

Continental Gold Limited Clarifies Proposed Internal Reorganization

Toronto, Ontario, May 12, 2015 – Continental Gold Limited (TSX:CNL; OTCQX:CGOOF) (“Continental” or the “Company”) wishes to clarify the purpose of the proposed internal corporate reorganization that will result in securityholders of the Company exchanging their existing Continental securities on a one-for-one basis for equivalent securities of a newly incorporated company, Continental Gold Inc. (the “Holding Company”), as described in the Company press release dated May 11, 2015.

Continental Gold Limited (the existing parent company) is currently a Bermuda legal entity with Canadian tax resident status and holds the Buriticá project through its Colombian branch office. Continental is proposing to put a new Canadian public parent company (the Holding Company) above Continental through a scheme of arrangement under Section 99 of the Companies Act 1981 of Bermuda, which would make Continental a wholly-owned private subsidiary of the Holding Company. If approved, the reorganization will not involve any change in Continental’s business, management, board of directors, facilities, assets or liabilities.

The primary business reasons for the corporate reorganization are as follows:

1. the new corporate structure will separate the main operating asset from the public parent company;
2. the Company believes that a Canadian parent company will improve the perception of transparency from a regulatory perspective; and
3. a Canadian-domiciled entity will provide access to potential new investors and Canadian indexes that are currently prohibited from investing in the Company as a result of it not being domiciled in Canada.

Full details of the scheme of arrangement, including, without limitation, with respect to certain Canadian and United States tax considerations, can be found in the shareholders’ proxy information package, mailed to shareholders and filed under the Company’s profile on SEDAR at www.sedar.com.

About Continental Gold

Continental Gold Limited is an advanced-stage exploration and development company with an extensive portfolio of 100%-owned gold projects in Colombia. Formed in April 2007, the Company – led by an international management team with a successful track record of discovering and developing large high-grade gold deposits in Latin America – is focused on advancing its high-grade Buriticá gold project to production.

Forward-Looking Statements

This press release contains or refers to forward-looking information under Canadian securities legislation, including statements regarding the potential completion and timing of the Company’s proposed internal reorganization, and is based on current expectations that involve a number of significant business risks and uncertainties. Forward-looking statements are subject to other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. Specific reference is made to the Company’s most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. All of the forward-looking statements made in this press release are qualified by these cautionary statements, and are made as of the date hereof. The Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by law.

For further information, please contact:

Paul Begin
Chief Financial Officer
Continental Gold Limited
+1.416.583.5610
info@continentalgold.com
www.continentalgold.com