

Continental Gold Limited Amends Stock Option Plan and Deferred Share Unit Plan

Continental Gold Inc. Adopts Identical Stock Option Plan and Deferred Share Unit Plan

Toronto, Ontario, May 29, 2015 – Continental Gold Limited (TSX:CNL; OTCQX:CGOOF) (“Continental” or the “Company”) announces that as a result of comments received from an independent proxy advisory agency, it has made amendments (the “Amendments”) to its stock option plan (the “SOP”) and deferred share unit plan (the “DSU Plan”) in order to continue to align the Company with leading governance practices.

Under Bermuda corporate law, the Company is unable to submit the Amendments to shareholders for ratification, confirmation and approval at the annual and general meeting scheduled for June 4, 2015 (the “Meeting”). However, the Company has approved an identical stock option plan (the “New SOP”) and deferred share unit plan (the “New DSU Plan”), which include the Amendments, for its newly incorporated wholly-owned subsidiary, Continental Gold Inc. (“Continental Holdco”). If the scheme of arrangement (the “Scheme”) for the proposed internal reorganization of the Company (as announced in the Company’s press releases dated May 11, 2015 and May 12, 2015) is approved by shareholders at the Meeting and completed, the New SOP and the New DSU Plan will be the security-based compensation plans of the public company going forward. If the Scheme is not completed, the Amendments will be submitted to shareholders for ratification, confirmation and approval at the Company’s 2016 annual and general meeting and Continental will not, prior to such shareholder approval, grant stock options or deferred share units to any non-employee directors in excess of the limits set out in the Amendments. The Amendments are also subject to the approval of the Toronto Stock Exchange.

Non-employee Director Limits

The SOP and DSU Plan have been amended to provide (and the New SOP and New DSU Plan provide), as applicable, that the aggregate number of securities granted under all security-based compensation arrangements of the Company and Continental Holdco, as applicable, to any one non-employee director within any one-year period shall not exceed a maximum value of (i) in the case of options granted under the SOP and the New SOP, C\$100,000 worth of options; and (ii) in the case of securities granted under all security-based compensation arrangements of the Company and Continental Holdco, as applicable, C\$150,000 worth of securities. The value of securities granted under all security based compensation arrangements of the Company and Continental Holdco, as applicable, shall be determined using a generally-accepted valuation model.

For the purposes of the foregoing provisions, the aggregate number of securities granted under all security-based compensation arrangements of the Company and Continental Holdco, as applicable, will be calculated without reference to the initial securities granted under such arrangements to a person (who was not previously an insider of the Company or Continental Holdco, as applicable) upon such person becoming a director of the Company or Continental Holdco, as applicable, whereby the aggregate number of securities granted under all security-based compensation arrangements of the Company or Continental Holdco, as applicable, in this initial grant to any one non-employee director shall not exceed a maximum value of C\$150,000 worth of securities.

Amendment Provisions

In addition, the SOP has been amended to require (and the New SOP requires) shareholder approval for the following changes to the SOP and the New SOP:

- (a) a reduction in the exercise price of an option held by non-insiders, or a cancellation of options held by non-insiders and reissuance of options or other entitlements to non-insiders;
- (b) an extension of the term of an option held by non-insiders beyond its original expiry;
- (c) permitting options to be transferred or assigned, other than for normal estate settlement purposes or where there is no change in beneficial ownership of such options;

- (d) any amendment to the SOP's or the New SOP's amendment provision, as applicable, so as to increase the ability of the board of directors to amend the SOP or the New SOP, as applicable, without shareholder approval; and
- (e) any increases to the limits imposed on non-employee directors, as discussed above.

The DSU Plan has also been amended to require (and the New DSU Plan requires) shareholder approval for any increases to the limits imposed on non-employee directors, as discussed above.

The board of directors of the Company reiterates its unanimous recommendation that shareholders vote in favour of ratifying, confirming and approving the Company's amended DSU Plan and unallocated stock options under the SOP at the Meeting.

All shareholders are encouraged to submit their proxies prior to the June 2, 2015 10:00 a.m. (EDT) proxy deposit deadline.

Voting by Registered Shareholders

Registered shareholders who have already deposited their proxies and wish to change their vote on these matters should contact Computershare Investor Services Inc. ("Computershare") immediately at 1-800-564-6253 to obtain further instructions on how to deposit a new proxy with Computershare prior to the proxy deposit deadline. Registered shareholders who have voted by internet at www.investorvote.com or telephone (1-866-732-VOTE (8683) Toll Free) can change their vote by voting again in the same manner.

Voting by Non-Registered Shareholders

Non-registered (beneficial) shareholders who have already deposited their proxies and wish to change their vote on these matters should contact the person who services their account immediately to obtain further instructions on how to change their vote. Non-registered (beneficial) shareholders who have voted by internet (at www.proxyvote.com) or telephone (English: 1-800-474-7493 or French: 1-800-474-7501) can change their vote by voting again in the same manner.

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 concerning the Company, including with respect to the required shareholder and regulatory approvals of the Amendments, the completion of the Scheme and the Company not issuing stock options or deferred share units in excess of the limits set out in the Amendments, 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 filed on Continental's SEDAR profile 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:

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