



**CORE GOLD CLOSES SHARES FOR DEBT TRANSACTION TO SETTLE
US\$1,500,000 PROMISSORY NOTES**

Vancouver, B.C., February 1, 2018 – Core Gold Inc. ("Core Gold" or the "Company") (TSXV: CGLD, OTCQX: CGLDF) is pleased to announce it has closed the transaction (pursuant to the news release on January 16, 2018) to settle an aggregate of US\$1,500,000 owing to Vertex Managed Value Portfolio and Vertex Enhanced Income Fund (collectively, "Vertex") through a shares for debt transaction.

Pursuant to the restructuring agreement dated September 7, 2016 with Vertex (see news release dated September 7, 2016 for further details), secured promissory notes totalling US\$1,500,000 with Vertex were due on September 7, 2017 (the "2017 Notes").

The Company has extinguished the principal owing under the 2017 Notes through the issuance to Vertex of an aggregate of 7,522,440 units of the Company at a deemed price of C\$0.25 per unit (based on an agreed exchange rate of 1 US dollar = 1.25374 Canadian dollars). Each unit is comprised of one common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of C\$0.45 per share until February 1, 2020.

Accrued interest owing under the 2017 Notes is required to be repaid, or otherwise satisfied on terms satisfactory to Vertex, by March 31, 2018.

Management is currently in negotiations to roll an additional US\$1,500,000 owing to Vertex (maturing on September 7, 2018), along with the interest owing under the 2017 Notes, into the US\$15,000,000 debt facility with Investabank S.A. (see news release on December 1, 2017 for details).

About Core Gold Inc.

The Company is a Canadian based mining company involved in the mining, exploration and development of mineral properties in Ecuador. The Company is currently focused on gold production at its wholly-owned Dynasty Goldfield project and continued development at its Zaruma mine. Mineral is treated at the Company's wholly-owned Portovelo treatment plant close to the Zaruma mine operations. The Company also owns other significant gold exploration projects including the Copper Duke area and the Linderos area in southern Ecuador all of which are on the main Peruvian Andean gold-copper belt extending into Ecuador, and the Jerusalem Project (located 30 kilometers south of the Fruta del Norte project).

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Cautionary Notice:

This news release contains statements which are, or may be deemed to be, “forward-looking information” which are prospective in nature. Such information in this news release includes statements regarding the Company's plans to roll additional debt owing to Vertex into the anticipated US\$15 million credit facility. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Core Gold’s actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Important risks that could cause Core Gold’s actual results, revenues, performance or achievements to differ materially from Core Gold’s expectations include, among other things, the risk that the Company will not be successful in concluding negotiations to roll additional debt owing to Vertex into a larger credit facility; availability of capital and financing to maintain the Company's operations and plans; general economic, market or business conditions; regulatory changes; timeliness of government or regulatory approvals; and other risks detailed herein and in Core Gold’s Annual Information Form for the year ended December 31, 2016, which is available on SEDAR at www.sedar.com. Other than in accordance with regulatory obligations, Core Gold is not under any obligation and Core Gold expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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