Contact Gold Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, *Continuous Disclosure Obligations*, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Contact Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

Contact Gold Corp.
Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at

	Notes	June 30, 2023	December 31, 2022
		$	$
Assets			
Current assets			
Cash and cash equivalents		691,637	141,305
Receivables, prepaids, and deposits	5	250,477	267,980
Total current assets		942,114	409,285
Non-current assets			
Marketable securities	6(c)	101,541	-
Fixed assets	6	45,371	53,814
Exploration properties	6	28,544,298	30,890,965
Total non-current assets		28,691,210	30,944,779
Total assets		29,633,324	31,354,064
Liabilities and shareholders' equity			
Current liabilities			
Payables and accrued liabilities	7	648,130	543,218
Short-term obligation		-	100,000
Lease obligation	6, 7	9,434	8,671
Total current liabilities		657,564	651,889
Non-current liabilities			
Provision for site reclamation	6(a),6(b)	150,436	150,722
Lease obligation	6, 7	28,205	33,935
Total non-current liabilities		178,641	184,657
Total liabilities		836,205	836,546
Shareholders' equity			
Share capital	8	75,414,934	74,802,007
Contributed surplus	8	7,881,103	7,333,411
Accumulated other comprehensive loss		(864,635)	(227,333)
Accumulated deficit		(53,634,283)	(51,390,567)
Total shareholders' equity		28,797,119	30,517,518
Total liabilities and shareholders' equity		29,633,324	31,354,064

Nature of operations and going concern	1, 2
Subsequent event	12

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Approved by the Board of Directors:

"*Riyaz Lalani* ", Director

"*John Dorward* ", Director

Contact Gold Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except share amounts)

	Notes	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
		$	$	$	$
Operating expenses:					
Write-down of exploration properties	6(d)	1,599,111	-	1,599,111	-
Wages and salaries		217,139	277,076	457,573	574,460
Exploration and evaluation expenditures, net	6	68,505	648,219	140,196	926,280
Administrative, office, and general		41,868	81,694	96,833	151,511
Investor relations, promotion, and marketing		62,581	60,142	66,395	163,183
Professional, legal, and advisory fees		24,053	44,878	41,094	152,875
Stock-based compensation expense	8(c)	11,825	31,931	32,747	(8,421)
Accretion of Cobb Creek obligation		-	1,518	-	2,944
Loss from operations		2,025,082	1,145,458	2,433,949	1,962,832
Other expenses (income)					
Loss on disposal of financial assets		-	6,050	-	6,050
Foreign exchange loss (gain)		(42)	(107)	670	85
Interest and other income (expense)		5,456	(1,173)	(18,681)	(2,203)
Recovery from change in estimate		-	-	(60,985)	-
Management fee earned on Centerra Farm-out	6(a)	(88,564)	-	(111,237)	-
		(83,150)	4,770	(190,233)	3,932
Loss before income taxes		1,941,932	1,150,228	2,243,716	1,966,764
Income taxes		-	-	-	-
Loss for the period		1,941,932	1,150,228	2,243,716	1,966,764
Other comprehensive loss (gain)					
Items that may be reclassified subsequently to net loss					
Exchange differences on translation of foreign operations	6	668,379	(914,964)	693,714	(494,971)
Items that will not be reclassified subsequently to net loss					
Net unrealized loss (gain) on financial assets	6(c)	9,026	-	(56,412)	-
Total loss and comprehensive loss for the period		2,619,337	235,264	2,881,018	1,471,793
Loss per Contact Share	8(e)				
Basic and diluted loss per share		$ 0.01	$ 0.00	$ 0.01	$ 0.01
Weighted average number of Contact Shares (basic and diluted)		321,043,803	301,415,451	336,487,972	301,402,187

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Contact Gold Corp.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars, except share amounts)

	Common Shares					
	Shares (Note 8)	Amount	Contributed surplus (Note 8)	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
	#	$	$	$	$	$
Balance as at December 31, 2021	301,282,072	74,783,060	7,235,888	(2,253,867)	(48,129,486)	31,635,595
Shares issued pursuant to exercise of RSUs	133,379	19,801	(19,801)	-	-	-
Stock-based compensation	-	-	40,171	-	-	40,171
Cumulative translation adjustment	-	-	-	494,971	-	494,971
Loss for the period	-	-	-	-	(1,966,764)	(1,966,764)
Balance as at June 30, 2022	301,415,451	74,802,861	7,256,258	(1,758,896)	(50,096,250)	30,203,973
Balance as at December 31, 2022	301,415,451	74,802,007	7,333,411	(227,333)	(51,390,567)	30,517,518
Shares issued pursuant to exercise of RSUs	131,277	19,400	(19,400)	-	-	-
Shares issued pursuant to exercise of DSUs	759,909	18,998	(18,998)	-	-	-
Share issued pursuant to 2023 Private Placement	50,000,000	630,917	369,083	-	-	1,000,000
Share issue costs	-	(56,388)	-	-	-	(56,388)
Stock-based compensation	-	-	217,007	-	-	217,007
Cumulative translation adjustment	-	-	-	(637,302)	-	(637,302)
Loss for the period	-	-	-	-	(2,243,716)	(2,243,716)
Balance as at June 30, 2023	352,306,637	75,414,934	7,881,103	(864,635)	(53,634,283)	28,797,119

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Contact Gold Corp.
Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	For the six months ended June 30, 2023	For the six months ended June 30, 2022
		$	$
Cash flows from operating activities			
Loss for the period		(2,243,716)	(1,966,764)
Adjusted for:			
Movements in working capital:			
Receivables	5	(2,073)	(19,329)
Prepaids and deposits	5	68,066	249,976
Payables and accrued liabilities	7	145,329	132,025
Changes in working capital pertaining to Centerra Earn-in	5, 6(a), 7	(48,510)	-
Cash received pursuant to Centerra recovery	6(a)	1,115,402	-
Expenditures pursuant to Centerra Earn-in	6(a)	(1,108,014)	-
Stock-based compensation	8(c)	217,007	40,171
Write-down of exploration properties	6(d)	1,599,111	-
Accretion of Cobb Creek obligation, including foreign exchange impact		-	2,944
Foreign exchange		-	574
Amortization		7,365	3,696
Recovery from change in estimate	8(d)	(60,985)	-
Net cash used in operating activities		(311,019)	(1,556,707)
Cash flows from investing activities			
Cash received from disposal of financial assets		-	22,500
Cash received pursuant to South Carlin and Woodruff Option	6(d)	13,425	-
Net cash from investing activities		13,425	22,500
Cash flows from financing activities			
Principal payments on lease liability	6	(4,083)	(14,312)
Cash received from 2023 Private Placement	8	1,000,000	-
Share issue costs paid on 2023 Private Placement	8	(56,388)	-
Short-term advance received from related party	7, 9	100,000	-
Short-term advance settled with related party	7, 9	(200,000)	-
Interest income on cash and cash equivalents, net		4,362	-
Net cash from financing activities		843,891	(14,312)
Effects of exchange rate changes on the balance of cash held in foreign currencies		4,035	(6,868)
Net increase (decrease) in cash		550,332	(1,555,387)
Cash and cash equivalents, beginning of period		141,305	2,684,939
Cash and cash equivalents, end of the period		691,637	1,129,552

The accompanying notes form an integral part of these condensed interim consolidated financial statements

1. NATURE OF OPERATIONS

Originally incorporated as Winwell Ventures Inc. ("Winwell") under the *Business Corporations Act (Yukon)* on May 26, 2000, Contact Gold Corp. (the "Company," or "Contact Gold") was continued under the laws of the State of Nevada on June 7, 2017 as part of a series of transactions that included a reverse acquisition of a non-operating company, and the acquisition of a 100% interest in Clover Nevada II LLC ("Clover"), a Nevada limited liability company holding a portfolio of gold properties (the "Contact Properties") located on Nevada's Carlin, Independence, and Northern Nevada Rift gold trends (the "Clover Acquisition").

The Company began trading on the TSX Venture Exchange ("TSXV") under the symbol "C" on June 15, 2017.

On June 4, 2021, the Company completed an internal reorganization designed to continue and redomicile Contact Gold Corp. from incorporation in the State of Nevada to the Province of British Columbia ("BC").

The Company is engaged in the acquisition, exploration, and development of exploration properties in Nevada. The Company is domiciled in Canada and maintains a head office at 1050-400 Burrard St., Vancouver, BC, Canada.

2. BASIS OF PRESENTATION AND GOING CONCERN

a. Unaudited interim financial data

These unaudited condensed interim consolidated financial statements for the three- and six-months ended June 30, 2023 and 2022 (the "Interim Financial Statements"), have been prepared in accordance with IAS 34, *Interim Financial Reporting,* and should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended December 31, 2022 and 2021, and related notes thereto (the "AFS") which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company uses the same accounting policies and methods of computation across all periods presented in the Interim Financial Statements.

These Interim Financial Statements are presented on a historical cost basis, except for derivative financial instruments which have been measured at fair value, and are presented in Canadian dollars ("$"), except where otherwise indicated. Amounts in United States dollars are presented as "USD".

In the opinion of management, the Interim Financial Statements reflect all normal and recurring adjustments necessary for the fair presentation of the Company's financial position as at June 30, 2023, and June 30, 2022, and results of its operations for each of the three- and six-month periods there ended. The results for the six-month period ended June 30, 2023 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2023, or for any other future annual or interim period.

The Board of Directors of the Company (the "Board") authorized the Interim Financial Statements for issuance on August 28, 2023.

b. Going concern

The Interim Financial Statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future; and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Recent global events including the impacts remaining from the response to the coronavirus COVID-19 pandemic ("COVID-19"), concerns arising on the potential liquidity issues appearing in the US banking industry, and the conflict in Ukraine, may have far reaching impacts on commodity prices, foreign currency exchange rates, and the price of publicly traded companies. The uncertainty and increasing volatility in the capital markets arising from these and other global events may impact the Company's business and the ability to raise new capital.

Contact Gold recorded a loss of $2.24 million and a comprehensive loss of $0.64 million for the six months ended June 30, 2023. As at June 30, 2023, Contact Gold has an accumulated deficit of $53.63 million, and working capital of $0.28 million. The Company has not generated significant revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future.

Contact Gold's continuation as a going concern depends on its ability to successfully raise capital. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company; therefore giving rise to a material uncertainty which may cast significant doubt as to whether Contact Gold's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of these Interim Financial Statements. Consequently, management is pursuing various financing alternatives to fund operations and advance its business plan.

2. BASIS OF PRESENTATION AND GOING CONCERN (continued)

b. Going concern (continued)

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company may determine to reduce the level of activity and expenditures, or divest of certain mineral property assets, to preserve working capital and alleviate any going concern risk. In order to satisfy its capital requirements and undertake its planned exploration program through the remainder of 2023, the Company acknowledges that it will likely be necessary to raise funds through the issuance of new common share of Contact Gold (a "Contact Share"). There is no guarantee that any contemplated transaction will be concluded.

3. MATERIAL ACCOUNTING POLICY INFORMATION

See Note 3 – Material Accounting Policy Information contained in the AFS.

a. Basis of consolidation

The Interim Financial Statements include the financial statements of the parent company, Contact Gold Corp., and its subsidiaries, as listed below:

Name of subsidiary	Principal activity	Location	Ownership interest
Carlin Opportunities Inc. ("Carlin")	Holding company	Canada	100%
Contact Gold US Holding Corp. ("CGUS")	Holding company	United States	100%
Clover Nevada II LLC ("Clover")	Mineral exploration	United States	100%

All significant intercompany transactions are eliminated on consolidation.

b. Foreign exchange

Items included in the Interim Financial Statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). Each of Carlin and Contact Gold Corp. raise financing and incur expenditures in Canadian dollars, giving rise to a $ functional currency; Clover and CGUS generally incur expenditures and receive funding from the Company in United States dollars ("USD"), and accordingly have a USD functional currency. The determination of functional currency involves certain judgments to determine the primary economic environment in which a particular legal entity operates, and management of the parent company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

In preparing the Interim Financial Statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the parent entity that are in a currency other than $ are retranslated at the rates prevailing at that date, giving rise to foreign exchange gains and losses in the consolidated statements of loss and comprehensive loss. The translation of the assets and liabilities of Clover and CGUS is done using exchange rates prevailing at the end of the reporting period, with such differences recognized in other comprehensive loss as cumulative translation adjustments.

Foreign currency non-monetary items that are measured in terms of historical cost are not retranslated.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates at the dates of the transactions are used.

c. Exploration property acquisition costs

Exploration property acquisition costs are capitalized. The application of the Company's accounting policy for exploration property acquisition and transaction costs requires judgment to determine the type and amount of such costs to be capitalized. Capitalized acquisition costs are written down in the period in which it is determined that the exploration property has no future economic value. Capitalized amounts may be impaired if future cash flows, including potential sales proceeds, related to the property are estimated to be less than the carrying value of the property. Management of Contact Gold reviews the carrying value of each exploration property interest periodically, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable, the amount is adjusted. Judgment is required to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c. Exploration property acquisition costs (continued)

The acquisition of title to exploration properties is a complicated and uncertain process. Although management of Contact Gold take steps to verify title to exploration properties in which it holds an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Property title may be subject to unregistered prior transfer, agreements or net smelter returns ("NSR") royalty interests, and/or may be affected by undetected defects. Furthermore, resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by Contact Gold in the exploration of its property interests will result in discoveries of commercial quantities of minerals. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant.

There is no assurance the Company has, or will have, commercially viable ore bodies, nor is there any assurance that management of the Company will be able to arrange sufficient financing to bring ore bodies into production.

Upon abandonment or disposal (including farm-out transaction), any consideration received is credited against the carrying amount of the exploration and evaluation property interests, with any excess consideration greater than the carrying amount included as a gain in profit or loss.

d. Exploration property claims maintenance fees

Claims maintenance fees paid to the United States' Department of Interior's Bureau of Land Management (the "BLM"), the United States Department of Agriculture Forest Service (the "USFS"), and similar fees paid to county, state and municipal agencies, as well as fees paid annually pursuant to private property lease and other similar land use arrangements (together, "Claims Maintenance fees"), are accounted for as prepaid assets and amortized over the course of the period through which they provide access and title.

Such fees, paid to the BLM, cover the twelve-month period ranging from September 1 to August 31 of the subsequent year. Fees paid to the respective Nevada counties cover the twelve-month period from November 1 to October 31 of the subsequent year. Should the Company determine to impair a particular exploration property, the remaining amount of Prepaid Claims Maintenance fees for that property are written down in the same period.

Fees paid pursuant to private property lease and other similar land use arrangements are expensed in the period in which they are due and paid.

e. Exploration and evaluation expenditures

With the exception of Claims Maintenance fees, exploration expenditures, including property lease, and advance royalty payments, are expensed as incurred. When it has been established that a mineral deposit can be commercially mined and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine prior to the start of mining operations will be capitalized. Capitalized amounts may be written down if future cash flows, including potential sales proceeds, related to an exploration property are estimated to be less than the carrying value of the property.

None of the Company's properties have any known body of commercial ore or any established economic deposit; all are currently in the exploration stage. Capital expenditures to bring a property to a commercial production stage are also significant. To date, no amounts have been capitalized in respect of development activities. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that management of the Company will be able to arrange sufficient financing to bring ore bodies into production.

Contact Gold's election to expense exploration and evaluation expenditures, will likely result in the Company reporting larger losses than other companies in the exploration stage who have elected to capitalize expenditures relating to the exploration and advancement of mineral property interests. As a result, the Company's financial results may not be directly comparable to the financial statements of companies in the exploration stage.

f. Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when the amount has been reasonably estimated. Provisions are not recognized for future operating losses.

Constructive obligations are obligations that derive from actions of Contact Gold where:

- An established pattern of past practice, published policies, or a sufficiently specific current statement in which the Company has indicated to other parties that it will accept certain responsibilities; and
- As a result, the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

f. Provisions (continued)

Contact Gold records provisions for closure and reclamation on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The estimate for such costs are capitalized to the corresponding asset. The provision for closure and reclamation is estimated using expected cash flows and discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation, the offset of which is charged to the consolidated statements of loss and comprehensive loss, and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost. Expenditures of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the later of i) the determination to abandon a property, or ii) the end of the life of the mine.

g. Recently adopted accounting standards and pronouncements

On February 12, 2021, the IASB issued, "*Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*" providing guidance intended to help preparers in deciding which accounting policies to disclose in their financial statements. IAS 1, "*Presentation of Financial Statements*" has been amended in the following ways:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of what was outlined as a 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

The Company early adopted this updated disclosure beginning January 1, 2021.

Definition of Accounting Estimates (Amendments to IAS 8)

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amends IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The Company adopted the amendments beginning January 1, 2023, with no material impact.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

On January 23, 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, to clarify the classification of liabilities as current or non-current. On July 15, 2020, the IASB issued an amendment to defer the effective date by one year. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that:

- settlement of a liability includes transferring a company's own equity instruments to the counterparty, and
- when classifying liabilities as current or non-current a company can ignore only those conversion options that are recognized as equity

The Company adopted the amendments beginning January 1, 2023, with no material impact.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

g. Recently adopted accounting standards and pronouncements (continued)

Deferred Tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)

In May 2021, the IASB issued targeted amendments to IAS 12 – *Income Taxes* to specify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specific circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The Company adopted the amendments beginning January 1, 2023, with no material impact.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND RISKS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period.

Accounting estimates are:

- typically made in order to achieve the objective set out by the relevant accounting policy,
- relate to monetary amounts in the financial statements that are subject to measurement uncertainty, and
- typically involve the use of judgements or assumptions based on the latest available reliable information.

Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Actual results could differ from the amounts estimated in these Interim Financial Statements; uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. To the extent there are material differences between estimates and the actual results, future results of operations will be affected. The more significant areas requiring the use of management's judgments, estimates, and assumptions include: the type and amount of exploration property acquisition and transaction costs eligible for capitalization; the assessment of indicators of impairment of exploration properties; provisions for reclamation; the valuation of share-based compensation; and whether accounting policies are material enough to merit disclosure or not.

Further information on management's judgments, estimates, and assumptions and how they may impact results are described in the relevant notes to these Interim Financial Statements.

5. RECEIVABLES, PREPAIDS, AND DEPOSITS

At June 30, 2023, there was a balance of USD 77,057 ($102,023) receivable relating to eligible expenditures incurred by the Company pursuant to a farm-out agreement (the "Centerra Agreement")((Note 6)(a)) entered into with a wholly-owned subsidiary of Centerra Gold Inc. ("Centerra") (December 31, 2022: USD 39,510 ($53,512)). Pursuant to the Centerra Agreement, and as outlined by an annually approved program and budget, the Company provides a cash-call notice to Centerra each month, and Centerra advances funds to the Company for deployment and execution of the program. The remainder of the balance of receivables is for recoverable sales taxes.

Prepaid expenses include $37,313 (December 31, 2022: $145,316) in land claim maintenance fees paid by the Company to the United States' Department of Interior's Bureau of Land Management (the "BLM"), the United States Department of Agriculture Forest Service (the "USFS"), and similar fees paid to the relevant Nevada counties (together, "Claims Maintenance fees").

Pursuant to the Centerra Agreement, the Company recovered USD 31,433 ($42,843) in Claims Maintenance fees in December 2022 (Note 6(a)). The amount was applied against the balance of prepaid Claims Maintenance fees on receipt.

The Company is party to a surety bonding arrangement with a third-party (the "Surety Agent") whereby the Company's reclamation bonding obligations are met by deposits made by the Surety Agent. A finance fee of $8,969 (USD 6,655) for the six months ended June 30, 2023 (June 30, 2022: $10,643 (USD 8,370)) was charged on the balance of the amount advanced and deposited by the Surety Agent. As at June 30, 2023, a total of $537,239 (USD 405,770) (December 31, 2022: USD 558,770) in bonding had been placed by the Surety Agent.

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

6. EXPLORATION PROPERTIES

The Contact Properties include exploration property claims contiguous to the original tenure and new property interests ("Additions"). Since inception, the Company has also either vended, or determined to abandon or impair certain properties.

	Green Springs (a)	Pony Creek (b)	South Carlin (d)	Portfolio properties (e)	Total
	$	$		$	$
December 31, 2021	635,463	26,039,548	709,559	1,531,235	28,915,805
Additions	203,205	-	-	-	203,205
Recovery from earn-in	(203,160)	-	-	-	(203,160)
Foreign Exchange	43,362	1,778,690	48,467	104,596	1,975,115
December 31, 2022	678,870	27,818,238	758,026	1,635,831	30,890,965
Recovery from earn-in	-	-	(45,387)	-	(45,387)
Write-down & impairment	-	-	-	(1,599,111)	(1,599,111)
Foreign Exchange	(3,625)	(631,386)	(30,348)	(36,720)	(702,169)
June 30, 2023	**675,245**	**27,186,852**	**682,201**	**-**	**28,544,298**

With the exception of the Cobb Creek property (nil%), the Contact Properties each carry an NSR royalty of between 2% and 4.5%, some of which include buy-down options.

Specific Contact Properties for which there were changes during the periods presented:

a) Green Springs

The past-producing Green Springs gold property ("Green Springs") is located at the southern end of Nevada's Carlin Trend, and encompasses 3 shallow past-producing open pits and numerous targets that were not mined.

Certain claims within Green Springs are the subject of lease agreements with third-parties, one of which requires an annual USD 25,000 payment, whilst the other requires an annual payment in cash equal to the value of 20 ounces of gold. Existing royalties on certain mineral property claims that comprise Green Springs range from 3% to 4.5%, based on historical underlying agreements.

Earn-in and acquisition

On July 23, 2019, Contact Gold and Clover entered into a purchase option agreement (the "Green Springs Option") with subsidiaries of Gold Royalty Corp. ("GRC"), whereby Clover had the option to purchase a 100% interest in the property by making a series of annual payments to GRC. The final payment of USD 150,000 ($203,160) was paid by the Company on December 13, 2022, satisfying the Green Springs Option.

Farm-out to Centerra

Pursuant to Centerra Agreement, dated December 8, 2022, Centerra has an option to acquire a 70% interest in Green Springs for cumulative earn-in exploration expenditures and aggregate cash payments to the Company as follows:

	Exploration Expenditures	Cash Payments to Contact Gold
On signing		USD 150,000 (paid)
On or before the 1st anniversary date	USD 1,500,000	USD 175,000
On or before the 2nd anniversary date	USD 2,000,000	USD 175,000
On or before the 3rd anniversary date	USD 2,750,000	USD 250,000
On or before the 4th anniversary date	USD 3,750,000	USD 250,000

The first-year work obligation of USD 1,500,000 is committed. Upon satisfaction of the USD 10,000,000 aggregate exploration expenditure commitment and payment to Contact Gold of the aggregate USD 1,000,000 in cash, the parties agreed they will form a joint venture to hold and operate the property, with each party proportionately funding future activities at Green Springs (subject to dilution provisions). Should Contact Gold's interest be diluted to less than 10%, then that interest will convert to a 1.5% NSR royalty interest.

Certain expenditures (in aggregate USD 31,433 ($42,843)), including a portion of Claims Maintenance fees were reimbursed by Centerra to the Company in January 2023, with such amount applied against the carrying value of prepaid Claims Maintenance fees.

A reimbursement of certain other property-related fees and expenditures incurred to keep Green Springs in good standing (USD 18,929 ($25,800)) was recognized as a recovery against the expense to which it applied in the year ended December 31, 2022. The total reimbursement is a qualified expenditure toward the first-year program.

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

6. EXPLORATION PROPERTIES (continued)

a) Green Springs (continued)

Pursuant to the Centerra Agreement, and as outlined by the approved program and budget, the Company provides a cash-call notice to Centerra each month, and Centerra advances funds to the Company for deployment and execution of the program. As Project Manager, Clover (Contact Gold's operating subsidiary in Nevada), is entitled to collect a management fee of 10% on the majority of eligible expenditures incurred by the Company at Green Springs (the "Management Fee").

Expenditures recovered or recoverable from Centerra (the "Centerra Recovery") are applied against the amount initially recognized as incurred by Contact Gold, resulting in a net impact of $nil for the respective expenditure category. Amounts incurred but not eligible for the Centerra Recovery are recognized as exploration expenditures in the normal course.

At June 30, 2023, there was a balance of USD 77,057 ($102,023) due from Centerra for eligible expenditures incurred by the Company (December 31, 2022: USD 39,510 ($53,512))(Note 5).

The Company recognized $111,237 in Management Fees earned for the six-months ended June 30, 2023, on the statement of loss and comprehensive loss (June 30, 2022: $nil).

An estimate for reclamation costs of $94,241 (December 31, 2022: $86,081) is included in the value of Green Springs (Note 7).

b) Pony Creek

The Pony Creek project is located within the Pinion Range, in western Elko County, Nevada. There is a 3% NSR royalty in favour of an affiliate of Sandstorm Gold Ltd ("Sandstorm") on those claims that comprise Pony Creek acquired in the Clover Acquisition.

In May 2023, the Company determined not to renew a lease on the claim packages formerly known as Lumps, Umps, and East Bailey (together, "East Bailey").

An estimate for reclamation costs of $56,195 (December 31, 2022: $64,641) is included in the value of Pony Creek (Note 7).

c) South Carlin Projects (North Star, Dixie Flats and Woodruff)

The Company's "South Carlin Projects" include the North Star property and the Dixie Flats property. The North Star property is located approximately eight km north of the northern-most point of Pony Creek, in western Elko County, Nevada. An affiliate of Sandstorm holds a 3% NSR on the North Star property. The Dixie Flats property sits immediately to the north of the North Star property. There is a 2% NSR on the Dixie Flats property payable to an affiliate of Sandstorm.

Pursuant to an option agreement dated January 11, 2021, and subsequently amended August 18, 2022, Clover granted an arms' length private company the sole and exclusive option to acquire a 100% interest in the Dixie Flats, North Star, and Woodruff properties (the "South Carlin and Woodruff Option"), subject to a 0.25% NSR royalty on the Dixie Flats Claims, in addition to those payable to the Sandstorm affiliate. The South Carlin and Woodruff Option was subsequently assigned to Showcase Minerals Inc. ("Showcase"), at the time a private entity.

Consideration payable pursuant to the South Carlin and Woodruff Option, which upon satisfaction, will result in the transfer of interest in the properties, is as follows:

Amount	Due Date of Payment
USD 5,000	Upon execution of the amending agreement (received)
USD 10,000	second anniversary of the agreement (received)
USD 50,000	third anniversary of the agreement
USD 75,000	annually on each of the fourth through the eighth anniversaries of the agreement

Showcase completed its go-public transaction in January 2023, and the Company was issued 225,646 common shares of Showcase ("Showcase Shares") as initial consideration.

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

6. EXPLORATION PROPERTIES (continued)

c) South Carlin Projects (North Star, Dixie Flats and Woodruff) (continued)

To keep the South Carlin and Woodruff Option in good standing, further issuances of Showcase Shares to the Company are due on the anniversary dates of the Listing Date, as follows:

Anniversary of the Listing Date	Shares of the Sub-Optionee
First	The greater of 300,000 shares and the number of shares equal to 2% of Showcase's issued and outstanding common shares on the date of issuance, including all shares that Showcase has previously issued to Clover.
Second	The greater of 350,000 shares and the number of shares equal to 2% of Showcase's issued and outstanding common shares on the date of issuance, including all shares that Showcase has previously issued to Clover.
Third	The greater of 350,000 shares and the number of shares equal to 3% of Showcase's issued and outstanding common shares on the date of issuance, including all shares that Showcase has previously issued to Clover.
Fourth	The greater of 400,000 shares and the number of shares equal to 3% of Showcase's issued and outstanding common shares on the date of issuance, including all shares that Showcase has previously issued to Clover.

Once Showcase has made an aggregate of USD 500,000 in cash payments to the Company, and upon issuance to the Company of the number of shares equal to 5% of Showcase's then issued and outstanding common shares, including all shares that Showcase has previously issued to Clover, it shall be deemed to have earned in to a 100% interest in the South Carlin Projects, subject to existing NSR royalties payable to Sandstorm, and an additional 0.25% NSR royalty on the Dixie Flats property, payable to the Company.

d) Portfolio Properties

The remaining Contact Properties, described herein as the "Portfolio properties" includes the value of the Wilson Peak property, and the Rock Creek property. Pursuant to an assessment of the recoverable value of Wilson Creek, and of Rock Creek, the Company recognized a write-down to $nil to the value of each of the two properties, resulting in an impairment charge of $144,533 and $1,454,578, respectively.

e) Cobb Creek

The Cobb Creek exploration property ("Cobb Creek") is located along the Independence Trend in Elko County, Nevada. The Company acquired a 49% interest in Cobb Creek pursuant to the Clover Acquisition, and the remaining 51% interest, and related historic data in a separate transaction from the "Cobb Counterparty". Consideration due to the Cobb Counterparty was payable as six annual payments of USD 30,000, the first of which was paid on closing of the agreement, and the last of which was paid in November 2022. Reflective of the multi-year payment schedule, the contractual payments due in prior periods were recorded as a liability, with an accretion expense and foreign exchange loss (gain) reflected in each period within loss and other comprehensive loss.

By an agreement dated September 27, 2019, as amended (the "Cobb Creek Option"), Clover agreed to farm-out 100% of its interest in Cobb Creek to Fremont Gold Ltd. and its U.S. subsidiary (together, "Fremont").

In order to continue to keep the Cobb Creek Option in good standing, and to complete the acquisition of Cobb Creek, Fremont must keep all claims in good standing, and remit the following remaining consideration to the Company:

- Anniversary 4 (Year 5) USD 25,000
- Anniversary 5 (Year 6) USD 35,000
- Anniversary 6 (Year 7) USD 45,000
- Anniversary 7 (Year 8) USD 55,000
- Anniversary 8 (Year 9) USD 65,000
- Anniversary 9 (Year 10) USD 75,000

The value of the Fremont Shares and cash amounts received from Fremont, including payments by Fremont to the Cobb Counterparty, was applied against the carrying value of Cobb Creek until the carrying value had been reduced to zero. Amounts in excess are recognized within "other income" on the statement of loss and comprehensive loss.

Upon completion of the farm-out, Fremont will award to Clover a 2.0% NSR royalty on Cobb Creek.

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

6. EXPLORATION PROPERTIES (continued)

Exploration and evaluation expenditures, including ongoing amortization of prepaid Claims Maintenance fees (Note 5), have been expensed in the consolidated statements of loss and comprehensive loss. Details of exploration and evaluation activities, and related expenditures incurred are as follows:

		Six months ended		
		June 30, 2023		June 30, 2022
Amortization of Claims Maintenance fees	$	100,295	$	242,138
Geological contractors/consultants & related crew care costs		20,407		101,032
Permitting and environmental monitoring		10,244		130,830
Wages and salaries, including share-based compensation		9,249		207,481
Drilling, assaying & geochemistry		-		244,801
Expenditures for the period	**$**	**140,195**	$	**926,282**
Cumulative balance	$	19,363,606	$	18,729,896

Wages and salaries during the six months ended June 30, 2023, include stock-based compensation of $7,329 (six months ended June 30, 2022: $4,812) (Note 8(c)).

Fixed Assets

An amount of $7,365 in amortization expense arising from the use of a leased pick-up truck and an XRF machine (aggregate carrying value at June 30, 2023: $45,371) at Pony Creek and Green Springs has been included in the amount reported as geological contractors/consultants & related crew care costs for the six months ended June 30, 2023 (six months ended June 30, 2022: $2,404). Also included in the amount reported as geological contractors/consultants & related crew care costs is $4,398 relating to the interest expense arising on that leased vehicle (June 30, 2022: $2,404).

Details of exploration and evaluation expenditures incurred and expensed on the Contact Properties in the respective periods ended, are as follows:

		Six months ended		
		June 30, 2023		June 30, 2022
Green Springs	$	1,126,547	$	722,538
less, Centerra Recovery		(1,108,410)		-
Pony Creek		105,560		190,784
Portfolio properties		16,498		12,960
Expenditures for the period	**$**	**140,195**	$	**926,282**
Cumulative balance	$	19,363,606	$	18,729,896

7. PAYABLES, ACCRUED LIABILITIES, AND OTHER OBLIGATIONS

		As at June 30, 2023		As at December 31, 2022
Payables	$	521,516	$	189,760
Accrued liabilities		126,614		353,458
Short-term Advance		-		100,000
	$	**648,130**	**$**	**643,218**

Payables and accrued liabilities are non-interest bearing. The Company's normal practice is to settle payables within 30-days, or as credit arrangements will allow.

Short-term Advance

An officer of the Company advanced $100,000 in working capital to Contact Gold during the year-ended December 31, 2022, and a further $100,000 shortly thereafter. The short-term advances were unsecured, non-interest bearing, due on demand, and repaid in February 2023 (Notes 9 and 12).

Provision for site reclamation

As at June 30, 2023, the Company recognised a reclamation obligation of $150,436 (December 31, 2022: $150,722) relating to disturbance at Green Springs and Pony Creek (Notes 6(a) and 6(b)). The balance has been included as a non-current obligation reflective of the estimated future timing of related reclamation and remediation activities.

Lease obligation

The obligation arising on the pick-up truck lease was initially measured at the present value of the lease payments to be made over the 48-month lease term, using the implicit in the lease of 22% (annual). Lease liability calculations were based on the assumption that the purchase option will be exercised at the end of the lease term (Note 6).

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS

The Company's authorized share capital consists of an unlimited number of Contact Shares with no par value.

a) Issued and outstanding common shares

Changes in issued common share capital during the six-month period ended June 30, 2023:

(i) Exercise of restricted share units ("RSUs"):

On January 16, 2023, 131,277 RSUs were exercised, resulting in the issuance of 131,277 Contact Shares (Note 8(c)(iii)).

(ii) 2023 Private Placement

On February 24, 2023, the Company closed a non-brokered private placement (the "2023 Private Placement") of 50,000,000 units ("2023 Units") at a price of $0.02 per 2023 Unit for gross proceeds of $1,000,000. Each 2023 Unit consists of one Contact Share, and one Contact Share purchase warrant (a "2023 Warrant"), with each 2023 Warrant entitling the holder to purchase an additional Contact Share at a price of $0.05 per Contact Share until expiry on February 23, 2026.

A total of $57,242 in share issue costs was recognized in connection with the 2023 Private Placement, inclusive of an amount of $854 recognized in the year ended December 31, 2022.

In connection with the 2023 Private Placement, the Company issued 2,115,000 broker warrants to the eligible finders. Each broker warrant is exercisable to acquire one Contact Share at a price of $0.05, for a period of 12 months following the closing of the 2023 Private Placement. Nil value was ascribed to the Broker Warrants (Note 8(b)).

(iii) Exercise of deferred share units ("DSUs"):

On May 26, 2023, 759,909 DSUs were exercised, resulting in the issuance of 759,909 Contact Shares (Note 8(c)(ii)).

Changes in issued common share capital during the six-month period ended June 30, 2022:

(iv) Exercise of RSUs: On January 18, 2022, 133,379 RSUs were exercised, resulting in the issuance of 133,379 Contact Shares (Note 8(c)(iii)).

b) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at January 1, 2022	83,550,125	$ 0.18
Expired, unexercised	(53,550,125)	$ 0.24
Outstanding as at December 31, 2022	30,000,000	$ 0.075
Warrants issued February 24, 2023	50,000,000	$ 0.05
Broker Warrants issued February 24, 2023	2,115,000	$ 0.05
Outstanding as at June 30, 2023	**82,115,000**	**$ 0.06**

i) Warrants issued on November 25, 2021, and December 6, 2021 entitle the holder to purchase an additional Contact Share at a price of $0.075 per share for a period of 24 months from the closing date of the respective tranche (the "Expiry Date"). In the event that at any time between four months and one day following the closing date and the Expiry Date, the Contact Shares trade on the TSXV at a closing price which is equal to or greater than $0.15 for a period of ten consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date such notice is provided.

ii) Each 2023 Warrant entitles the holder to purchase an additional Contact Share at a price of $0.05 per Contact Share until expiry on February 23, 2026.

iii) Each Broker Warrant is exercisable to acquire one Contact Share at a price of $0.05 per Unit, for a period of 12 months following the closing of the 2023 Private Placement.

The remaining contractual life of Warrants outstanding (including the Broker Warrants) as at June 30, 2023 is 1.78 years (December 31, 2022 is 0.90 years).

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

b) Warrants (continued)

The fair value of each Warrant issued was determined using the Black Scholes valuation model; the significant inputs into the model were:

	2021 Warrants (November tranche)	2021 Warrants (December tranche)	2023 Warrants	Broker Warrants
Market price of Contact Shares	$0.05	$0.05	$0.02	$0.02
Exercise price	$0.075	$0.075	$0.05	$0.05
Volatility[(1)]	94%[(1)]	93%	87%	18%
Annual risk-free interest rate	1.05%	1.06%	3.94%	4.20%
Expiry dates	Nov-24-2023	Dec-6-2023	Feb-23-2026	Feb-23-2024
Fair value per Warrant	$0.02	$0.02	$0.01	$0.00
Total value of issued Warrants	$567,008	$23,518	$368,693	$0

(1) Volatility determined with reference to the Company's historical data matching the period of the Warrant's expected life.

c) Equity remuneration

Pursuant to the "Contact Gold Omnibus Stock and Incentive Plan" (the "Incentive Plan"), the Company has established an equity remuneration plan, that contemplates the award of stock options to purchase a Contact Share ("Options"), Restricted Shares, RSUs, DSUs, and certain other security-based compensation in compliance with the TSXV's policy for granting such awards.

Under the Incentive Plan, the maximum number of Contact Shares reserved for issuance may not exceed (in aggregate) that number which is equal to 10% of the number of issued and outstanding Contact Shares.

An additional amount of stock-based compensation expense of $7,329 was recognized in exploration and evaluation expenditures for six months ended June 30, 2023 (six months ended June 30, 2022: $4,812) (Note 6). An expense of $97,500 was charged to wages and salaries relating to the award of DSUs during the six months ended June 30, 2023 (six months ended June 30, 2022: $80,000).

i) Options

Under the Incentive Plan, the exercise price of each Option shall not be less than the market price of the Contact Shares at the date of grant. All Options granted to date have a five-year expiry from the date of grant. Vesting of Options is determined by the Board at the time of grant, all Options awarded to date vest in thirds at the end of each year following the date of the particular grant.

A summary of the changes in Options is presented below:

	Number of Options		Weighted Average Exercise Price
Outstanding as at December 31, 2021	10,945,000	$	0.27
Granted	2,080,000		0.05
Forfeited or cancelled	(1,448,334)		0.22
Expired	(300,000)		0.64
Outstanding as at December 31, 2022	11,276,666	$	0.22
Granted	3,000,000		0.025
Forfeited or cancelled	(664,166)		0.13
Expired	(3,625,000)		0.39
Outstanding as at June 30, 2023	**9,987,500**	**$**	**0.11**

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

c) Equity remuneration (continued)

i) Options (continued)

Options outstanding as of June 30, 2023:

Grant Date	Number of Options	Exercise Price	Vesting
April 3, 2019	1,310,000	$ 0.275	vesting in thirds over a period of three years
January 16, 2020	1,625,000	$ 0.19	vesting in thirds over a period of three years
December 23, 2020	2,312,500	$ 0.12	vesting in thirds over a period of three years
May 30, 2022	1,940,000	$ 0.05	vesting in thirds over a period of three years
January 23, 2023	2,750,000	$ 0.025	vesting in thirds over a period of three years
April 4, 2023	50,000	$ 0.02	vesting in thirds over a period of three years

As at June 30, 2023, 5,198,333 Options have vested (December 31, 2022: 7,845,000).

For the purposes of estimating the fair value of Options using the Black-Scholes option-pricing model ("Black-Scholes"), certain assumptions are made such as expected dividend yield, volatility of the market price of the Contact Shares, risk-free interest rates and expected average life of the Options. Contact Gold bases its expectation of volatility on its own share price volatility.

There were 3,000,000 Options awarded during the six months ended June 30, 2023 (200,000 of which were subsequently forfeited). The weighted average fair value of Options granted during 2023, determined using Black-Scholes was $0.025 (weighted average fair value to date: $0.11) per Option. The remaining average contractual life of Options outstanding is 3.00 years.

ii) Deferred Share Units

Director fees are typically settled with the award of DSUs. DSUs granted under the Incentive Plan to Directors of the Company, have no expiration date and are generally redeemable upon termination of service.

Transactions relating to DSUs are summarised below (Note 12):

Outstanding as at January 1, 2022	3,068,171
Granted	888,887
Outstanding as at December 31, 2022	3,957,058
Granted	8,846,561
Exercised	(759,909)
Forfeited	(1,611,111)
Outstanding as at June 30, 2023	12,043,710

A total of 1,611,111 were forfeited with the resignation of a director on May 25, 2023.

During the six months ended June 30, 2023, an amount of $176,931 was recognized to the value of contributed surplus relating to the award of these DSUs (2022: $40,000).

iii) Restricted Share Units

On January 23, 2023, the Board awarded 225,000 RSUs with an aggregate fair value of $4,500 to certain officers and employees of the Company. The RSUs vest in thirds over a period of three years, and each has an expiry date of January 23, 2026.

Transactions relating to RSUs are summarised below:

Outstanding as at January 1, 2022	429,375
Granted	195,000
Exercised	(133,379)
Outstanding as at December 31, 2022	490,996
Granted	225,000
Exercised	(131,277)
Outstanding as at June 30, 2023	584,719

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

d) Escrowed Contact Shares and other restrictions and obligations

The Company was informed on April 27, 2023, that all of the Contact Shares held by Waterton Precious Metals Fund II, Cayman ("Waterton") had been disposed of. Accordingly, the right held by Waterton to maintain its pro rata interest in the Company in subsequent financings, and other registration rights as it relates to offerings of Contact Shares then lapsed.

e) Gain or loss per share

Gain or loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of Contact Shares outstanding during the reporting period. The calculation of diluted earnings per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase Common Shares at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share relative to basic earnings per share and is only recognized when the effect is dilutive.

The calculation of basic and diluted gain or loss per Contact Share for the six months ended June 30, 2023, was based on the loss attributable to common shareholders of $2,243,716 (six months ended June 30, 2022: $1,966,764), and a weighted average number of common shares outstanding of 336,487,972 (six months ended June 30, 2022: 301,402,187).

Diluted gain or loss per share did not include the effect of 10,350,000 Options (2022: 10,382,500) as they are anti-dilutive.

9. RELATED PARTIES

In addition to the officers and directors of the Company, Contact Gold's related party transactions include those with (i) its subsidiaries; and (ii) until the April 27, 2023 divestiture of its interest, Waterton, as a reflection of its then approximate 28.66% ownership interest in the Company. In the comparative period related party transactions also included payments to Cairn Merchant Partners LP ("Cairn"), an entity in which Andrew Farncomb, a director of the Company, is a principal.

Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer, the Chief Financial Officer & VP Strategy, and the VP Exploration. The aggregate total compensation paid to key management for employee services is shown below:

		Six months ended		
		June 30, 2023		June 30, 2022
Salaries and other short-term employee benefits	$	377,405	$	425,421
Share-based payments and Restricted Shares		119,914		78,148
Total	**$**	**497,319**	**$**	**503,569**

Options have previously been granted, and director fees paid and payable to each of the independent members of the Board, including to Mr. Charlie Davies, one of Waterton's Board nominees until his May 25, 2023 resignation. Mr. Davies is an employee of an affiliate of Waterton.

The President & CEO advanced $100,000 in working capital to Contact Gold during the year-ended December 31, 2022, and a further $100,000 in the six-month period ended June 30, 2023. The aggregate short-term advance was settled in two tranches, February 17, 2023, and February 28, 2023. The President & CEO again advanced $100,000 to the Company in August 2023 for working capital purposes.

As at June 30, 2023, there was an amount of $8,333 in compensation payable to the President & CEO, (December 31, 2022: $90,000), and an amount of $nil due in directors' fees (December 31, 2022: $140,418).

Prior to his stepping down from his position as an officer of the Company, Mr. Farncomb's base salary was paid in part directly, and in part to Cairn in consideration of general management and administrative services rendered through Cairn. An amount of $nil was invoiced by Cairn for employee service in the six-months ended June 30, 2023 (2022: $15,000).

(Expressed in Canadian dollars, unless otherwise noted - unaudited)

10. SEGMENT INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief operating decision maker, being the individual at Contact Gold making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, exploration, and evaluation of certain mineral property interests in the State of Nevada, USA. Accordingly, the Company's operations are in one commercial and two geographic segments. The Contact Properties (Note 6), and prepaids relating to Claims maintenance fees, are held by the Company in Nevada. The remaining assets, including cash and cash equivalents, the remaining balance of prepaids, and receivables reside in both of the Company's two geographic locations.

The Company is not exposed to significant operating risks as a consequence of the concentration of its assets in the United States. The Company is in the exploration stage and accordingly, has no reportable segment revenues.

Net loss is distributed by geographic segment per the table below:

	Six months ended			
		June 30, 2023		June 30, 2022
Canada	$	545,997	$	937,521
United States		1,697,719		1,029,243
	$	**2,243,716**	$	**1,966,764**

Significant non-cash items reflected in the net loss attributable to Canada, include stock-based compensation expense, and non-cash items which are attributable to the United States includes stock-based compensation expense attributed to mineral properties.

11. MANAGEMENT OF CAPITAL AND FINANCIAL RISKS

The Company currently does not produce any revenue and has relied on existing balances of cash and cash equivalents, and capital financing to fund its operations. The Company's current capital consists of equity funding raised through issuances of Contact Shares, and a deficit incurred through operations.

The Company relies upon management to manage capital in order to safeguard the Company's ability to continue as a going concern, to pursue the exploration and development of unproven mineral properties, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company manages its capital structure in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and Contact Gold's holdings of cash; and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To facilitate this, management prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. The Company believes that this approach is reasonable given its relative size and stage.

There are no known restrictions on the ability of our affiliates to transfer or return funds amongst the group, nor are there any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the six months ended June 30, 2023.

<u>Financial Risk Management</u>

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's financial instruments consist of cash and cash equivalents, receivables, payables and accrued liabilities, and (in the comparative period) the Cobb Creek obligation. It is management's opinion that (i) the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments, and (ii) the fair values of these financial instruments approximate their carrying values.

As the Company is currently in the exploration phase, none of its financial instruments are exposed to commodity price risk; however, the Company's ability to obtain long-term financing and its economic viability may be affected by commodity price volatility.

11. MANAGEMENT OF CAPITAL AND FINANCIAL RISKS (continued)

Financial Risk Management *(continued)*

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's financial liabilities of payables and accrued liabilities are generally payable within a 90-day period.

The Company has not generated significant revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future. Accordingly, Contact Gold is dependent on external financing, including the proceeds of future equity issuances or debt financing, to fund its activities. Significant disruptions to capital market conditions should be expected to increase the risk that the Company can not finance its business.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Contact Gold's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk and liquid financial assets through maintaining its cash with high credit quality banking institutions in Canada and the USA. The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

As at June 30, 2023, the balance of cash and cash equivalents held on deposit was $691,637 (December 31, 2022: $141,305). The Company has not experienced any losses in such amounts and believes the exposure to significant risks on its cash and cash equivalents in bank accounts is relatively limited.

Interest Rate Risk

Contact Gold is subject to interest rate risk with respect to its investments in cash. The Company's current policy is to invest cash at floating rates of interest, and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned.

Fair Value Estimation

Except for other non-current liabilities (Note 6(c)), the carrying value of the Company's financial assets and liabilities approximates their estimated fair value due to their short-term nature.

Market Risk - Foreign Exchange

The significant market risk to which the Company is exposed is foreign exchange risk. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. The majority of the Company's exploration property expenditures will be incurred in United States dollars. The fluctuation of the Canadian dollar relation to the USD will consequently have an impact upon the financial results of the Company.

A 1% increase or decrease in the exchange rate of the US dollar against the Canadian dollar would result in a $4,263 increase or decrease respectively, in the Company's cash balance at June 30, 2023. The Company has not entered into any derivative contracts to manage foreign exchange risk at this time.

12. SUBSEQUENT EVENT

On July 20, 2023, the Company awarded an aggregate of 2,666,666 DSUs to the independent directors with a total fair value of $40,000. DSUs granted under the Contact Gold Deferred Share Unit Plan, have no expiration date and are redeemable upon termination of service.