

**Continental Gold Achieves 97.04% and 95.65% Gold and Silver Recoveries  
Respectively from Metallurgical Test Work for the Buriticá Project, and  
Files its NI 43-101 Maiden Resource Technical Report**

**Toronto, Ontario, October 27, 2011 - Continental Gold Limited** ("Continental" or the "Company") (TSX:CNL) is pleased to announce preliminary metallurgical results for the Buriticá Project located in Antioquia, Colombia. Metallurgical test work was performed by METCON Research of Tucson, Arizona.

### Highlights

- Selective rougher flotation on previously unprocessed samples resulted in the production of a high-grade Pb-Au-Ag concentrate and a Zn concentrate with total gold and silver recoveries of 97.04% and 95.65%, respectively. Based on the preliminary metallurgical results achieved to date, selective rougher flotation is the ideal process for Buriticá samples based on the high gold and silver recoveries and the low mass pull of material.
- A large proportion of the precious metals can be extracted using gravity separation with an average of 78.05% of the gold and 30.19% of the silver recoverable as free gold and silver.
- Gravity concentration followed by cyanidation on gravity tails resulted in gold and silver recoveries of 97.81% and 57.04%, respectively.
- Gravity concentration followed by flotation on gravity tails and cyanidation on flotation tails resulted in gold and silver recoveries of 99.44% and 99.36%, respectively.
- Cleaner flotation on previously unprocessed samples resulted in gold and silver recoveries of 94.13% and 92.31%, respectively.
- Test work to date indicates that generally there are no significant amounts of deleterious elements with Mercury below detection limits and a low arsenic content averaging 0.04% (range 0.003% - 0.18%).
- The specific gravity for the samples taken from veins averaged 3.2.

"The metallurgical results confirm that mineralization from Buriticá is non-refractory and further optimization work will produce a final flow-sheet resulting in very high recovery rates for both the precious and base metal component of this deposit," commented Ari Sussman, CEO. "It is particularly pleasing to us that although the veins in the Yaragua System, the Veta Sur System and the breccia mineralization are chemically distinct, they are all amenable to the same metallurgical processing."

## Details

Metallurgical testing was conducted on eight samples weighing 60 kilograms each from the Buriticá Project. The sample names and head grades are as follows:

Head Assay on Composite Sample Summary of Results		
Sample ID	Assays (g/t)	
	Au	Ag
San Antonio Vein East	39.18	121.1
Murcielagos Vein	35.74	265.3
San Antonio Vein West	152.44	331.0
Breccia BX1	13.39	16.0
Veta Sur Main Vein	44.77	252.6
Composite 1*	76.53	240.0
Breccia BX1 and BX2	0.72	4.3
Composite 2*	72.21	164.3

\* Composite 1 and Composite 2 are blended composite samples consisting of Veta Sur Main Vein 40%, San Antonio Vein 30%, Murcielagos Vein 10% and Breccia 20%.

The metallurgical work performed on the samples included:

1. Gravity concentration
2. Gravity concentration followed by cyanidation on the gravity tails
3. Gravity concentration followed by flotation on the gravity tails
4. Cleaner Flotation
5. Selective rougher flotation.

### 1. Gravity Concentration:

Gravity Concentration was conducted on each sample at three grind sizes of approximately 80% passing 150 microns, 105 microns and 74 microns using a laboratory Falcon concentrator.

Grind Size	Distribution (%)					
	Max Au	Min Au	<b>Avg Au</b>	Max Ag	Min Ag	<b>Avg Ag</b>
P80 150 micron	84.25	72.42	<b>79.33</b>	48.13	12.22	<b>31.93</b>
P80 105 micron	71.28	79.05	<b>75.61</b>	41.76	11.21	<b>30.58</b>
P80 74 micron	82.83	71.64	<b>79.23</b>	44.61	10.38	<b>28.05</b>

### 2. Gravity Concentration followed by Cyanidation on Combined Gravity Tails:

Gravity concentration was conducted on each sample at approximately 80% passing 74 microns using a laboratory Falcon concentrator. The combined tails (gravity rougher tails and gravity cleaner tails) were subjected to agitated cyanidation leach.

Grind Size	Distribution (%)					
	Max Au	Min Au	<b>Avg Au</b>	Max Ag	Min Ag	<b>Avg Ag</b>
Total Recovery	98.80	95.81	<b>97.81</b>	78.36	29.93	<b>57.04</b>

### 3. Gravity Concentration followed by Flotation on Gravity Tails and Cyanidation on Flotation Tails:

Gravity concentration was conducted on each sample at approximately 80% passing 74 microns using a laboratory Falcon concentrator. The combined tails (gravity rougher tails and gravity cleaner tails) were subjected to rougher flotation. The rougher flotation tails were subjected to agitated cyanidation leach.

Grind Size	Distribution (%)					
	Max Au	Min Au	<b>Avg Au</b>	Max Ag	Min Ag	<b>Avg Ag</b>
Total Recovery	99.85	97.21	<b>99.44</b>	99.87	97.16	<b>99.36</b>

### 4. Cleaner Flotation:

Three stages of cleaner flotation were conducted at two pulp pH levels to evaluate the effect on pyrite depression. This test was performed on the Composite 1 sample and the results at a pH level of 7.5 are:

	Recovery (%)	
	<b>Au</b>	<b>Ag</b>
Au-Ag 3 <sup>rd</sup> Cleaner	<b>94.13</b>	<b>92.31</b>
Au-Ag 2 <sup>nd</sup> Cleaner	<b>97.87</b>	<b>97.02</b>
Au-Ag 1 <sup>st</sup> Cleaner	<b>98.79</b>	<b>98.40</b>
Au-Ag Rougher	<b>99.48</b>	<b>99.79</b>

### 5. Selective Rougher Flotation:

A selective rougher flotation of Lead-Gold-Silver and Zinc was conducted to depress pyrite in the flotation tails. Metallurgical results contained in this release are preliminary in nature and more sample material and test work is required to further refine and optimize a commercial flow sheet for Buriticá.

	Recovery (%)			
	Pb	Zn	<b>Au</b>	<b>Ag</b>
Pb-Au-Ag Rougher Concentrate	94.20	16.49	<b>94.64</b>	<b>90.59</b>
Zn Rougher Concentrate	1.52	82.37	<b>2.41</b>	<b>5.06</b>
Total Recovery (Pb/Ag Con + Zn Con)	95.72	98.87	<b>97.04</b>	<b>95.65</b>

Metallurgical results contained in this release are preliminary in nature and more sample material and test work is required to further refine and optimize a commercial flow sheet for the Buriticá project.

## Technical Information

The results of the Company's metallurgical testing program and this news release have been reviewed, verified and compiled by Mark Moseley-Williams, President and Chief Operating Officer of the Company and a qualified person for the purpose of National Instrument 43-101. Mr. Moseley-Williams is a mining engineer and MBA with over 17 years of experience in mine construction, expansion projects and operations in the Americas.

## Filing of NI 43-101 Compliant Technical Report

The Company is pleased to announce that, further to its press release of September 15, 2011 announcing a maiden resource estimate for the Buriticá Project in Colombia, the Company has filed a National Instrument 43-101 compliant technical report (the "Technical Report") with Canadian securities regulators, containing the mineral resource estimates. The independent Technical Report dated October 24, 2011 was prepared for the Company by Mining Associates Pty Limited.

A copy of the Technical Report can be accessed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), or on the Company's website at [www.continentalgold.com](http://www.continentalgold.com).

## About Continental Gold Limited

Continental Gold Limited (**TSX:CNL**) is an advanced-stage exploration and development company with an extensive portfolio of 100% owned gold projects in Colombia. Spearheaded by a team with over 40 years of exploration and mining experience in Colombia, the Company is focused on advancing its high-grade Buriticá gold project to production in 2014. A maiden 43-101 compliant resource estimate for Buriticá covering two major vein systems was announced on September 15, 2011 with combined measured and indicated resources of 630,000 ounces of gold at 17.8 g/t, 1,500,000 ounces of silver at 42 g/t and 18,700,000 pounds of zinc at 0.8% as well as combined inferred resources of 2,500,000 ounces of gold at 11.4 g/t, 9,500,000 ounces of silver at 43 g/t and 88,000,000 pounds of zinc at 0.6%. With a goal of being the first modern day gold producer in Colombia, Continental will commence construction of an underground ramp in early 2012, initially providing access for underground drilling and eventually used for commercial production in 2014. A 100,000-metre drill program is also near completion at Buriticá to further delineate the resource and drill new target zones identified within its concession. Additional details on the Buriticá project and the rest of Continental's suite of gold exploration properties are available at [www.continentalgold.com](http://www.continentalgold.com).

## For Further Information, Please Contact:

Paul Begin  
Chief Financial Officer  
Continental Gold Limited  
+1.416.583.5610  
[info@continentalgold.com](mailto:info@continentalgold.com)  
[www.continentalgold.com](http://www.continentalgold.com)

## Forward-Looking Statements

This press release contains certain "forward-looking statements". All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to the Buriticá project) with respect to estimates of concentration of mineralization, mineral resource quantities, mineral resource qualities, the potential scope and context of the mineralized area, the potential for upgrading the mineral resource estimate and the Company's exploration and drilling targets, goals, objectives and plans. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: failure to establish estimated mineral resources; the grade, quality, concentration and recovery of mineral resources varying from estimates; risks related to the exploration stage of the Company's properties; the possibility that future exploration results will not be consistent with the Company's expectations (including identifying additional and/or deeper mineralization); changes in the price of gold; changes in equity markets; political developments in Colombia; uncertainties relating to the availability and costs of financing needed in the future; changes to regulations affecting the Company's activities; delays in obtaining or failures to obtain required regulatory approvals; the uncertainties involved in interpreting drilling and exploration results and other geological data and other factors (including exploration, development and operating risks); as well as those further discussed in the section entitled "Description of the Business: Risks of the Business" in the Company's most recent Annual Information Form and other regulatory filings which are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.