



CORE GOLD PROVIDES UPDATE ON ELIPE S.A RESTORATION TO CORPORATE GOOD STANDING AND INVESTA BANK S.A. \$15,000,000 DEBT FACILITY

Vancouver, B.C., January 19th, 2018 – Core Gold Inc. ("Core Gold" or the "Company") (TSX: CGLD, OTCQX: CGLDF) is pleased to provide the following corporate update.

- Update on Elipe S.A. restoration to good corporate standing
- Update on US\$15,000,000 debt facility with Investa Bank S.A.
- Credipresto S.A. de CV SOFOM USD \$1,600,000 short term bridge loan
- Core Gold will present at the 2018 Vancouver Resource Investment Conference

Elipe S.A. restoration to good corporate standing

Pursuant to the Company's June 5th, 2017 news release, Core Gold has been in extensive negotiations with local liability holder's government appointed representative (the "Representative") as part of its commitment to normalize payables and stabilize operations at the Company's wholly owned subsidiary, Elipe S.A. ("Elipe"). If the Company was not for any reason able to rectify the situation in a timely manner, there is a risk that the Representative could take legal action against Elipe, which could involve, among other things, dispositions of assets in order to fund outstanding liabilities. As part of Core Gold's management commitment to resolving all the legacy financial liabilities it inherited, a monthly payment plan ("Payment Plan Contract") was agreed to by the Representative (see news release on June 5, 2017 for details) and the Company has honored all monthly payment since.

The Company is pleased to announce that as a direct result of the above developments, the Representative has agreed to restore Elipe back into good corporate standing as the Company has honored the Payment Plan Contract and has voluntarily made additional payments to lower its local liabilities.

Once Elipe is back in good corporate standing, the Company will no longer need to follow the required monthly payments based on the Payment Plan Contract. More importantly, the Company can upon restoration to good corporate standing, negotiate directly with all parties involved in order to settle legacy amounts owing at mutually beneficial terms.

The Company is currently going through the necessary legal process to restore Elipe back into good corporate standing, and expects to complete the process on or before March 31st, 2018.

Investa Bank S.A. – USD \$15,000,000 debt facility update

Pursuant to the Company's December 1st, 2017 news release, Core Gold has an executed term sheet with Investa Bank S.A. ("Investa") to arrange a debt facility for up to USD \$15,000,000.

The Company and Investa's expected closing date remain on target as previously publicized – on or before March 31st, 2018.

Credipresto S.A. de CV SOFOM USD \$1,600,000 short term bridge loan

The Company is pleased to announce it has entered into an agreement to issue a secured debenture in the aggregate principal amount of USD \$1,600,000 (the "Debenture") to Credipresto S.A. de C.V. SOFOM E.N.R. ("Credipresto"). Credipresto has agreed to roll the Debenture amount into the proposed Investa debt facility.

The Debenture will have the following terms:

- Interest will accrue at a rate of 15% per annum
- 6 months maturity (July 31, 2018);
 - 25% principal and accrued interest due on April 30, 2018
 - 25% principal and accrued interest due on May 31, 2018
 - 25% principal and accrued interest due on June 30, 2018
 - Remaining principal and accrued interest due on July 31, 2018
- Pledge of all of the issued and outstanding capital of Elipe (ranking behind the lien provided by the Company in respect of the USD \$1.0 million convertible notes issued to Vertex Managed Value Portfolio and Vertex Enhanced Income Fund and *pari passu* with the current lien in favour of Credipresto);

The Company intends to use the net proceeds from the Debenture, which has been pre-funded to the Company, for working capital and general corporate purposes.

In connection with the Debenture, the Company has agreed to pay Credipresto a corporate finance fee of:

- USD \$32,000 in cash; and
- 800,000 share purchase warrants with an exercise price of C\$0.365 per common share and expiring one year from the date of issuance.

Credipresto currently holds 6,874,666 common shares of the Company, warrants to purchase an aggregate of 2,000,000 common shares of the Company and debentures convertible into an aggregate of 7,906,000 common shares of the Company, representing approximately 6.0% of the Company's outstanding shares on a non-diluted basis and 13.6% on a partially-diluted basis assuming the exercise or conversion of Credipresto's warrants and convertible debentures. As a result, Credipresto is considered a "related party" of the Company and the Debenture transaction will constitute a "related party transaction" of the Company under MI 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Javier Reyes, a director of the Company, is also the President of Credipresto and holds less than 5% of the outstanding shares of Credipresto.

The Company's board of directors (with Mr. Reyes abstaining) unanimously approved the Debenture transaction and determined that the transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 in reliance on the exemptions set forth in sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that, at the time the transaction was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction exceeds 25% of the Company's market capitalization.

The Company expects the closing of the Debenture to be on or before January 31st, 2018. The closing of the Debenture will be subjected to TSX Venture Exchange approval.

Vancouver Resource Investment Conference (VRIC) 2018

The Company wishes to remind investors that Mr. Keith Piggott, CEO of Core Gold will be participating in the “Gold in Ecuador” Workshop Panel to be held on Monday January 22nd at 2:20 PM in Workshop 4 during VRIC. Company representatives will also be available throughout the conference at booth #111.

During the conference Mr. Piggott will provide Company updates on its most recent developments and participate in one-on-one meetings with registered conference investors. Registration for these meetings is only for qualified investors, portfolio managers, and private wealth and family office managers.

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.

For further information please contact:

Keith Piggott, CEO
Suite 1201 – 1166 Alberni Street
Vancouver, B.C. V6E 3Z3
Phone: +1 (604) 345-4822
Email: info@coregoldinc.com

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 restore Elipe into good standing, to complete the Debenture transaction and the US\$15 million Investa debt facility, and to roll the Debenture into such debt 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, less than anticipated gold production; higher than expected production costs; unexpected delays in increasing production capacity; the Representative taking legal action against Elipe and disposing of assets in order to satisfy outstanding liabilities; mining operations being suspended or terminated if the Company is unable to make the required payments pursuant to the Payment Plan Contract; the risk that the Company will not be successful in concluding the US\$15 million debt facility; risks relating to the 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, including relating to the Debenture and the Investa debt facility; 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.