



CORE GOLD RESTRUCTURES VERTEX DEBT

Vancouver, B.C., December 19, 2018 – Core Gold Inc. ("**Core Gold**" or the "**Company**") (TSXV: CGLD, OTCQX: CGLDF) has entered into a debt extension agreement with each of Vertex Managed Value Portfolio and Vertex Enhanced Income Fund (collectively, "**Vertex**") to defer an aggregate of US\$2,500,000 principal amount of debt owing by the Company to Vertex.

Pursuant to the news release dated September 17, 2018, the Company has the following debt outstanding with Vertex that was due to mature on December 31, 2018:

1. US\$1,500,000 promissory notes (the "**Promissory Notes**") incurring interest at 12% per annum, payable monthly; and
2. US\$1,000,000 freely assignable convertible promissory notes incurring interest at 12% per annum, payable monthly, and convertible into common shares of the Company by the holder at any time prior to the maturity date at C\$0.30 per share (the "**Convertible Notes**").

The Company has paid outstanding interest related to the Promissory Notes and Convertible Notes up to December 31, 2018.

The Promissory Notes and Convertible Notes are secured by a pledge of all of the issued and outstanding capital of the Company's wholly-owned subsidiary, Elipe S.A.

Subject to the receipt of approval from the TSX Venture Exchange, the Company and Vertex have agreed to amend the maturity date of the Promissory Notes and Convertible Notes (including the conversion feature) from December 31, 2018 to March 31, 2019.

Vertex, which are mutual funds each managed by Vertex One Asset Management Inc., currently hold an aggregate of 10,522,440 common shares of the Company, warrants to purchase an aggregate of 3,761,220 common shares of the Company and the Convertible Notes which are convertible into an aggregate of 4,298,333 common shares of the Company, representing approximately 7.2% of the Company's outstanding shares on a non-diluted basis and 12.1% on a partially-diluted basis assuming the exercise and conversion of all of Vertex's warrants and Convertible Notes. As a result, Vertex is considered a "related party" of the Company and the debt extension 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**").

The Company's board of directors unanimously approved the 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.

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. Mineral is treated at the Company's wholly-owned Portovelo treatment plant. The Company also owns other significant gold exploration projects including the Linderos and Copper Duke area in southern Ecuador all of which are on the main Peruvian Andean gold-copper belt extending into Ecuador.

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