

Continental Gold Reports on First Quarter 2015 Activities

Toronto, Ontario, May 7, 2015 - Continental Gold Limited (TSX:CNL; OTCQX:CGOOF) ("Continental" or the "Company") is pleased to report the following highlights for the first quarter ending March 31, 2015 for the Buriticá project in Antioquia, Colombia.

Exploration

Exploration activities during the first quarter consisted of topographic and geological mapping, geochemical soil surveys and other surface sampling, underground mapping and channel sampling and diamond drilling at the Yaraguá and Veta Sur vein systems. Drilling during the quarter focused on converting inferred ounces into the measured and indicated categories, as well as growing the overall mineral resource. During the three months ended March 31, 2015, the Company completed approximately 12,138 metres of diamond drilling in 23 holes, including directional drilling, for an overall project total of over 289,136 metres.

Drill results in the Yaraguá vein system included: BUUY294, which intersected 19.15 metres @ 11.1 g/t gold and 28 g/t silver, including 2.72 metres @ 56 g/t gold and 75 g/t silver; BUUY297, which intersected 2.8 metres @ 24.1 g/t gold and 114 g/t silver, including 1.05 metres @ 62.1 g/t gold and 296 g/t silver; and BUUY303, which intersected 3.12 metres @ 8.9 g/t gold and 31 g/t silver.

Drill results in the Veta Sur vein system included: BUSY369D04, which intersected 10.85 metres @ 56.4 g/t gold and 163 g/t silver, including 2.55 metres @ 108.1 g/t gold and 320 g/t silver; BUSY369D11, which intersected 12.0 metres @ 27.3 g/t gold and 46 g/t silver including 1.35 metres @ 142.8 g/t gold and 195 g/t silver; and BUUY289D02, which intersected 14.2 metres @ 12.2 g/t gold and 17 g/t silver, including 2.15 metres @ 65.6 g/t gold and 78 g/t silver.

Channel sampling from development drifts and cross-cuts in upper levels of the Yaraguá bulk sampling facility demonstrated continuity of high-grade gold mineralization through substantial strike lengths over true horizontal widths approximating those proposed for mining stopes. Results included 1.77 metres @ 50.1 g/t gold and 68 g/t silver along 61.5 metres and 1.74 metres @ 34.7 g/t gold and 63 g/t silver along 120.5 metres.

Pre-Development

During the quarter, the Company continued to collaborate with Corantioquia, the autonomous regional corporation responsible for issuing and controlling environmental permits in Antioquia, to complete the modification process for the EIA. The modification of the EIA represents the final major permitting step for the Buriticá project.

The Company's technical team also began working with Mining Associates Limited on preparing an updated mineral resource estimate, which will incorporate drilling completed during 2014 and the first quarter of 2015. This updated mineral resource estimate is expected to be released in the second quarter of 2015 and will form the foundation of an updated economic study. In anticipation of the updated economic study, the Company continued to advance various engineering studies throughout the quarter.

Sustainability and Corporate Social Responsibility

The Company's responsibility to the sustainable development of the Buriticá community is reflected in the following programs implemented during the first quarter of 2015, aimed at improving health, education, infrastructure and the environment:

- Promoted education by sponsoring courses for occupational health and safety, computer science, water distribution administration and adult basic training. Adult basic training was successful in enrolling 204 people in 40 sessions;
- Improved infrastructure at local schools, sports recreation centres and public areas, including:

- Continuing funding and support of the construction of auxiliary facilities, such as playgrounds, at the new “Hogar Juvenil de Tabacal” school;
- Improving the access between the Higabra and Mogotes communities by constructing a new alternative path; and
- Providing personnel to support the paving of a main road leading to the town of Tabacal;
- Continued support of the small-scale mining formalization process by helping to establish various procedures and controls such as mineral transportation procedures;
- Supported local businesses and farmers through partnerships;
- Communicated with local communities by conducting a population census and holding community action committee meetings; and
- Supported Fundación Social by helping to organize meetings to assess the future needs of local communities. Fundación Social is a Colombian non-profit founded in 1911, its mission to contribute to overcoming the structural causes of poverty to build a more just, supporting, productive and peaceful society.

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. On November 17, 2014, the Company announced a preliminary economic assessment (the “PEA”) for the Buriticá project, the results of which included an 18-year mine life based on 20,055,000 tonnes grading 7.80 g/t gold and 19.35 g/t silver, resulting in 4,777,000 ounces of recovered gold and 7,088,000 ounces of recovered silver, and utilized the May 2014 mineral resource estimate prepared in accordance with NI 43-101. The PEA concludes an after-tax net present value at a 5% discount of \$1.08 billion and an after-tax internal rate of return of 31.5% on an initial capital cost of \$390.3 million with a payback of 2.8 years.

With a goal of being the newest large-scale hard rock gold producer in Colombia, Continental has achieved major advances and anticipates completing environmental permitting in 2015. A Phase VII drill program is underway at the Buriticá project to further delineate mineral resources and drill new target zones identified within its concessions.

For additional information on the Buriticá project, please refer to the PEA (entitled “Buritica Gold Project, NI 43-101 Technical Report Preliminary Economic Assessment, Antioquia, Colombia”, and dated December 22, 2014 with an effective date of November 17, 2014), led by M3 Engineering and Technology of Tucson, Arizona, with contributions from other independent consultants including NCL Ingeniería y Construcción SPA, which was responsible for the underground mine plan for the Buriticá project. The PEA is preliminary in nature and includes inferred mineral resources that are considered to be too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty the PEA will be realized. Further, mineral resources are not mineral reserves and have not demonstrated economic viability. The PEA is available on SEDAR at www.sedar.com, on the OTCQX at www.otcmarkets.com and on the Company website at www.continentalgold.com. Additional details on the rest of Continental's suite of gold exploration properties are also available at www.continentalgold.com.

The scientific and technical information contained in this press release has been reviewed and approved by Mauricio Castañeda, Vice-President, Exploration of the Company, who is a qualified person within the meaning of NI 43-101.

For further information, please contact:

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

Forward-Looking Statements

This press release contains or refers to forward-looking information under Canadian securities legislation, including statements regarding the estimation of mineral resources, advancing the Buriticá project, exploration results, potential mineralization, potential improvement of mining dilution grades, timing of an updated mineral resource estimate, approval of the EIA, preparation of an updated economic study, results of the PEA, and exploration and mine development plans, 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. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, an inability to advance the Buriticá project to the next level, failure to convert estimated mineral resources to reserves, capital and operating costs varying significantly from estimates, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry. Specific reference is made to the 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.

Differences in Reporting of Resource Estimates

This press release was prepared in accordance with Canadian standards, which differ in some respects from United States standards. In particular, and without limiting the generality of the foregoing, the terms “inferred mineral resources,” “indicated mineral resources,” “measured mineral resources” and “mineral resources” used or referenced in this press release are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves (the “CIM Standards”). The CIM Standards differ significantly from standards in the United States. While the terms “mineral resource,” “measured mineral resources,” “indicated mineral resources,” and “inferred mineral resources” are recognized and required by Canadian regulations, they are not defined terms under standards in the United States. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. Readers are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into reserves. Readers are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, United States companies are only permitted to report mineralization that does not constitute “reserves” by standards in the United States as in place tonnage and grade without reference to unit measures. Accordingly, information regarding resources contained or referenced in this press release containing descriptions of our mineral deposits may not be comparable to similar information made public by United States companies.