grade and more erratically distributed mineralization also present in the eastern part of the North area. Of the two north-trending zones, the eastern one includes the most significant and continuous gold mineralization in the North area. This mineralized zone extends over a strike length of 200 meters, is open to the south, and occurs along the contact of the rhyolite intrusion and underlying Paleozoic sedimentary units. Specific mineralized areas are shown in Figure 3 below.

Figure 3 – Mineralized Areas of the Pony Creek Property



The most significant intervals of gold mineralization encountered in the historical drilling are listed in Table 3 below.

Table 3 – Summary of Significant Mineralized Intervals, Historical Drilling

Hole ID		Depth From	Depth To (m)	Interval (m)	g Au/t	Area
95-07		105.156	190.5	57.9	0.462	North
95-08		89.916	134.112	38.1	0.804	North
95-08		231.648	243.84	12.2	0.447	North
95-09		60.96	74.676	13.7	0.942	
BPC-3		4.572	13.716	9.1	0.347	
HC-15-88		131.064	147.828	16.8	0.509	
HPCR002		7.62	16.76	9.1	0.445	Bowl
HPCR004		105.16	112.78	7.6	0.351	North
HPCR004		121.92	126.49	4.6	0.853	North
HPCR005		228.6	233.17	4.6	1.351	North
NPC-1		22.86	57.912	35.1	1.271	Bowl
NPC-4		38.1	47.244	9.1	0.435	Bowl
PC-011		83.82	97.536	13.7	3.49	Bowl
PC-011	including	91.44	92.964	1.5	19.47	Bowl
PC-012		108.204	112.776	4.6	1.649	Bowl

Hole ID		Depth From	Depth To (m)	Interval (m)	g Au/t	Area
PC-012		126.492	134.112	7.6	0.927	Bowl
PC-018		35.052	41.148	6.1	0.684	Bowl
PC-020		82.296	181.356	99.1	2.878	Bowl
PC-020	including	124.968	147.828	22.9	7.17	Bowl
PC-020	including	134.112	140.208	6.1	15.987	Bowl
PC-022		74.676	82.296	7.6	0.684	Bowl
PC-022		100.584	111.252	10.7	0.56	Bowl
PC-023		118.872	128.016	9.1	1.861	Bowl
PC-023	including	120.396	121.92	1.5	7.776	Bowl
PC-027		138.684	141.732	3	0.902	Bowl
PC-027		149.352	153.924	4.6	0.995	Bowl
PC-030		143.256	155.448	12.2	1.011	Bowl
PC-032		76.2	79.248	3	0.933	Bowl
PC-034	including	118.872	120.396	1.5	8.211	Bowl
PC-034		118.872	147.828	29	2.219	Bowl
PC-035	Including	112.776	118.872	6.1	4.914	Bowl
PC-035		112.776	129.54	16.8	2.16	Bowl
PC-036		16.764	21.336	4.6	2.758	Bowl
PC-036		137.16	161.544	24.4	0.807	Bowl
PC-036		164.592	178.308	13.7	0.743	Bowl
PC-036		188.976	196.596	7.6	0.572	Bowl
PC-037		3.048	16.764	13.7	0.353	Bowl
PC-037		48.768	86.868	38.1	1.743	Bowl
PC-037	including	50.292	74.676	24.4	2.504	Bowl
PC-038		39.624	53.34	13.7	2.156	Bowl
PC-038	including	48.768	50.292	1.5	9.953	Bowl
PC-039		1.524	19.812	18.3	0.407	Bowl
PC-040		100.584	111.252	10.7	0.538	Bowl
PC-042		25.908	59.436	33.5	0.642	Bowl
PC-044		60.96	111.252	50.3	0.924	Bowl
PC-044		137.16	155.448	18.3	0.368	Bowl
PC-045		57.912	70.104	12.2	0.459	Bowl
PC-045		111.252	120.396	9.1	0.492	Bowl
PC-046		12.192	16.764	4.6	0.736	Bowl
PC-048		45.72	60.96	15.2	0.622	Bowl
PC05-01		248.412	254.508	6.1	0.782	North
PC05-02		118.872	163.068	44.2	2.383	Bowl
PC05-02	including	120.396	129.54	9.1	7.75	Bowl
PC-055		35.052	54.864	19.8	0.32	Bowl
PC-055		57.912	77.724	19.8	0.483	Bowl

Hole ID		Depth From	Depth To (m)	Interval (m)	g Au/t	Area
PC-055		85.344	96.012	10.7	0.4	Bowl
PC-055		187.452	198.12	10.7	0.289	Bowl
PC-057		48.768	71.628	22.9	0.747	Bowl
PC-058		3.048	24.384	21.3	0.609	Bowl
PC-060		25.908	38.1	12.2	0.783	Bowl
PC-06-03		94.488	112.776	18.3	0.878	North
PC-06-03		115.824	121.92	6.1	2.679	North
PC-06-03	including	118.872	120.396	1.5	7.96	North
PC-06-06		100.584	111.252	10.7	2.387	Bowl
PC-06-06		120.396	126.492	6.1	0.583	Bowl
PC-06-06		129.54	137.16	7.6	0.987	Bowl
PC-064		12.192	48.768	36.6	0.811	Bowl
PC-064		60.96	80.772	39.6	0.73	Bowl
PC-065		102.108	109.728	7.6	1.431	Bowl
PC-07-16		124.968	166.116	41.1	1.975	Bowl
PC-07-16	including	153.924	155.448	1.5	10.05	Bowl
PC-07-18		132.588	143.256	10.7	0.61	Bowl
PC-07-18		146.304	152.4	6.1	0.6	Bowl
PC-07-19		111.252	153.924	42.7	2.587	West Bowl
PC-07-19	including	123.444	132.588	9.1	9.488	West Bowl
PC-07-20		131.064	173.736	42.7	1.461	West Bowl
PC-07-21		0	45.72	45.7	1.087	Bowl
PC-090		3.048	6.096	3	1.431	Bowl
PC-090		60.96	82.296	21.3	0.529	Bowl
PC-092		33.528	68.58	35.1	1.462	Bowl
PC-094		45.72	56.388	10.7	1.213	Bowl
PC-094	including	48.768	50.292	1.5	5.253	Bowl
PC-094		60.96	80.772	19.8	0.497	Bowl
PC-094		111.252	131.064	19.8	0.374	Bowl
PC-094		140.208	181.356	41.1	0.359	Bowl
PC-096		48.768	77.724	29	0.236	Bowl
PC-096		92.964	150.876	57.9	0.56	Bowl
PC-098		57.912	80.772	22.9	0.327	Bowl
PC-098		86.868	97.536	10.7	1.38	Bowl
PC-098	including	88.392	94.488	6.1	2.275	Bowl
PC-100		79.248	108.204	29	1.106	Bowl
PC-100	including	99.06	103.632	4.6	3.427	Bowl
PC-111		79.248	105.156	25.9	0.461	North
PC-111		111.252	131.064	19.8	0.414	North
PC-112		76.2	85.344	9.1	0.607	North

Hole ID		Depth From	Depth To (m)	Interval (m)	g Au/t	Area
PC-114		51.816	65.532	13.7	0.377	North
PC-121		158.496	175.26	16.8	1.504	North
PC-124		35.052	59.436	24.4	0.406	
PC-126		89.916	106.68	16.8	0.37	
PC-128		89.916	92.964	3	1.447	North
PC-128		105.156	118.872	13.7	0.833	North
PC-129		25.91	68.58	42.7	0.468	North
PCD-02		92.964	96.622	3.7	1.648	Bowl

Exploration

As at the date of the Technical Report, neither Clover Nevada, Carlin nor Winwell have conducted exploration at the Pony Creek Project. As at the date of this AIF, the Company has commenced a property-wide exploration program on the Pony Creek Project. See “General Development of the Business – Contact Gold Properties” in this AIF.

Drilling

As at the date of the Technical Report, neither Clover Nevada, Carlin nor Winwell conducted drilling at the Pony Creek Project. All of the drilling was completed by historical operators from 1981 through 2006. As at the date of this AIF, the Company has conducted minimal drilling on the Pony Creek Project. See “General Development of the Business – Contact Gold Properties” in this AIF.

A total of 202 holes have been drilled at Pony Creek from 1981 through 2007, for a total footage of 38,586 meters, as summarized in Table 4 below.

Table 4 – Summary of Historical Drilling at the Pony Creek Project

Year	Company	RC Holes	RC Meters	Core Holes	Core Meters	Total Meters
1981-1982	Newmont	20	2,662.4	2	559.0	3,221.4
1983-1985	Newmont	59	8,240.3			8,240.3
1987	Newmont	16	1,799.5			1,799.5
1988	Newmont	3	576.1			576.1
1989	Newmont	16	2,619.8			2,619.8
1991-1992	Westmont	31	4,597.9			4,597.9
1994-1995	Uranerz	15	3,819.1			3,819.1
1997-1998	Barrick-Quest	4	970.8			970.8
2000	Homestake	5	1,849.5			1,849.5
2002-2003	Nevada Contact	8	2,389.6			2,389.6
2005-2007	Grandview	13	3,912.1	10	4,589.7	8,501.8
Totals		190	33,437.2	12	5,148.7	38,585.8

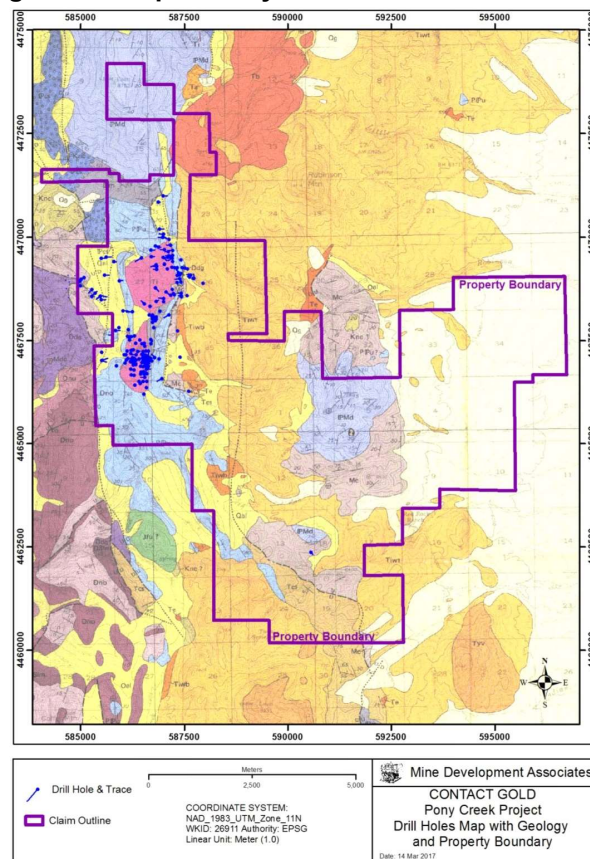
12 of the holes were drilled with diamond core methods and the rest were RC drill holes. A total of 81 holes were inclined and the other 121 holes were drilled vertically or sub-vertically, with hole locations shown below in Figure 4 below. In addition to the holes summarized below, six RC holes drilled by NERCO in 1987, during Newmont’s ownership of the property, and five holes drilled by Newmont in 1988 are included in the project database, but were drilled outside of the current Pony Creek property limits.

No information is available concerning the drilling contractors, drill rig types and drilling methods used during the Newmont and NERCO drill programs from 1981 through 1989. The drilling done by the Westmont-Newmont joint venture in 1991 and 1992 was done by Hackworth Drilling of Elko, Nevada. In 1991 an Ingersoll-Rand PH600 truck-mounted RC drill was used and an MPD 1000 track-mounted drill was used. In 1992 a Schramm C650 track-mounted RC drill was used. No other information is available.

Mine Development Associates was unable to obtain any information on the drilling contractors, drill rig types and drilling methods used during the Uranerz drilling in 1994-1995, or the drilling done by Barrick in July, 1998.

Database files indicate that the Homestake drilling in 2000, and the Nevada Contact drilling in 2001-2003 utilized RC drilling. Eklund Drilling of Elko, Nevada conducted the Homestake RC drilling using a track-mounted MPD 1500 drill. A track-mounted RC rig was also used by Nevada Contact for most of their 2002 holes, with a truck-mounted TH-75 RC rig used for hole PCK02-06A.

Figure 4 – Map of Pony Creek Historical Drill Holes



Mill City did not conduct any drilling on the property. Grandview completed two core holes in 2005 and resumed drilling in late July, 2006. The 2006 drilling was conducted by Boart Longyear using a core drill. Inspection of core stored in Lovelock, Nevada indicates the drilling was done with HQ-diameter core size. In 2007 Grandview drilled 12 RC holes, but no other information is available. Portions of the 10 core holes drilled by Grandview are stored in the Vendor's storage facility in Lovelock, Nevada, as of the end of January, 2017.

Interpretation

Many of the holes at Pony Creek have been drilled at vertical to subvertical angles. In some areas, such as at Bowl, there are sufficient drill data to define mineralization that is oriented subhorizontally, and in these areas the steeply-angled holes cut the shallowly-dipping mineralization at high angles. This leads to drilled thicknesses that approximate true mineralized thicknesses. However, steeply-dipping holes that intersect

high-angle mineralized structures, such as at the eastern limits of the Bowl area, can lead to down-hole gold intercepts that exaggerate the true thickness of the mineralization. In many cases throughout the property, the data are not sufficient to determine the orientation of the intersected mineralization with confidence. Future resource estimation will need to account for variable drill-hole-to-mineralization orientations in order to avoid overstatement of mineralized widths.

Due to the preponderance of RC drilling at the project, 1.524-meter (5-foot) down-hole sample lengths dominate the drill-hole database. Very little information is available for the sampling methods and analytical procedures used at Pony Creek prior to 2000. Most of the RC drilling was sampled and assayed at 1.524-meter intervals, but there is little information regarding dry versus wet RC drilling, potential RC contamination issues, or how RC samples were collected and split. Drill core was mainly sampled on 1.524-meter intervals, although in some holes long intervals were not sampled and assayed. In 1991, Westmont's RC samples were collected at 1.524-meter intervals and split with a Gilson splitter when dry, or a rotating cone splitter when wet. Beginning with the Homestake RC drilling in 2000, sample intervals were mainly every 1.524 meters. For core holes drilled by Grandview in 2006, the core was sawed in half on 1.524-meter sample intervals after being logged and photographed. As the Pony Creek mineralization is presently understood, these sample lengths are appropriate.

Sampling, Analysis and Security of Samples

Very little information relating to the historical sample preparation, analytical procedures, and sample security at Pony Creek prior to 2000 is available. The sample preparation and analytical procedures documented for post-2000 exploration programs meet industry norms, the laboratories are well-known and widely used, and the author of the Technical Report therefore concludes there are no issue with these procedures.

There is no information on the analytical laboratories, sample preparation procedures and analytical methods used prior to 2000. Homestake's RC samples drilled in 2000 were sent to the Bondar Clegg laboratory in Sparks, Nevada. Gold was determined by fire-assay fusion of 30g aliquots with an atomic absorption ("AA") finish. Mercury was determined by cold-vapor AA, and silver plus 35 major, minor and trace elements were determined by inductively-coupled plasma-emission spectrometry ("ICP") following an aqua regia digestion. It is not known how the samples were prepared for assay.

Nevada Contact's RC drilling samples in 2003 were sent to ALS Chemex in Elko, Nevada, for sample preparation. The samples were oven dried, then crushed in their entirety to 70% at -2mm. The crushed material was riffle split to obtain a 250g split, which was then ring-pulverized to 85% at -75µm. These pulps were then shipped to the ALS Chemex analytical laboratory in either Sparks, Nevada, or in North Vancouver, British Columbia, for assaying. Gold was determined by fire-assay fusion with an AA finish using 30g aliquots.

In 2005 and 2006, Grandview's core samples were sent to ALS Chemex in Elko, Nevada, for sample preparation. The samples were crushed to 70% at -2mm. The crushed material was riffle split to obtain a 1.0 kg split, which was then ring-pulverized to 85% at -75µm. These pulps were then shipped to the ALS Chemex analytical laboratory in either Sparks, Nevada, or in North Vancouver, British Columbia, for assaying. Gold was determined by fire-assay fusion with an AA finish using 50g aliquots. 34 major, minor and trace elements were determined by ICP following an aqua regia digestion.

Grandview's rock samples in 2006 were also prepared at the ALS Chemex facility in Elko, Nevada, using the preparation methods described for the 2005-2006 core samples. The rock sample pulps were assayed by ALS Chemex in North Vancouver, British Columbia, for gold by 30g fire-assay fusion with an AA finish. Separate 1g aliquots were analyzed for 47 major, minor and trace elements using a combination of ICP and mass spectrometry ("ICP-MS"), and mercury was determined by cold-vapor AA.

In 2007 Grandview's RC drilling samples were submitted to ALS Chemex in Elko, Nevada. Following sample preparation, the pulps were then shipped to the ALS Chemex analytical laboratory in either Sparks, Nevada, or in North Vancouver, British Columbia, for assaying. Gold was determined by fireassay fusion with an AA finish using 30g aliquots.

Sample Security

Mine Development Associates is unaware of any information concerning the handling, storage or transport of drilling samples from the drill sites to the analytical laboratories by the historical operators of Pony Creek.

Quality Assurance/Quality Control

During the 2000 RC drilling by Homestake, a total of 54 duplicate RC samples were analyzed at Bondar Clegg. A total of six (6) core duplicate samples and 38 RC duplicate samples were analyzed by ALS Chemex during Grandview's drilling in 2006 and 2007. Results of these quality assurance/quality control ("QA/QC") programs are discussed in greater detail in the Technical Report. It is not known if QA/QC programs were instituted by the other historical operators at the Pony Creek Project. Internal QA/QC methods involving analytical blanks, standards, and duplicate samples were employed by Bondar Clegg for the analyses of Homestake's drilling samples in 2000. ALS Chemex typically used internal blanks, standards, and duplicate samples for QA/QC controls during the analyses of Grandview's drilling and rock samples in 2005-2006.

Site Inspection

The author of the Technical Report visited the project site on April 18, 2017. A traverse was completed from south of the Bowl area, through Bowl, north to the north lobe of the rhyolite intrusion, and back again. A number of historical drill sites were noted during the visit, as were numerous hydrothermally altered outcrops. In addition to the site visit, historical drill core from the Pony Creek project that is being stored in a secure outdoor storage facility in Lovelock, Nevada was examined by the author of the Technical Report and another senior associate from Mine Development Associates. The core at the Lovelock storage facility is from 10 holes drilled and sampled in 2005 and 2006 by Grandview. Mineralized portions of holes PC-05-02 and PC-06-03 were inspected. The core had been sawed where the rock is competent, with one half remaining in waxed cardboard core boxes. In places the recovered material is crumbly, soft and friable, which was unsuitable for sawing. Some intervals within these holes are missing entirely, particularly those intervals with higher and more continuous gold assays.

Mineral Resources and Mineral Reserves

There are no current mineral resources or mineral reserves estimated for the Pony Creek Project at this time.

Exploration and Development

A US\$2,508,000 work program was recommended on the Pony Creek Project in the Technical Report. This program includes soil and rock-chip sampling, geologic studies, and geophysics, to aid in target definition, to be followed by core drilling. Details of the costs of the recommended program are provided in Table 5 below. It is assumed that the drilling can be permitted with the submission of a NOI permit to the BLM, which if approved, allows for up to five (5) acres (two (2) hectares) of disturbance.

Table 5 – Cost Estimate for the Recommended Program

Item	Phase 1
Geology; Soil and Rock Sampling	US\$410,000
Geophysics	US\$100,000
Core Drilling Program – Contractors	US\$1,600,000
Core Drilling Program – Assaying	US\$295,000
Core Drilling Program – Personnel	US\$50,000
Project Supervision and Interpretation	US\$50,000
Permitting and Environmental	US\$3,000
Total:	US\$2,508,000

Recent Developments

The following disclosure relating to the Pony Creek Project summarizes management's assessment of non-material activities and results since the effective date of the Technical Report.

Property Description and Location

On September 13, 2017, the Company acquired the Pony Spur property covering approximately 0.5 km² of prospective mineral tenure adjacent to the Pony Creek Project.

On February 6, 2018, the Company acquired the East Bailey property comprised of 109 unpatented mining claims covering 9.1 km² of prospective mineral tenure adjacent to the Pony Creek Project.

The Company has also staked an additional 10 unpatented lode claims covering 0.8 km² of prospective mineral tenure adjacent to Pony Creek, primarily to the east and south.

Holding costs for the unpatented Pony Creek mining claims are estimated at US\$221,275.

Environmental and Permitting

Since acquisition through December 31, 2017, Pony Creek has been the principal focus of the Company's exploration efforts. Immediately upon closing of the Transactions the Company engaged consultants and contractors to undertake geophysical surveys, mapping, rock and soil sampling, and historic data compilation. An NOI was received, and subsequently amended to allow up to 2.22 acres of disturbance on the property. The Company has received 4 additional NOIs for drilling and exploration at the Pony Creek Property, allowing in aggregate an additional 0.99 acres of disturbance on the property.

Exploration and Development

A 10,390 metre, 42 hole drill program was completed at Pony Creek in 2017, comprised of 31 confirmation and exploration holes at the Bowl Zone, and 11 exploration and confirmation holes at the North Zone. 40 of 42 drill holes intersected significant gold mineralization, with oxidized corridors defined at the "North Zone" and west of the "Bowl Zone". Both of these zones are open for expansion in most directions.

As of the date of this AIF, results from the complete 2017 program have been released.

For highlights, including assays from RC and core drill holes, see "General Development of the Business – Contact Gold Properties":

The cost of this initial part of the Phase 1 program was approximately US\$3.95 million

The 2018 drill program is expected to begin in May.

RISK FACTORS

The following discussion summarizes the principal risk factors that apply to the Company's business and that may have a material adverse effect on the Company's business, financial condition and results of operations, or the trading price of the Contact Gold Shares.

No History of Operations

The Company is an exploration company and has no history of operations, mining or refining mineral products. The Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on an investment in the Contact Gold Shares and the likelihood of success must be considered in light of its early stage of operations.

There can be no assurance that the Contact Gold Properties or any other property will be successfully placed into production, produce minerals in commercial quantities or otherwise generate operating earnings. Advancing projects from the exploration stage into development and commercial production requires significant capital and time and will be subject to further technical studies, permitting requirements and construction of mines, processing plants, roads and related works and infrastructure. The Company will continue to incur losses until mining-related operations successfully reach commercial production levels and generate sufficient revenue to fund continuing operations.

No Operating Revenues and History of Losses

The Company has no operating revenues or earnings and a history of losses, and no operating revenues are anticipated until one of the Company's projects comes into production, which may or may not occur. As such, there is no certainty that the Company will generate revenue from any source, operate profitably or provide a return on investment in the future. The Company will continue to experience losses unless and until it can successfully develop and begin profitable commercial production at one of its mining properties. There can be no assurance that the Company will be able to do so.

Additional Capital Requirements and Financing Risks

The Company plans to focus on exploring for minerals and will use its working capital to carry out such exploration. As at the date of this AIF, the Company has sufficient cash and cash equivalents to conduct its business, although the Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects. However, the development and exploration of the Company's properties may require substantial additional financing. Further exploration and development of the Contact Gold Properties and/or the Company's other properties may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects and the Company may become unable to carry out its business objectives.

Reliance on a Limited Number of Properties

The only material property interest of the Company is its interest in the Pony Creek Project located in Nevada. As a result, unless the Company acquires additional property interests, any adverse developments affecting this property could have a material adverse effect upon the Company and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Company. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

No History of Mineral Production

There is no history of mineral production on the Contact Gold Properties. The Contact Gold Properties are a high risk, speculative venture, and, up until recently, only a minimal amount of exploration and sampling has been conducted by the Company. There is no certainty that the expenditures made by the Company towards the search for and evaluation of gold or other minerals with regard to the Contact Gold Properties or otherwise will result in discoveries of commercial quantities of gold or other minerals. Until recently, all of the drilling on the Contact Gold Properties was completed by historical operators from 1981 through 2006.

Furthermore, there is no assurance that commercial quantities of minerals will be discovered at any future properties, nor is there any assurance that any future exploration programs of the Company on the Contact Gold Properties or any other properties will yield any positive results. Even where commercial properties of minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where mineral reserves can be profitably produced thereon. Factors which may limit the ability of the Company to produce mineral resources from its properties include, but are not limited to, the price of mineral resources are explored, availability of additional capital and financing and the nature of any mineral deposits.

Early Stage Development Company

The Company is a junior resource company focused primarily on the acquisition, exploration and development of mineral properties located in Nevada. The Company's properties have no established mineral reserves on any of the Contact Gold Properties due to the early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Quantities and/or grade described in this AIF should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the profitability of future operations.

Few properties that are explored are ultimately developed into producing mines and there is no assurance that any of the Company's projects can be mined profitably. Substantial expenditures are required to establish mineral reserves through drilling, to develop metallurgical processes to extract the metal from the ore and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors.

The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a mineral resource, or that any such mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited.

Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Company's properties is furthermore subject to a number of macroeconomic, legal and social factors, including commodity prices, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Company operates. Unfavourable changes to these and other factors have the potential to negatively affect the Company's operations and business.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a mineral-bearing structure may result in an increase in value for shareholders, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a gold or other precious or base metal or mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures to be made by the Company towards the exploration and evaluation of gold or other minerals will result in discoveries or production of commercial quantities of gold or other minerals. In addition, once in production, mineral reserves are finite and there can be no assurance that the Company will be able to locate additional reserves as its existing reserves are depleted.

U.S. Domestic Issuer

The Company is incorporated under the laws of Nevada and as such is deemed to be a "U.S. domestic issuer" (as defined in Rule 902(e) of Regulation S under the U.S. Securities Act for U.S. securities laws purposes which creates several burdensome obligations.

U.S. domestic issuers that have more than 2,000 shareholders of record are required to be registered under the Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). While the Company does not currently have 2,000 shareholders of record, in the event that it does in the future, or in the event that the Company voluntarily elects to become registered and a reporting issuer with the SEC under the U.S. Exchange Act, the Company will be subject to substantial continuous disclosure obligations including among other things, the filing of a Form 10-K (annual reports), Form 10-Q (quarterly reports), Form 8-K (current reports/material change reports), Schedule 14A (proxy statements) and will be subject to applicable provisions under the Sarbanes-Oxley Act. In addition, shareholders holding 10% or more of the issued and outstanding Contact Gold Shares will be subject to Section 16 reporting (Form 3, 4, and 5 filings) and the short-swing profit rules and shareholders holding 5% or more of the issued and outstanding Contact Gold Shares will be subject to Schedule 13D/G reporting obligations.

Additionally, a U.S. domestic issuer must use prepare its financial statements in accordance with U.S. GAAP

and the audit fees are typically higher due to the SEC compliance requirements. All of the aforementioned requirements will significantly increase the regulatory and compliance costs of the Company. In addition, unless a U.S. domestic issuer is registered and reporting with the SEC, all securities issued by a U.S. domestic issuer in private placement transactions – including those that are issued outside of the United States – are “restricted securities” under Rule 144 of the U.S. Securities Act, must bear a U.S. restrictive legend and will be subject to a one (1) year hold period. The removal of the restrictive legend will also require a U.S. opinion letter to be delivered to the transfer agent. **As a result, the ability for U.S. domestic issuers to raise capital is more difficult and would be expected to result in shares issuances at higher discounts to the market price.** Note that even if the Company does become registered with the SEC and a reporting issuer under the U.S. Exchange Act, the hold period applicable to all securities issued in a private placement transaction by a U.S. domestic issuer will still be subject to a six-month hold period.

Overall, the regulatory and compliance requirements and costs for U.S. domestic issuers is higher and more complex than those applicable to “foreign private issuers” and the ability to raise capital is more difficult, all of which could have a material adverse impact on the Company’s business and financial condition.

Land Title and Royalty Risks

General

There are uncertainties as to title matters in the mining industry. Any defects in title could cause the Company to lose rights in its mineral properties and jeopardize its business operations. The Company’s mineral properties currently consist of unpatented mining claims located on lands administered by the BLM, Nevada State Office to which the Company only has possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively ownership of such claims. These uncertainties relate to such things as sufficiency of mineral discovery, proper location and posting and marking of boundaries, proper and timely payment of annual BLM claim maintenance fees, the existence and terms of royalties, and possible conflicts with other claims not determinable from descriptions of record.

The present status of the Company’s unpatented mining claims located on public lands allows the Company the right to mine and remove valuable minerals, such as precious and base metals, from the claims conditioned upon applicable environmental reviews and permitting programs. The Company is also allowed to use the surface of the land solely for purposes related to mining and processing the mineral-bearing ores. However, legal ownership of the land remains with the United States. The Company remains at risk that the mining claims may be forfeited either to the United States or to rival private claimants due to failure to comply with statutory requirements. Prior to 1993, a mining claim locator who was able to prove the discovery of valuable, locatable minerals on a mining claim, and to meet all other applicable federal and state requirements and procedures pertaining to the location and maintenance of federal unpatented mining claims, had the right to prosecute a patent application to secure fee title to the mining claim from the federal government. The right to pursue a patent, however, has been subject to a moratorium since October 1993, through federal legislation restricting the BLM from accepting any new mineral patent applications. If the Company does not obtain fee title to its unpatented mining claims, there can be no assurance that it will be able to obtain compensation in connection with the forfeiture of such claims.

Pending Federal Legislation that may affect the Company’s Operations

In recent years, members of the United States Congress have repeatedly introduced bills which would supplant or alter the provisions of the *General Mining Act of 1872*, a United States federal law that authorizes and governs prospecting and mining for economic minerals, such as gold, platinum, and silver, on federal public lands. Such bills have proposed, among other things, to either eliminate the right to a mineral patent, impose a federal royalty on production from unpatented mining claims, render certain federal lands unavailable for the location of unpatented mining claims, afford greater public involvement in the mine permitting process, provide for citizen suits, and impose new and stringent environmental operating standards and mined land reclamation requirements in addition to those already in effect. Such proposed legislation could change the cost of holding unpatented mining claims and could significantly impact the Company’s ability to develop mineralized material on unpatented mining claims. Currently, all of the Company’s mining claims are on unpatented claims. Although the Company cannot predict what legislated changes might occur, the enactment of these proposed bills could adversely affect the potential for development of its mining claims, the economics of any mines that it brings into operation on federal unpatented mining claims, and as a result, adversely affect the Company’s financial performance.

Title to Mineral Property Interests may be Challenged

There may be challenges to title to the mineral properties in which the Company holds a material interest. If there are title defects with respect to any properties, the Company might be required to compensate other persons or perhaps reduce its interest in the affected property. Furthermore, in any such case, the investigation and resolution of these issues would divert the Company management's time from ongoing exploration and development programs.

Mineral Properties may be Subject to Defects in Title

The ownership and validity or title of unpatented mining claims and concessions can at times be uncertain and may be contested. The Company also may not have, or may not be able to obtain, all necessary surface rights to develop a property. The Company has taken reasonable measures, in accordance with industry standards for properties at the same stage of exploration as that of the Company, to ensure proper title to the Contact Gold Properties. However, there is no guarantee that title to any of its properties will not be challenged or impugned. Title insurance generally is not available for mining claims in the U.S. and the Company's ability to ensure that it has obtained secure claim to individual mineral properties may be limited. The Contact Gold Properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or annual BLM claim maintenance fees may invalidate title to portions of the Contact Gold Properties. The Company may incur significant costs related to defending the title to its properties. A successful claim contesting title to a property may cause the Company to compensate other persons or perhaps reduce its interest in the affected property or lose our rights to explore and, if warranted, develop that property. This could result in the Company not being compensated for its prior expenditures relating to the property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and, if warranted, development programs.

Interpretation of Royalty Agreements; Unfulfilled Contractual Obligations

The Clover Nevada Royalties, and any other royalty interests in respect of the properties of the Company which may come into existence, may be subject to uncertainties and complexities arising from the application of contract and property laws in the jurisdictions where the mining projects are located. Operators and other parties to the agreements governing the Clover Nevada Royalties, or other royalty interests, may interpret their interests in a manner adverse to the Company, and the Company could be forced to take legal action to enforce its rights. The Company may or may not be successful in enforcing its rights, and challenges to the terms of the Clover Nevada Royalties or the existence of other royalties could have a material adverse effect on the business, results of operations, cash flows and financial condition of the Company. Disputes could arise challenging, among other things:

- the existence or geographic extent of the royalty interests;
- methods for calculating royalties;
- third party claims to the same royalty interest or to the property on which a royalty interest exists, or the existence of additional royalties on the same property;
- various rights of the operator or third parties in or to a royalty interest;
- production and other thresholds and caps applicable to payments of royalty interests;
- the obligation of an operator to make payments on royalty interests;
- various defects or ambiguities in the agreement governing a royalty interest; and
- disputes over the interpretation of buy-back rights.

Natural Resource Properties are Largely Contractual in Nature

Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. Accordingly, there may be instances where the Company would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined adversely to the Company, may have a material and adverse effect on the Company's results of operations, financial condition and the trading price of the Contact Gold Shares.

There may be unknown defects in the asset portfolio

The Company acquired the Contact Gold Properties through its acquisition of Clover Nevada II LLC, who acquired the properties from Clover Nevada I LLC. Clover Nevada I LLC acquired the properties from a receiver in a bankruptcy process in 2015. The bankruptcy process purported to extinguish all claims and encumbrances against the properties. New claims and encumbrances were established by Clover Nevada in connection with the sale. There is a risk that claims and encumbrances that existed prior to the bankruptcy (including certain royalty interests, easements or encroachments) have not been fully extinguished by the bankruptcy and that such claims and encumbrances could have a material and adverse effect on the Company's results of operations, financial condition and the trading price of the Contact Gold Shares.

Control of the Company

As at the date of this AIF, Waterton holds, directly or indirectly, approximately 37% of the issued and outstanding Contact Gold Shares and 100% of the Contact Pref Shares (as defined herein), and is the Company's single largest shareholder and a control person for the purposes of Canadian Securities Law. As a result, Waterton has the ability to influence the outcome of matters submitted to the shareholders of the Company for approval, which could include the election and removal of directors, amendments to the Company's corporate governing documents and business combinations. The Company's interests and those of Waterton may at times conflict, and this conflict might be resolved against the Company's interests. The concentration of approximately 37% of the issued and outstanding Contact Gold Shares in the hands of a single shareholder may discourage an unsolicited bid for the Contact Gold Shares, and this may adversely impact the value and trading price of the Contact Gold Shares. Notwithstanding the foregoing, and in addition to any escrow provision imposed by applicable Canadian securities laws or the TSXV, Waterton has agreed not to, directly or indirectly, sell, contract to sell, grant any option to purchase, assign, transfer or otherwise dispose of the Contact Gold Shares acquired by Waterton under the Transactions for a period of 24 months following the effective date of the Transactions, subject to certain customary exceptions.

Preferred Shares

The Company currently has issued and outstanding 11,111,111 Contact Pref Shares with an aggregate face value of US\$11,111,111, issued to Waterton in connection with the Transactions. The Contact Pref Shares have a Maturity Date of June 7, 2022, accrue preferential cumulative cash dividends at a fixed rate per annum equal to 7.5% on a simple and not compounded basis and are convertible at the election of the holder at any time, into Contact Gold Shares (subject to a cap such that at any time following any conversion, Waterton and its affiliates shall not hold more than 49% of the aggregate issued and outstanding Contact Gold Shares).

The conversion of the Contact Pref Shares from time to time, at the election of the holder, will not only increase the number of Contact Gold Shares held by Waterton and its affiliates (see "Risk Factors – Control of the Company") but will also result in dilution to other existing shareholders of the Company (see "Risk Factors – Dilution").

At the Maturity Date, unless the holders thereof elect to convert any such Contact Pref Shares into Contact Gold Shares, the Company will be required to redeem and pay the aggregate amount of the face value of all outstanding Contact Pref Shares plus all accrued dividends thereon. There is no assurance that the Company will have the requisite funds to redeem the Contact Pref Shares. Even in the event the Company is able to redeem the Contact Pref Shares in full, such redemption will reduce the amount of funds available to the Company to pursue its business objectives and for other general working capital and corporate purposes, which could have a material adverse effect on the Company.

Pursuant to the terms of the Contact Pref Shares, the holders are also entitled to certain other rights and preferences such as a right of first offer and a right of first refusal on any sale, lease, exchange, transfer or disposition of the Company's interests in the Contact Gold Properties and the Company is further restricted from disposing of all or substantially all of its assets without such holders' prior written consent. These rights and other covenants may restrict the Company's ability to conduct its business or enter into third party transactions in the ordinary course, which may adversely affect the Company's business. See "Description of Capital Structure – Preferred Stock" for a more details description of the Contact Pref Shares.

Currency Rate Risk

The Company may be subject to currency risks. The Company's reporting currency is the United States dollar, which is exposed to fluctuations against other currencies. The Company's primary operations are located in the United States. Should the Company expand its operations into additional countries its expenditures and obligations may be incurred in foreign currencies. As such, the Company's results of operations may become subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company has not undertaken to mitigate transactional volatility in the United States dollar at this time. The Company may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

Government Regulation

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, including plant and animal species, and more specifically including the greater sage-grouse, mining taxes and labour standards. In order for the Company to carry out its activities, its various licences and permits must be obtained and kept current. There is no guarantee that the Company's licences and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licences or permits could be changed and there can be no assurances that any application to renew any existing licences will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licences that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for junior mineral exploration companies, has been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such conditions continue, the Company's operations could be negatively impacted.

Commodity Markets

The price of the Company's securities, its financial results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals and, in particular, the price of gold. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of gold, the market price of the Company's securities may decline.

Market Fluctuation and Commercial Quantities

The market for minerals is influenced by many factors beyond the Company's control, including without limitation the supply and demand for minerals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as gold) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital or having its mineral projects be rendered uneconomic.

Estimates of Mineral Resource Risks

Mineral resource estimates will be based upon estimates made by the Company's personnel and independent geologists. These estimates are inherently subject to uncertainty and are based on geological interpretations and inferences drawn from drilling results and sampling analyses and may require revisions based on further exploration or development work. The estimation of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred resources are resources for which there has been insufficient exploration to define as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. The quantity and resulting valuation of mineral reserves and mineral resources may also vary depending on, among other things, mineral prices (which may render mineral reserves and mineral resources uneconomic), cut-off grades applied and estimates of future operating costs (which may be inaccurate). Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Any material change in quantity of mineral resources, mineral reserves, grade, or stripping ratio may also affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that mineral recoveries in small scale, and/or pilot laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

There is no certainty that any of the mineral resources identified on any of the Company's properties will be realized, that any mineral resources will ever be upgraded to mineral reserves, that any anticipated level of recovery of minerals will in fact be realized, or that an identified mineral reserve or mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Until a deposit is actually mined and processed, the quantity of mineral resources and mineral reserves and grades must be considered as estimates only.

Reliability of Mineral Resource Estimates

Mineral resources are estimates based on sampling of the mineralized material in a deposit. Such estimates may not be found to be accurate. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimation of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred resources are ones for which there has been insufficient exploration to define an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

Unless otherwise indicated, mineralization figures presented in this AIF and the Technical Report are based upon estimates made by geologists and the Company's personnel. Although the mineral resource figures set out in this AIF and in the Technical Report have been carefully prepared and reviewed or verified by qualified persons, these amounts are estimates only and no assurance can be given that an identified mineral resource will ever become a mineral reserve or in any way qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, all of which may prove to be unreliable. Furthermore, there are risks related to the reliability of analytical results and unforeseen possible variations in grade or other considerations.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a Material Adverse Effect upon its financial performance and results of operations.

Health, Safety and Community Relations

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company expects to make significant expenditures to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Company's mineral properties.

Environmental Risks and Hazards

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other Laws and regulations may become more onerous, making it more costly for the Company to remain in compliance with such Laws and regulations, which could result in the incurrence of additional costs and operational delays.

All phases of the Company's operations in Nevada will be subject to extensive federal and state environmental regulation, including:

- Comprehensive Environmental, Response, Compensation, and Liability Act (CERCLA);
- The Federal Resource Conservation and Recovery Act (RCRA);
- The Clean Air Act (CAA);
- The National Environmental Policy Act (NEPA);
- The Clean Water Act (CWA);
- The Safe Drinking Water Act (SDWA); and
- The Endangered Species Act (ESA)

These environmental regulations require the Company to obtain various operating approvals and licenses and also impose standards and controls relating to exploration, development and production activities. Compliance with federal and state regulations could result in delays in beginning or expanding operations, incurring additional costs for cleanup of hazardous substances, payment of penalties for discharge of pollutants, and post-mining reclamation and bonding, all of which could have an adverse impact on the Company's financial performance and results of operations.

Nevada state statutes and regulations establish reclamation and financial assurance requirements for mining operations and require that mining projects in Nevada obtain a reclamation permit. Mining projects are required to prepare a reclamation plan and provide financial assurance to ensure that the reclamation plan is implemented upon completion of operations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

The Company cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Company.

Competitive Industry Environment

The mining industry is highly competitive in all of its phases, both domestically and internationally. The Company's ability to acquire properties and develop mineral reserves in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration, of which there is a limited supply. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter competition from other mining companies in its efforts to hire experienced mining professionals. Competition could adversely affect the Company's ability to attract necessary funding or acquire suitable producing properties or prospects for mineral exploration in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability, and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

Market Price of the Company's Securities

The Contact Gold Shares currently trade on the TSXV. Securities of micro-cap and small-cap companies have experienced substantial price and volume volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved or the value of underlying assets. These factors include macroeconomic developments and political environments in North America and globally and market perceptions of the attractiveness of particular industries. There is no assurance that the price of the Contact Gold Shares will be unaffected by any such volatility. The price of the Contact Gold Shares is also

likely to be significantly affected by short-term changes in mineral and commodity prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Contact Gold Shares include the following: (i) the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; (ii) lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Contact Gold Shares; (iii) the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and (iv) a substantial decline in the price of the Contact Gold Shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Contact Gold Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Strategic Partnerships and Joint Venture Agreements

The Company may in the future enter into partnerships, option agreements and/or joint ventures as a means of acquiring additional property interests or to fully exploit the exploration and production potential of its exploration assets. The failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on the Company's rights under such agreements. The Company may also be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, which may have a materially adverse impact the strategic value of the underlying mineral claims. Furthermore, in the event the Company is unable to meet its obligations or share of costs incurred under agreements to which it is a party, the Company may have its property interests subject to such agreements reduced as a result or even face termination of such agreements.

Acquisitions and Integration

From time to time, it can be expected that the Company will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Dilution

While the Company believes that it is well financed to carry out its exploration and development plans in the near term, financing the development of a mining operation through to production, should feasibility studies show it is recommended, would be expensive and the Company would require additional monies to fund development and exploration programs and potential acquisitions. The Company cannot predict the size of future issuances of the Contact Gold Shares or the issuance of debt instruments or other securities convertible into Contact Gold Shares. Likewise, the Company cannot predict the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Contact Gold Shares. If the Company raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of Contact Gold Shares, or the availability of such Contact Gold Shares for sale, could adversely affect prevailing market prices for the Company's securities.

Future Sales of Contact Gold Shares by Major Shareholder

Sales of a large number of Contact Gold Shares in the public markets, or the potential for such sales, could decrease the trading price of the Contact Gold Shares and could impair the Company's ability to raise capital through future sales of Contact Gold Shares. In particular, as at the date hereof, Waterton owns, directly or indirectly, approximately 37% of the issued and outstanding Contact Gold Shares. Subject to the terms of the Governance and Investor Rights Agreement, Waterton is not permitted to dispose of its Contact Gold Shares until June 7, 2019. On expiry of lock-up period, if Waterton decides to liquidate all or a significant portion of its position, it could adversely affect the price of Contact Gold Shares. See "Material Contracts".

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Company's cost of operations. The potential physical impacts of climate change on the operations of the Company are highly uncertain, and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the cost of development or production on the Company's mines and adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Company. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Company, its venture partners and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company's ability to compete with companies situated in areas not subject to such regulations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in natural resources industry could harm the reputation of the Company.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Reliance on Key Personnel

The Company's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. Due to the relatively small size of the Company, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of future operations and financial condition. The Company does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Influence of Third Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Company intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

Dividend Policy

No dividends on the Contact Gold Shares have been paid by the Company to date. Investors in the Company's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Company's securities other than through possible share price appreciation. On completion of the Transactions, the holders of the Contact Pref Shares, in priority to the rights of holders of the Contact Gold Shares or other classes of stock of the Company, shall be entitled to receive and the Company shall pay thereon, as and when declared by the board of directors of the Company (the "**Board**") out of the assets of the Company properly applicable to the payment of dividends, preferential cumulative cash dividends at a fixed rate per annum equal to 7.5%, on a simple and not compounded basis. Moreover, for so long as Waterton has the right to appoint one or more nominees to the Board of Directors, the Company shall not declare or pay any cash dividend or distribution on the Contact Gold Shares unless such dividend or distribution has been approved by the nominees of Waterton, in addition to approval by a majority of the Board of Directors.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Nevada Act and other applicable Laws.

Interest Rate Risk

The Company's interest rate risk related to interest-bearing debt obligations is currently not material as the Company has no outstanding debt as of the date of the AIF.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, derivative financial instruments (including forward gold sales contracts) and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Company will require external financing in future periods.

DIVIDENDS

The Company has not paid dividends since the date of its incorporation and it does not expect to have the ability to pay dividends in the near future. If the Company generates earnings in the future, it expects that they will be retained to finance further growth and, when appropriate, retire debt. The Board will determine if and when dividends should be declared and paid in the future based on the Company's consolidated financial position at the relevant time. See "Risk Factors – Dividend Policy", and "Preferred Shares".

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue 515,000,000 shares in the capital of the Company, of which 500,000,000 are designated as common stock, par value US\$0.001 per Contact Gold Share and 15,000,000 are designated as preferred stock (the "**Contact Pref Shares**"), par value US\$1.00 per Contact Pref Share. As of April 26, 2018, 50,596,986 Contact Gold Shares and 11,111,111 Contact Pref Shares were issued and outstanding.

Common Stock

Holders of Contact Gold Shares are entitled to one vote for each share on all matters submitted to a shareholder vote. Holders of Contact Gold Shares do not have cumulative voting rights. Therefore, holders of a majority of the Contact Gold Shares voting for the election of directors can elect all of the directors. Holders of the Contact Gold Shares representing one-third ($\frac{1}{3}$) of the voting power of the capital stock issued, outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of holders of Contact Gold Shares. A vote by the holders of a majority of the outstanding Contact Gold Shares is required to effectuate certain fundamental corporate changes such as liquidation, merger or an amendment to the articles of incorporation. Holders of the Contact Gold Shares have no preemptive rights, no conversion rights and there are no redemption provisions applicable to the Contact Gold Shares. There are no provisions for sinking or purchase funds, for permitting or restricting the issuance of additional securities and any other material restrictions, and for requiring a holder of Contact Gold Shares to contribute additional capital.

Subject to the rights of holders of Contact Pref Shares outlined below, holders of Contact Gold Shares are entitled to share in all dividends that the Board of Directors, in its discretion, declares from legally available funds. In the event of a liquidation, dissolution or winding up, each outstanding Contact Gold Share entitles its holder to participate *pro rata* in all assets that remain after payment of liabilities and after providing for each class of stock, if any outstanding as such time, having preference over the Contact Gold Shares.

Preferred Stock

The holders of Contact Pref Shares are entitled to certain rights and preferences with respect to the holders of its stock, including, but not limited to, the following:

- *Voting.* Except as expressly provided for in the Nevada Act, the holders of the Contact Gold Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Company and shall not be entitled to vote at any such meeting.
- *Redemption.* On the date that is five (5) years from the issuance date of the Contact Pref Shares (the "**Maturity Date**"), and subject to the Nevada Act, the Company shall be required to redeem each Contact Pref Share for an amount equal to the face value per Contact Pref Share with all accrued and unpaid cumulative dividends thereon to the redemption date (the "**Redemption Amount**"). The Contact Pref Shares were issued on June 7, 2017.

Subject to the Nevada Act, at any time and from time to time prior to the Maturity Date, the Company shall be entitled to redeem all or any part of the Contact Pref Shares for the Redemption Amount. Upon receiving a notice of redemption from the Company, a holder of Contact Pref Shares will have 10 Business Days to deliver a conversion notice to exercise its conversion right with respect to all or any portion (subject, in the case of Waterton, to the limitations described below) of the Contact Pref Shares subject to such notice of redemption, in which case such Contact Pref Shares shall not be redeemed but shall be converted into Contact Gold Shares in accordance with the conversion rights of the Contact Pref Shares described below.

- *Conversion.* Holders of Contact Pref Shares shall have the right from time to time on or prior to the Maturity Date, to convert all or any part of the Contact Pref Shares into Contact Gold Shares. The number of Contact Gold Shares to be issued pursuant to such conversion right shall be equal to the sum of the face value of the Contact Pref Shares together with any accrued and unpaid cumulative dividends thereon to the conversion date divided by the conversion price of the Contact Pref Shares on the conversion date, such price being subject to adjustment from time to time. In accordance with the terms of the Governance and Investor Rights Agreement, Waterton may only exercise such conversion right with respect to such number of Contact Pref Shares from time to time provided that immediately following the conversion thereof, the aggregate number of Contact Gold Shares beneficially owned by Waterton and its affiliates shall not exceed 49% of the aggregate number of Contact Gold Shares issued and outstanding immediately following such conversion.
- *Liquidation.* In the event of a liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs or any steps taken by the Company in furtherance of any of the foregoing, the holders of Contact Pref Shares shall be entitled to receive from the assets of the Company in priority to any distribution to the holders of Contact Gold Shares or any other class of stock of the Company, the Liquidation Value (as such term is defined in the articles of incorporation of the Company) per Contact Pref Share held by them respectively, but such holders of Contact Pref Shares shall not be entitled to participate any further in the property of the Company.
- *Dividends.* The holders of the Contact Pref Shares, in priority to the rights of holders of the Contact Gold Shares or other classes of stock of the Company, shall be entitled to receive and the Company shall pay thereon, as and when declared by the Board out of the assets of the Company properly applicable to the payment of dividends, preferential cumulative cash dividends at a fixed rate per annum equal to 7.5%, on a simple and not compounded basis. Such dividends shall be payable no later than the Maturity Date or such earlier date on which the face value of the Contact Pref Shares becomes due and payable, and the cumulative dividends shall accrue and be cumulative from the date of issue of the Contact Pref Shares.

The holders of the Contact Pref Shares shall also be entitled to participate *pari passu* with the Contact Gold Shares in any dividends other than or in excess of the cumulative dividends. Except with the consent in writing of the holders of all of the Contact Pref Shares then outstanding, no dividend shall at any time be declared and paid on or set apart for payment on any other class of stock of the Company in any financial year unless and until the accrued cumulative dividends on all of the Contact Pref Shares outstanding have been declared and paid or set apart for payment.

- *Right of First Offer (“ROFO”).* So long as Waterton and/or its affiliates beneficially own or control 33⅓% or more of the Contact Pref Shares originally issued to them on June 7, 2017, and subject to any other ROFO agreements relating to any of the Contact Gold Properties, the Company will be obligated to inform Waterton of its intention to sell, lease, exchange, transfer or otherwise dispose of any of its interests in the Contact Gold Properties that is not a sale of all or substantially all of the Company’s assets and provide Waterton with a summary of the essential terms and conditions by which it is prepared to sell any specified interest in the Contact Gold Properties. Upon receipt of such divesting notice, Waterton will have a period of 20 business days to accept the offer to sell by the Company on the terms contained on the divesting notice. If Waterton has not accepted the terms during the 20 business day period, and the Company has not during such same period received a third party offer for such specified interest in the Contact Gold Properties, then the Company shall be permitted to sell its specified interest in the Contact Gold Properties to a third party for a period of 180 days from the date of the original divesting notice provided to Waterton on the terms and conditions no less favourable to the Company than those contained in the divesting notice.

- *Sale of Substantially All of the Company's Assets.* So long as Waterton and/or its affiliates beneficially own or control 33 $\frac{1}{3}$ % or more of the Contact Pref Shares originally issued to them on June 7, 2017, the Company shall not sell, lease, exchange, transfer or otherwise dispose of all or substantially all of its assets without Waterton's prior written consent, which will not be unreasonably withheld or delayed.
- *Right of First Refusal ("ROFR").* Subject to the provisions of the Contact Pref Shares, and subject to any other ROFR agreements relating to any of the Contact Gold Properties, if the Company shall have obtained an offer from one or more third party buyers in respect of the sale, lease, exchange, transfer or other disposition of any of the Contact Gold Properties, in whole or in part, in any single transaction or series of related transactions, which offer the Company proposes to accept, the Company shall promptly provide written notice of such fact to Waterton and offer to enter into such a transaction with Waterton.

Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

As at April 26, 2018, 17,557,685 (December 31, 2016 – nil) of the Company Shares were held in escrow and restricted from trading, pursuant to the rules of the TSXV. These trading restrictions expire as follows:

June 14, 2018	3,511,537
December 14, 2018	3,511,537
June 14, 2019	3,511,537
December 14, 2019	3,511,537
June 14, 2020	<u>3,511,537</u>
	17,557,685

As a condition to the completion of the Transactions, and in addition to the escrow provisions imposed by the TSXV, Waterton Nevada's shareholdings in Contact Gold (18,500,000 Contact Shares) are subject to a lock-up whereby it shall not sell or otherwise dispose of its securityholdings in Contact Gold for a period of 24 months, other than in limited circumstances. These same restrictions apply to Contact Shares held by certain officers and directors of the Company.

MARKET FOR SECURITIES

Trading Price and Volume

The Contact Gold Shares are listed and posted for trading on the TSXV under the symbol "C". The Contact Gold Shares commenced trading on the TSXV effective June 15, 2017. The following table indicates the high and low values and volume with respect to trading activity for the Contact Gold Shares on the TSXV on a monthly basis since the commencement of trading to the date of this AIF (Source: TMX Data).

Month	High (\$)	Low (\$)	Volume
2017			
June 15 – June 30	1.10	0.81	255,818
July	0.80	0.70	263,195
August	0.79	0.68	189,271
September	0.78	0.67	511,620
October	0.75	0.59	658,000
November	0.68	0.53	1,069,959
December	0.52	0.46	293,168
2018			
January	0.54	0.48	151,956
February	0.47	0.40	349,418
March	0.455	0.375	462,541
April 1 to April 26	0.43	0.365	1,032,112

The price of the Contact Gold Shares as quoted by the TSXV at the close of business on April 26, 2018 was \$0.40.

Prior Sales

During the most recently completed financial year ended December 31, 2017, the following securities of the Company, which are outstanding but not listed or quoted on a marketplace were issued.

Date of Issue	Number and Class of Security	Issue/Exercise/Deemed Price
June 13, 2017	3,233,000	\$1.00
September 11, 2017	150,000	\$0.75
November 24, 2017	200,000	\$0.58
March 27, 2018	3,985,000	\$0.39
April 17, 2018	480,000	\$0.415

DIRECTORS AND OFFICERS

The following table sets forth the name, municipality of residence, position held with the Company, principal occupation for the five preceding years and number of Contact Gold Shares beneficially owned by each person who is a director and/or an executive officer of the Company. The statement as to the Contact Gold Shares beneficially owned, controlled or directed, directly or indirectly, by the directors and executive officers hereinafter named is in each instance based upon information furnished by the person concerned and is as at the date hereof.

Name, Position with the Company and Municipality of Residence	Director/Officer Since	Principal Occupation	Number of Contact Gold Shares Beneficially Owned, Directly or Indirectly or Over Which Control or Direction is Exercised
Matthew Lennox-King ⁽⁴⁾ President, Chief Executive Officer and a Director <i>Whistler, British Columbia</i>	June, 2017	President and Chief Executive Officer of the Company; President and Chief Executive Officer of Pilot Gold Inc. (April 2011 to November 2015)	2,612,000 ⁽⁵⁾
John Wenger Chief Financial Officer, VP Strategy and Corporate Secretary <i>Vancouver, British Columbia</i>	June, 2017	Chief Financial Officer and Corporate Secretary of the Company; Chief Financial Officer of Pilot Gold Inc. (February 2011 to March 2017)	603,400 ⁽⁶⁾
Vance Spalding Vice-President, Exploration <i>Spring Creek, Nevada</i>	June, 2017	Vice-President, Exploration of the Company; Exploration Manager at Kinross Gold Corporation (January 2016 to June 2017); Vice-President, Exploration at Pilot Gold Inc. (October 2011 to January 2016)	Nil ⁽⁷⁾
Andrew Farncomb Senior Executive Vice- President and a Director <i>Toronto, Ontario</i>	June, 2017	Managing Partner at Cairn Merchant Partners LP (May 2012 to present)	1,590,248 ⁽⁸⁾
John Dorward ⁽¹⁾⁽²⁾⁽³⁾ Chairman of the Board and a Director <i>Toronto, Ontario</i>	June, 2017	President and Chief Executive Officer of Roxgold Inc. (September 2012 to present)	450,000 ⁽⁹⁾

Name, Position with the Company and Municipality of Residence	Director/Officer Since	Principal Occupation	Number of Contact Gold Shares Beneficially Owned, Directly or Indirectly or Over Which Control or Direction is Exercised
George Salamis ⁽²⁾⁽³⁾⁽⁴⁾ Director <i>North Vancouver, British Columbia</i>	June, 2017	President and Chief Executive Officer of Edgewater Exploration Ltd. (September 2010 to present); Chief Executive Officer of Pinecrest Resources Ltd. (2014 to present); President and Chief Executive Officer of Integra Resources Corp. (September 2017 to Present); Executive Chairman of Integra Gold Corp. (September 2014 to July 2017);	450,000 ⁽¹⁰⁾
Mark Wellings ⁽¹⁾⁽³⁾ Director <i>Toronto, Ontario</i>	June, 2017	President and CEO of Eurotin Inc. (November 2015 to present); Principal at INFOR Financial Group Inc. (September 2016 to present); Managing Director, Investment Banking of GMP Securities L.P. (August 1996 to October 2014)	500,000 ⁽¹¹⁾
Riyaz Lalani ⁽¹⁾⁽²⁾ Director <i>Toronto, Ontario</i>	June, 2017	Chief Executive Officer at Bayfield Strategy Inc. (February 2013 to Present)	Nil ⁽¹²⁾
Charlie (Richard) Davies ⁽⁴⁾ Director <i>Toronto, Ontario</i>	June, 2017	Principal, Exploration at Waterton Global Resource Management (April 2014 to Present); Manager, Exploration at Kinross Gold Corporation (October 2013 to April 2014)	Nil ⁽¹³⁾

- (1) Member of the Audit Committee. Mr. Lalani is the Chairman.
- (2) Member of the Corporate Governance and Nominating. Mr. Salamis is the Chairman.
- (3) Member of the Compensation Committee. Mr. Wellings is the Chairman.
- (4) Member of the Health, Safety and Sustainability Committee. Mr. Salamis is the Chairman.
- (5) Mr. Lennox King also holds 1,100,000 options with a weighted average exercise price of \$0.67 per Contact Gold Share.
- (6) Mr. Wenger also holds 900,000 options with a weighted average exercise price of \$0.66 per Contact Gold Share.
- (7) Mr. Spalding holds 833,000 options with a weighted average exercise price of \$0.63 per Contact Gold Share; and has been awarded 100,000 Restricted Shares, which vest in thirds over three years.
- (8) Mr. Farncomb also holds 1,000,000 options with a weighted average exercise price of \$0.70 per Contact Gold Share.
- (9) Mr. Dorward holds 600,000 options with a weighted average exercise price of \$0.70 per Contact Gold Share.
- (10) Mr. Salamis holds 600,000 options with a weighted average exercise price of \$0.70 per Contact Gold Share.
- (11) Mr. Wellings' shareholding is through ZCR Corp., a private corporation he controls; he also holds 600,000 with a weighted average exercise price of \$0.70 per Contact Gold Share.
- (12) Mr. Lalani holds 600,000 options with a weighted average exercise price of \$0.70 per Contact Gold Share.
- (13) Mr. Davies holds 600,000 options with a weighted average exercise price of \$0.70 per Contact Gold Share.

The directors of the Company are elected by the shareholders at each annual general meeting and typically hold office until the next annual general meeting at which time they may be re-elected or replaced.

The by-laws of the Company permit the Board to appoint directors to fill any casual vacancies that may occur. Individuals appointed as directors to fill casual vacancies on the Board hold office for the remainder of the term of the director that he or she is replacing, being until the next annual general meeting at which time they may be re-elected or replaced.

As of April 26, 2018, the directors and executive officers, as a group, will beneficially own, directly or indirectly, or exercise control or direction over, a total of 6,305,648 Contact Gold Shares, representing approximately 12.5% of the issued and outstanding Contact Gold Shares.

Corporate Cease Trade Orders

To the Company's knowledge, no director or executive officer of the Company is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies and Other Proceedings

To the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

Other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its directors and officers or other members of management of the Company or of any proposed director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. See "Risk Factors".

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee has adopted a written charter setting out its mandate and responsibilities. The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting processes and internal controls. The Audit Committee's primary duties and responsibilities are to: (i) conduct reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Audit Committee; (ii) assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures; (iii) ensure appropriate standards of corporate conduct for senior financial personnel and employees and, if necessary, adopt a corporate code of ethics; (iv) review the quarterly and annual Financial Statements and MD&A of the Company's consolidated financial position and operating results and in the case of the annual Financial Statements & MD&A report thereon to the Board for approval of same; (v) select and monitor the independence and performance of the Company's external auditors and approve their remuneration; (vi) provide oversight to related party transactions entered into by the Company; and (vii) provide oversight of all disclosure relating to Financial Statements, MD&A and information derived therefrom. The Audit Committee is responsible for inquiring of management and the external auditors about significant risks or exposures, both internal and external to which the Company may be subject and assessing the steps management has taken to minimize such risks. The Audit Committee is also responsible for establishing and implementing procedures in respect of complaints and submissions relating to accounting matters and the approval of non-audit services by the external auditors.

The Charter of the Company's Audit Committee is set forth in Schedule "A" hereto.

Composition of the Audit Committee

The Audit Committee has been constituted to oversee the financial reporting processes of the Company and is comprised of three independent directors; namely Messrs. Lalani (Chairman of the Audit Committee), Wellings and Dorward. Each member of the Audit Committee is financially literate and possesses extensive financial knowledge, experience and comprehension of financial statements.

Relevant Education and Experience

Each member of the Audit Committee has experience relevant to his responsibilities as an Audit Committee member.

Riyaz Lalani. Mr. Lalani is the CEO of Bayfield Strategy, Inc., a communications firm that specializes in financial transactions, shareholder actions, crisis communications and media relations. He has been involved with over 100 shareholder actions, and dozens of hostile M&A transactions. Before founding Bayfield, Mr. Lalani served three years as the Chief Operating Officer of Canada's largest proxy firm. Prior to that, Mr. Lalani was employed by an international asset manager for almost 10 years in New York and Toronto. He worked in a variety of analytical, business development and operational roles at the firm, eventually leading overall research and operational efforts. Mr. Lalani is a director of the Canadian Journalism Foundation and a past director of three junior mining companies.

Mark Wellings. Mr. Wellings is a mining professional with over 25 years of international experience in both the mining industry and mining finance sector and is currently President and Chief Executive Officer and a director of Eurotin Inc., a director of Gran Colombia Gold Corp. and Principal at INFOR Financial Group Inc. From 1988 to 2004, Mr. Wellings worked in the finance industry with a variety of companies and roles including Derry, Michener, Booth & Wahl, Arimco N.L., Inco Ltd. and Watts Griffiths McOuat, acquiring valuable hands-on experience in exploration, development and production. In 1996, Mr. Wellings joined the investment dealer GMP Securities L.P. where he cofounded the firm's corporate finance mining practice. During his 18 years at GMP, Mr. Wellings was responsible for, and advised on, some of the Canadian mining industry's largest transactions, both in equity financing and mergers and acquisitions. Mr. Wellings is a Professional Engineer and holds a master of business administration degree and a Bachelor of Applied Science degree in Geological Engineering.

John Dorward. Mr. Dorward is President and Chief Executive Officer of Roxgold Inc., a TSX-listed gold producer and has over 20 years of experience in the mining and finance industries. Prior to his time at Roxgold, Mr. Dorward served as Vice-President, Business Development at Fronteer Gold from October 2009 to April 2011 where he was an integral part of the team that sold the large Michelin uranium deposit, acquired AuEX Ventures Inc., and successfully advanced Fronteer Gold's properties prior to the company's sale to Newmont for \$2.3 billion in 2011. Mr. Dorward was the Chief Financial Officer of Mineral Deposits Ltd. from 2006 to 2009, where he was responsible for financing the construction of the Sabodala Gold Project in Senegal, West Africa, and was the Chief Financial Officer at Leviathan Resources Ltd., an ASX-listed gold producer, before its acquisition in 2006. He was a non-executive director of Pilot Gold from 2011 to 2015, and is currently a non-executive director of Navarre Minerals Ltd., an ASX-listed exploration company.

Reliance on Certain Exemptions

The Company is relying on the exemption in Section 6.1 of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) from the requirement of Part 5 (Reporting Obligations) of 52-110.

Pre-Approval Policies and Procedures

The Audit Committee charter sets out procedures regarding the provision of non-audit services by the Company's independent chartered professional accountants. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted non-audit and non-audit-related services.

External Auditor Service Fees (by category)

Ernst & Young LLP was appointed as the Company's external auditors pursuant to a letter dated July 18, 2017. The aggregate fees billed and estimated to be billed by the Company's external auditors for the last two fiscal years is set out in the table below.

Year	Audit Fees ⁽¹⁾⁽⁵⁾	Audit Related Fees ⁽²⁾⁽⁵⁾	Tax Fees	All Other Fees
2017	\$164,970	\$60,000	Nil	Nil
2016	Nil	Nil	Nil	Nil

(1) “Audit Fees” refers to the aggregate fees billed by the external auditor for audit services.

(2) “Audit Related Fees” refers to aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under Audit Fees.

(3) “Tax Fees” includes fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning.

(4) “All Other Fees” includes all fees billed by the external auditors for services not covered in the other three categories.

(5) Balances shown are net of an aggregate of \$4,749 in expenses charged by Ernst & Young LLP.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings or regulatory actions to which the Company or its subsidiaries or properties are or were subject to, during the most recently completed financial year ended December 31, 2017.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this AIF, no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Contact Gold Shares is Computershare Investor Services Inc., with its principal office at 3rd Floor - 510 Burrard St. Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company within the most recently completed financial year or before the most recently completed financial year if the material contract is still in effect, other than as follows:

1. The Governance and Investor Rights Agreement, includes, among other things, a standstill, lock-up and resale restrictions placed on Waterton's holdings the Company for a period of two years, and subject to certain exemptions, participation rights in favour of Waterton to maintain its *pro rata* interest in the Company and registration rights in favour of Waterton. In addition, Waterton agreed to support recommendations of management of the Company in respect of future shareholder meetings for a period of two years, subject to certain limitations. Each of Messrs. Lennox-King, Farncomb, Dorward, Wellings and Salamis agreed to a lock-up whereby they agreed not to sell or otherwise dispose of their shareholdings in the Company for a period of two years.
2. The Goldcorp Investor Rights Agreement, whereby as long as Goldcorp maintains a 7.5% or greater equity ownership interest in the Company: Goldcorp has the right to maintain its *pro rata* ownership percentage of the Company during future financings; a "top up" right to increase its equity ownership percentage to a maximum of 19.9% of the issued and outstanding Contact Gold Shares until the earlier of the date on which it elects not to exercise its participation right in any future financing or it disposes of any Contact Gold Shares other than to its affiliates; and the right to receive regular updates of technical information about the Company; the Company agreed to form, at Goldcorp's request, a technical committee with Goldcorp having the right to appoint not less than 25% of the members of the technical committee; and if Goldcorp elects to sell a block of more than 5% of the Contact Gold Shares, the Company was given the right to designate buyers.

INTERESTS OF EXPERTS

The following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made under National Instrument 51-102 – *Continuous Disclosure Obligations* by the Company during or relating to the financial year ended December 31, 2017, whose profession or business gives authority to such report, valuation, statement or opinion:

- The Qualified Person (QP) for the Technical Report was Michael M. Gustin, Ph.D., C.P.G., of Mine Development Associates.

The Technical Report is available on SEDAR at www.sedar.com, and on the Company's website at www.contactgold.com, and a summary of the Technical Report is contained in this AIF under section entitled "The Contact Gold Properties".

The aforementioned firms and persons held either less than one percent or no securities of the Company or of any associate or affiliate of the Company at or following the time when they prepared the Technical Report, and either did not receive any or received less than a one percent direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of the Technical Report.

Certain scientific and technical information contained in this AIF and derived from the Company's news releases dated October 4, 2017, November 2, 2017, January 16, 2018, and February 14, 2018 (available under the Company's profile on SEDAR at www.sedar.com), has been reviewed and approved by Vance Spalding, CPG, an officer of the Company and a Qualified Person.

Mr. Spalding is not independent of Contact Gold by virtue of his employment with the Company. Mr. Spalding is Vice President Exploration of Contact Gold and holds Contact Gold Shares, Options and Restricted Shares. As of the date hereof, and as of the date of the press releases for which he was the Company's Qualified Person, the Contact Gold Shares, Options and Restricted Shares held by Mr. Spalding, represent less than 1% of the issued and outstanding Contact Shares.

Ernst & Young LLP, Chartered Professional Accountants (regarding the Financial Statements and auditor's report thereon), has advised the Company that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.contactgold.com. Additional information, including information concerning directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in the management proxy circular of the Company for its annual shareholders meeting to be held in 2018.

Additional financial information is provided in the Financial Statements and MD&A for the year ended December 31, 2017 and the period from incorporation on November 23, 2016 to December 31, 2016

**SCHEDULE "A" – CHARTER OF THE AUDIT COMMITTEE
CONTACT GOLD CORP.**

1. ROLE AND OBJECTIVE

The Audit Committee (the "**Committee**") is appointed by and reports to the board of directors (the "**Board**") of Contact Gold Corp. (the "**Corporation**"). The Committee assists the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation.

The Committee and its membership shall to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Corporation's shares are listed, the Nevada Revised Statutes applicable to Nevada corporations (the "**Nevada Act**"), Title 7, Chapter 78, and the *Canada Business Corporations Act* (the "**CBCA**"), and all applicable securities regulatory authorities.

2. COMPOSITION

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.
- A majority of members of the Committee shall be "independent"; and all shall be financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes).
- Each member of the Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.
- At least one member of the Committee shall have sufficient experience to be considered a Financial Expert, where such is determined by having been a chief financial officer, chartered or certified public accountant, certified management accountant, or partner of an accounting firm.
- Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation. Any member may be removed or replaced at any time by the Board.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.
- A Chair of the Committee shall be designated by the Board or, if it does not do so, the members of the Committee shall elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above), and as detailed herein is charged with the responsibility of oversight over matters detailed in this Charter.
- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
- The Chair of the Committee presiding at any meeting shall not have a casting vote.
- The Committee shall appoint a secretary (the "**Secretary**") who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Corporation.
- No Committee member shall simultaneously serve on the audit committee of more than two other public companies with active business operations or significant assets.

3. MEETINGS

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, provided that meetings of the Committee shall be convened whenever requested by the external auditors (the "**Independent Auditors**") or any member of the Committee in accordance with the Nevada Act.

- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.
- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.
- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office for no more than six months, at which time the vacancy will be filled by a vote of a majority of the Board.
- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.
- The CEO and CFO are expected to be available to attend meetings, but a portion of every meeting will be reserved for in camera discussion without the CEO or CFO, or any other member of management, being present.
- The Committee may by specific invitation have other resource persons in attendance such officers, directors and employees of the Corporation and its subsidiaries, and other persons, including the Independent Auditors, as it may see fit, from time to time, to attend at meetings of the Committee.
- The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- Minutes of Committee meetings shall be sent to all Committee members.
- The Chair of the Committee shall report periodically the Committee's findings and recommendations to the Board.

4. RESOURCES AND AUTHORITY

- The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information with respect to the Corporation and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.
- The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors and resources, as it deems advisable, at the expense of the Corporation.
- The Committee shall have the authority to communicate directly with the internal and external auditors.

5. RESPONSIBILITIES

a. Chair

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- chair meetings of the Committee, unless not present (including in camera sessions), and reports to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- ensures that the Committee meets on a regular basis and at least four times per year;
- in consultation with the Committee members, establishes a calendar for holding meetings of the Committee;
- establish the agenda for each meeting of the Committee, with input from other Committee members, and any other parties, as applicable;
- ensures that Committee materials are available to any director on request;
- acts as liaison and maintains communication with the Chair of the Board (or Lead Director if an individual other than the Chair) and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes, at least annually and at such other times and in such manner as the Committee considers advisable, reporting to the full Board on:
 - (a) all proceedings and deliberations of the Committee;
 - (b) the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole; and
 - (c) principal operating and business risks identified by management and how each are either mitigated or managed.
- ensure that the members of the Committee understand and discharge their duties and obligations;
- foster ethical and responsible decision making by the Committee and its individual members;
- encourage Committee members to ask questions and express viewpoints during meetings;
- together with the Corporate Governance and Nominating Committee (the "**CG&N Committee**"), oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approve work to be done for the Committee by consultants;
- facilitate effective communication between members of the Committee and management;
- encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with the Independent Auditors;
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

b. The Committee

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or legal counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee is hereby delegated the duties and powers specified in the Nevada Act and Section 171 of the CBCA and, without limiting these duties and powers, the Committee will carry out the following responsibilities:

Financial Accounting and Reporting Process and Internal Controls

- review the annual audited financial statements to satisfy itself that they are presented in accordance with either International Financial Reporting Standards ("**IFRS**") or United States Generally Accepted Accounting Principles ("**US GAAP**", and together with IFRS, "**applicable Accounting Principles**"), and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information and/or prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding applicable Accounting Principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements, the interim financial statements and management's discussion and analysis relating to such annual and interim financial statements is not significantly erroneous, misleading or incomplete and that the audit and review functions have been effectively carried out.
- review management's internal control report. In consultation with the Independent Auditors the Committee shall assess the integrity of management's risk assessments and internal controls over financial reporting and disclosure controls and procedures and ensure implementation of such controls and procedures.
- review financial summaries and disclosures made in accordance with the Extractive Sector Transparency Measures Act ("**ESTMA**"), including but not limited to attestation reports made by a director or officer of the Corporation that the information in the report is true, accurate and complete in all material respects and that reasonable diligence has been exercised.
- be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
- inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
- oversee the Corporation's plans to adopt changes to policy choices under applicable Accounting Principles, and related disclosure obligations.
- in consultation with the CG&N Committee, ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting and overseeing a corporate code of ethics for senior financial personnel.
- establish procedures for the receipt, retention and treatment of:
- complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

- confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting, internal accounting controls or auditing matters.
- provide oversight to related party transactions entered into by the Corporation.

Independent Auditors

- recommend to the Board for approval by shareholders, the selection, appointment and compensation of the Independent Auditors;
- be directly responsible for oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
- ensure the lead audit partner and the other audit partners (if any) at the Independent Auditor is replaced in compliance with applicable laws.
- be directly responsible for overseeing the work of the Independent Auditors, including the resolution of disagreements between management and the Independent Auditors regarding financial reporting.
- with reference to the procedures outlined separately in “Procedures for Approval of Non-Audit Services” (attached hereto as Appendix ‘A’), pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors.
- monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors.
- review the Independent Auditors’ audit plan, including scope, procedures, timing and staffing of the audit as well as any procedures relating to attestation on the Corporation’s ESTMA reporting.
- review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
- review the results of procedures undertaken by the Independent Auditors relating to ESTMA reporting, and receive and review the auditor's reporting thereon.
- obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Accounting Principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
- review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
- review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

Other Responsibilities

- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate;
- institute and oversee special investigations, as needed; and
- review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

APPENDIX "A"

Procedures for Approval of Non Audit Services

1. The external auditors to Contact Gold Corp. (the "**Corporation**") shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board or any other applicable regulatory authority determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for minimal non-audit services (e.g. tax compliance, tax advice or tax planning), the Chief Financial Officer of the Corporation shall consult with the Chair of the Audit Committee of the Board of Directors (the "**Committee**"), who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services in accordance with the requirements set forth under the "Exemption for minimal non-audit services" provided by Section 2.3 (4) of National Instrument 52-110 - *Audit Committees*, whereby
 - (a) the aggregate fees paid for all the non-audit services that are not approved by the Committee is reasonably expected to constitute no more than five per cent of the aggregate fees paid by the Corporation and its subsidiary entities to the Corporation's external auditor during the financial year in which the services are provided;
 - (b) the Corporation or the subsidiary entity of the issuer, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) once recognized as non-audit services, the services are promptly brought to the attention of the Committee of the issuer and approved, prior to the completion of the audit, by the Committee.
3. All other non-audit services shall be approved or disapproved by the Committee as a whole as set forth herein.
4. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.