

Orla Mining Ltd. to Acquire Contact Gold Corp.

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Vancouver, Feb. 26, 2024 - [Contact Gold Corp.](#) ("Contact Gold" or the "Company") (TSXV:C) (OTC:CGOLF) is pleased to announce that it has entered into a definitive arrangement agreement dated February 25, 2024 (the "Definitive Agreement") with [Orla Mining Ltd.](#) ("Orla") (TSX: OLA) pursuant to which Orla has agreed to acquire all of the issued and outstanding common shares ("Shares") of Contact Gold by way of a court-approved plan of arrangement at an implied value of \$0.03 per Share (the "Transaction") based upon the ten-day volume weighted average prices of each company as of February 23, 2024.

Pursuant to the terms of the Definitive Agreement, Contact Gold shareholders will receive 0.0063 of a common share of Orla for each Share held (the "Exchange Ratio"). The Exchange Ratio represents a substantial premium of 106% to Contact Gold shareholders, based upon the closing prices for each company on the TSX Venture and Toronto Stock Exchanges, respectively, as of February 23, 2024.

The Transaction will result in consolidation of the Railroad-Pinion district in Nevada, combining Contact Gold's Pony Creek oxide gold project ("Pony Creek") with Orla's South Railroad project ("South Railroad"), which is located immediately adjacent to the north of Pony Creek. South Railroad is a feasibility-stage, open-pit heap leach project located on the prolific Carlin trend in Nevada, which Orla is advancing towards a construction decision.

Matthew Lennox-King, President & CEO of Contact Gold, stated: "On behalf of the board of directors of Contact Gold, we are excited to have come to an agreement with Orla at a significant premium, which will result in the Company's shareholders receiving shares of Orla, which boasts a strong balance sheet, excellent trading liquidity, a robust development pipeline and substantial cash flow at the Camino Rojo mine in Mexico. The Transaction will also prevent any further equity dilution to Contact Gold's shareholders in the context of an exceptionally difficult market for precious metals exploration companies."

Transaction Highlights

- Significant premium of 100% to Contact Gold shareholders
- Immediate exposure to gold production, with Orla's 2024E guidance of 110,000-120,000 oz Au, at a compelling all-in sustaining cost of US\$875-975/oz Au.
- Participation in the expansion and development potential at both South Railroad and Camino Rojo.
- Access to Orla's financial strength of US\$96.6 million in cash and US\$61.7 million in undrawn revolving credit capacity as of December 31, 2023.
- Consideration in the form of highly liquid shares of Orla, which average more than \$9 million of trading per day (trailing three-month average) and are covered by nine research analysts.

Transaction Details

Under the terms of the Definitive Agreement, each of the issued and outstanding Shares will be exchanged, at the Exchange Ratio, for 0.0063 of a common share of Orla. The Company's outstanding warrants to purchase Shares will be adjusted in accordance with their terms so that on exercise the holders will receive common shares of Orla adjusted to reflect the Exchange Ratio. In-the-money options of Contact Gold will immediately vest and be cashed out at the difference between their strike price and \$0.03, and out-of-the money options of Contact Gold will be cancelled. The Company's outstanding Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs") will similarly be cashed out at \$0.03 for each RSU and DSU held.

The board of directors of Contact Gold (the "Contact Board"), after consultation with its financial and legal advisors, and on the recommendation of a special committee of independent directors (the "Special Committee"), unanimously determined that the Transaction is in the best interests of the Company and recommends that Contact Gold shareholders vote in favour of the Transaction. Evans & Evans, Inc. provided a fairness opinion to the Contact Board stating that, subject to the assumptions, limitations and qualifications set out therein, the consideration to be received by Contact Gold shareholders in connection with the Transaction is fair, from a financial point of view, to such shareholders.

All of the Company's directors and officers, representing approximately 11.9% of the Shares outstanding,

have entered into support agreements with Orla pursuant to which, among other things, they have agreed to vote all the securities of Contact Gold they own and control in favour of the Transaction.

The Transaction will be effected by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia) and will require approval by (i) 66 2/3% of the votes cast by Contact Gold shareholders, (ii) 66 2/3% of the votes cast by Contact Gold shareholders and optionholders (voting together as a single class), and (iii) a simple majority of the votes cast by Contact Gold shareholders, excluding certain related parties as prescribed by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions, at a special meeting of Contact Gold securityholders that will be called to consider the Transaction.

In addition to securityholder and court approval, completion of the Transaction is subject to applicable regulatory approvals, including the approval of the TSX Venture Exchange ("TSXV") and the Toronto Stock Exchange ("TSX"), and the satisfaction of certain other closing conditions. The Definitive Agreement contains customary provisions, including representations and warranties of each party, non-solicitation covenants of Contact Gold and "fiduciary out" provisions, as well as "right-to-match" provisions in favour of Orla. The Company has also agreed to pay a termination fee of approximately \$500,000 to Orla in the case of certain terminating events. The Definitive Agreement, which describes the full particulars of the Transaction, will be made available under Contact Gold's issuer profile on SEDAR+.

Complete details of the Transaction will be included in the Contact Gold management information circular to be prepared and filed with regulatory authorities in accordance with applicable securities laws, and mailed to Contact Gold shareholders in April, 2024. The Transaction is expected to be completed by the end of April, 2024.

Advisors

Haywood Securities Inc. acted as financial advisor and Cassels Brock & Blackwell LLP acted as legal counsel to the Company.

Qualified Person and Technical Disclosure

The scientific and technical information contained in this news release has been reviewed and approved by Vance Spalding, CPG, VP Exploration, Contact Gold, who is a "qualified person" within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

About Contact Gold Corp.

Contact Gold is an exploration company focused on making district scale gold discoveries in Nevada. The Company's extensive land holdings are on the prolific Carlin and Cortez gold trends which host numerous gold deposits and mines. Contact Gold's land position comprises approximately 117.4 km² of target rich mineral tenure hosting numerous known gold occurrences, ranging from early- to advanced-exploration and current gold resources.

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

For more information, please contact:

[Contact Gold Corp.](http://www.ContactGoldCorp)

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Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to the completion of the Transaction, the anticipated benefits of the Transaction to Contact Gold shareholders, the consideration to be to be paid and the treatment of options, warrants, RSUs and DSUs pursuant to the Transaction, the timing for the special meeting to consider the Transaction, and the timing for completion of the Transaction.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in spot and forward prices of gold, silver, base metals or certain other commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formations pressures, cave-ins and flooding); inability to obtain adequate insurance to cover risks and hazards; the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities and indigenous populations; availability of increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development (including the risks of obtaining necessary licenses, permits and approvals from government authorities); and title to properties. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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