CONTINENTAL GOLD
TSX:CNL OTCQX:CGOOF

Management's Discussion and Analysis of Consolidated Financial Position and Consolidated Results of Operations

For the year ended December 31, 2015

Continental Gold Inc.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the activities, consolidated financial condition and consolidated results of the operations of Continental Gold Inc. (the "Company" or "Continental Gold") constitutes management's review of the factors that affected the Company's consolidated financial and operating performance for the year ended December 31, 2015. This MD&A, dated March 10, 2016, should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2015, together with the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts in this MD&A are in United States ("U.S.") dollars ("US$"), unless stated otherwise. References to C$ and COP are to Canadian dollars and Colombian pesos, respectively. Information contained herein is presented as of March 9, 2016, unless otherwise indicated.

Further information about the Company and its operations is available on SEDAR at www.sedar.com and on the U.S. Over-the-Counter market, OTCQX® International ("OTCQX"), at www.otcmarkets.com.

SCHEME OF ARRANGEMENT

Effective June 10, 2015 (the "Effective Date"), an internal corporate reorganization effected by way of a scheme of arrangement (the "Scheme") under Section 99 of the Companies Act 1981 of Bermuda was completed. The Scheme was approved by former shareholders of Continental Gold Limited ("Old Continental") on June 4, 2015 and sanctioned by the Supreme Court of Bermuda on June 9, 2015, resulting in Old Continental becoming a wholly-owned subsidiary of the Company. The Scheme involved the exchange of the outstanding existing securities of Old Continental as of the Effective Date for new equivalent securities of the Company, on a one-for-one basis. As a result of the exchange, former security-holders of Old Continental became security-holders of the Company as of the Effective Date. At the open of markets on Friday, June 12, 2015, the common shares of the Company (the "Common Shares") were listed and posted for trading on the TSX under the existing trading symbol of Old Continental, "CNL", in substitution for the previously-listed common shares of Old Continental. Pursuant to the Scheme, the individuals who were the directors and officers of Old Continental became the directors and officers of the Company as of the Effective Date.

As the shareholders of Old Continental ultimately continued to hold their respective interests in the Company and the reorganization occurred between two related entities, there was no change in control. Accordingly, the annual consolidated financial statements for the year ended December 31, 2015 have been prepared on a continuity-of-interest basis. All references to the Company relating to periods prior to the Effective Date of the Scheme relates to Old Continental.

FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements within the meaning of applicable U.S. securities laws. Forward-looking information includes, but is not limited to: statements with respect to the potential of the Company's properties; the estimation of mineral resources and mineral reserves; exploration results; potential mineralization; exploration and mine development plans; amending the EIA (as defined herein); timing of the commencement of operations; the future price of gold and other mineral commodities; the realization of mineral resource and mineral reserve estimates; success of exploration activities; cost and timing of future exploration and development; continued advancement of the Company's Corporate Social Responsibility program; conclusion of economic evaluations; requirements for additional capital; other statements relating to the financial and business prospects of the Company; and other future events and information as to the Company's strategy, plans or future financial or operating performance.

Generally, forward-looking information is characterized by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "is projected", "anticipates" or "does not anticipate", "believes", "targets", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results “may”, “could”, “should”, “would”, “might”, “will be taken”, “occur” or “be achieved”.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management considered reasonable at the date the statements are made in light of management’s experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that it believes to be relevant and reasonable in the circumstances at the date that such statements are made. Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: the actual results of exploration activities; the inherent risks involved in the exploration and development of mineral properties; changes in project parameters as plans continue to be refined; delays in obtaining government approvals; the uncertainties of project cost overruns or unanticipated costs and expenses; uncertainties inherent in conducting operations in a foreign country; title risks related to the ownership of the Company’s projects and the related surface rights and to the boundaries of the Company’s projects; risks relating to the Company’s pending concession applications; the Company’s limited operating history; uncertainties related to the availability and costs of financing needed in the future; fluctuations in mineral prices; uninsurable risks related to exploration, development and production; reliance on economic studies to determine the potential economic viability of the mineral resources comprising the Buriticá project; uncertainties of construction and operating cost overruns; the risk that the conclusion of pre-production studies may not be accurate; unexpected adverse changes that may result in failure to comply with environmental and other regulatory requirements; differing interpretations of tax regimes in foreign jurisdictions; the loss of Canadian tax resident status; uncertainties inherent in competition with other exploration companies; non-governmental organization intervention and the creation of adverse sentiment among the inhabitants of areas of mineral development; uncertainties related to conflicts of interest of directors and officers of the Company; dependence on key management employees; reliance on outside contractors in certain mining operations; labour and employment matters; the presence of artisanal/illegal miners; the reliability of mineral resource estimates; the ability to fund operations through foreign subsidiaries; the residency of directors, officers and others; uncertainties related to holding minority interests in other companies; foreign currency fluctuations; unreliable historical data for projects; reliance on adequate infrastructure for mining activities; health and safety risks; compliance with government regulation; the market price of shares of the Company; the payment of future dividends; future sales of shares of the Company; accounting policies and internal controls; impairment of mineral properties; and Bermuda legal matters. See “Risks and Uncertainties” in this MD&A for further discussion regarding risk factors.

Although management of the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting shareholders in understanding the Company’s expected financial and operational performance and the Company’s plans and objectives and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking information contained herein or incorporated by reference herein, except in accordance with applicable securities laws.

Differences in Reporting of Mineral Resource Estimates

This MD&A was prepared in accordance with Canadian standards for reporting of mineral resource estimates, 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 MD&A are Canadian mineral disclosure terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) 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 U.S. “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 rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies, except in limited circumstances. The term “resource” does not equate to the term “reserves”. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Readers are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral 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 mineral 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. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the United States Securities and Exchange Commission (the “SEC”), and reserves reported by the Company in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Accordingly, information regarding mineral resources contained or referenced in this MD&A containing descriptions of our mineral deposits may not be comparable to similar information made public by United States companies.

DESCRIPTION OF BUSINESS

The Company is an advanced-stage exploration and development entity engaged in the acquisition, exploration, evaluation and development of principally gold resource properties in highly-prospective areas with known historical high-grade gold production in Colombia. The Company is led by an international management team with a successful track record of discovering and developing large high-grade gold deposits in Latin America.

The Company was incorporated under the provisions of the Business Corporations Act (Ontario) and is a reporting issuer in Canada under applicable securities legislation in Ontario, Alberta, British Columbia and New Brunswick. It carries on its operations through a corporate office in Toronto, Canada and a foreign company branch office in Medellín, Colombia. The Company’s issued and outstanding Common Shares trade on the TSX and OTCQX under the symbols “CNL” and “CGOOF”, respectively.

The Company currently holds the rights to explore one advanced-stage gold project and three early-stage projects in Colombia totaling approximately 162,892 hectares of exploration and exploitation rights, and has pending concession applications totaling approximately 3,596 hectares of exploration rights. There is no guarantee that the Company will be granted the pending concession applications. See the “Risks and Uncertainties” section in this MD&A. Currently, the Company’s primary focus is on its Buriticá project.

The focus of the Company for 2015 was the continued advancement of the exploration and development programs for its flagship high-grade gold project, Buriticá, located in Antioquia, Colombia. Major objectives and milestones for 2015 included: the release of an updated mineral resource estimate; advancement of the Company’s environmental permitting application; continued cooperation and collaboration with the communities in creating opportunities and improving living conditions; and advancing various engineering studies to form the foundation of a feasibility study released in the first quarter of 2016 (the “Feasibility Study”).

The Company has a need for equity capital and other financing to fund working capital in the exploration and development of its properties. The Company’s ability to continue as an active mineral property explorer and developer is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or sufficient, or if the Company will attain profitable levels of operation.

2015 Highlights

- Advancement of the exploration and development program at the Buriticá project:

    - Completed approximately 13,808 metres of diamond drilling during the year ended December 31, 2015 for an overall project life total of approximately 290,806 metres. Drilling was successful in extending and infilling vein families in both the Yaraguá and Veta Sur vein systems;

    - Completed channel sampling from development drifts and cross-cuts in upper levels of the Yaraguá bulk-sampling facility, which 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;

    - 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; BUUY291D01, which intersected 17.38 metres @ 10.8 g/t gold and 7 g/t silver; BUUY307, which intersected 8.25 metres @ 10.4 g/t gold and 15 g/t silver; and BUUY311D03, which intersected 1.0 metres @ 162.8 g/t gold and 30 g/t silver;

    - Drill results for 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; 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; and BUUY288D04, which intersected 6.08 metres @ 97 g/t gold and 17 g/t silver;

    - On June 24, 2015, the Company announced an updated mineral resource estimate (the "Resource Estimate") for the Buriticá project, prepared in accordance with NI 43-101, based on 271,003 metres of drilling and sampling (as at May 11, 2015). This estimate covered the Yaraguá and Veta Sur vein systems, with a combined measured mineral resource of 0.89 million tonnes of mineralized material containing 0.54 million ounces of gold grading 19 g/t gold, 1.58 million ounces of silver grading 55 g/t silver, and 13.4 million pounds of zinc grading 0.7% zinc, and a combined indicated mineral resource of 12 million tonnes of mineralized material containing 3.94 million ounces of gold grading 10.2 g/t gold, 12.4 million ounces of silver grading 32 g/t silver, and 112.6 million pounds of zinc grading 0.4% zinc. The combined inferred mineral resource is 15.6 million tonnes of mineralized material containing 4.5 million ounces grading 9.0 g/t gold, 14.7 million ounces of silver grading 29 g/t silver and 91 million pounds of zinc grading 0.3% zinc; and

    - In conjunction with the release of the Resource Estimate, the Company announced plans to forgo the scheduled updated preliminary economic assessment in H2 2015 and instead initiated the Feasibility Study.

- Pre-development activities at the Buriticá project during the fourth quarter of 2015 included:

    - The continued advancement of various studies which formed the basis of the Feasibility Study;

    - On September 15, 2015, the Company announced that it requested the National Government of Colombia to assume the responsibility of reviewing the Company's application for an amendment to the existing Environmental Impact Assessment ("EIA") for the Buriticá project as a Project of National Strategic Interest (Proyecto de Interés Nacional Estratégico ("PINES")). As a result of the National Government of Colombia accepting such responsibility, the Company withdrew its application for the amendment to the EIA from the autonomous regional environmental authority of the department of Antioquia (the "Regional Environmental Authority"); and

    - The Company continued its efforts to advance the formalization of small-scale miners by continuing to work with individual organizations on health and safety, mine planning and mineral transportation procedures.

- Management and director resignations and appointments:
  - On January 21, 2015, the Company announced the appointment of Donald Gray as Chief Operating Officer of the Company and the resignation of Mark Moseley-Williams as President and Chief Operating Officer;
  - On March 31, 2015, the Company announced the appointment of Leon Teicher as Executive Chairman of the Company. Mr. Teicher previously served as the Company's non-executive Chairman;
  - On May 29, 2015, the Company announced the appointment of René Marion to the Company's board of directors (the "Board of Directors");
  - On June 4, 2015, Dr. Kenneth Thomas was appointed Lead Director of the Board of Directors; and
  - The Company announced the appointment of Mateo Restrepo Villegas as Executive Vice President effective August 12, 2015.
- Subsequent to year-end:
  - On January 8, 2016, the Company announced the resignation of Gustavo Koch as Director and Executive Vice-President;
  - On January 20, 2016, the Company announced that it had finalized its application for an amendment to the EIA for the Buriticá project and filed the EIA application with the national environmental authority ("ANLA") and simultaneously sent a final copy to the Regional Environmental Authority;
  - On February 4, 2016, the Company announced channel sampling results from a new sublevel drift located below two trial stopes that the Company has extracted using long-hole mining in the Yaraguá vein system. Channel sample results included 2.77 metres @ 39.7 g/t gold, 65 g/t silver and 2.15% zinc over 15 metres; and 2.41 metres @ 59.5 g/t gold, 68 g/t silver and 1.26% zinc over 13.5 metres. Approximately 1,300 tonnes of mined material from the east stope and 790 tonnes of mined material from the west stope were delivered to the Yaraguá mill for processing;
  - On February 10, 2016, the Company announced that the Constitutional Court of Colombia issued a press release in response to previous reports in the media, announcing that certain aspects of the National Development Plan (Law 1753) passed by Congress in July 2015 were considered unconstitutional. The program governing PINES was declared constitutional in the Court's press release, meaning that the National Government will continue to oversee, promote and supervise PINES projects. The Court also indicated that ANLA (the National Environmental Agency) will not have sole exclusivity over permitting and maintaining environmental aspects of PINES projects. Shortly thereafter, the Court published its ruling, deeming the PINES program constitutional and removing ANLA's exclusive authority to permit and maintain environmental aspects of PINES projects; and
  - On February 24, 2016, the Company released the results of the independent Feasibility Study (the "Feasibility Study") for the Buriticá project, prepared in accordance with NI 43-101. The Feasibility Study was authored by JDS Energy and Mining Inc. ("JDS"), and M3 Engineering & Technology Corp. was responsible for designing the processing facilities and related surface infrastructure. Highlights included:
    - Maiden mineral reserve for the combined Yaraguá and Veta Sur vein system totalling 3.7 million ounces of gold and 10.7 million ounces of silver (13.7 million tonnes grading 8.4 g/t gold and 24.3 g/t silver);
    - A 14-year mine life that will produce 3,492,000 ounces of recovered gold and 6,425,000 ounces of recovered silver;
    - Estimated project capital cost, including contingency, of $389.2 million;

- Life of mine ("LOM") average operating costs of $111.59 per tonne milled (including royalty, doré transport and refining charges);
- Base case scenario utilizes a gold price of $1,200/ounce, a silver price of $15/ounce and an exchange rate (US$:COP) of 1:2,850, resulting in the following economics:
  - The after-tax net present value at a 5% discount ("NPV5") amounts to $0.86 billion;
  - Internal Rate of Return ("IRR") of 31.2%; and
  - Capital payback of 2.3 years.

EXPLORATION SUMMARY

Exploration expenditures, net of gold sales and recoveries, are summarized as follows:

Year ended December 31 In thousands of U.S. dollars	**2015**	2014
		$
Capitalized:		
Buriticá	**27,368**	47,977
Berlin	**–**	18
	27,368	47,995
Expensed:		
Berlin	**28**	–
Santander	**14**	(2)
Dojura	**10**	162
Dominical	**2**	81
	54	241
	27,422	48,236

Buriticá Project

The Buriticá project encompasses an aggregate area of 61,784 hectares of exploration and exploitation rights and is located approximately 75 kilometres northwest of Medellín in the Antioquia Department in north-western Colombia. The project area is comprised of 19 registered concessions covering 17,574 hectares, 42 pending registration concessions totaling 41,710 hectares and three concession applications totalling 2,500 hectares. As in the case of all the Company's properties, concession applications in process give the Company priority on the properties in question during the application process; however, there is no guarantee that the Company will be granted the pending concession applications (see "Risks and Uncertainties" in this MD&A). The Buriticá project includes the Yaraguá mine that had previously been under small-scale production by the Company and is now utilized for underground exploration development and as a bulk-sample testing facility.

The deposit-type of the Buriticá project is a porphyry-related, carbonate base metal ("CBM") gold vein/breccia system. High-grade precious metal mineralization in CBM systems may occur over substantial vertical intervals well in excess of a kilometre, beginning from the porphyry level and ending just below the shallow epithermal range. Compared to low-sulfidation epithermal styles, CBM mineralization is sulphide-rich, with abundant pyrite, +/- pyrrhotite, sphalerite, galena, minor sulfosalts, chalcopyrite and with quartz-carbonate gangue mineralogy. Gold in CBM systems may be free-milling or refractory. Mineralization in CBM systems typically comprises sheeted veins, stockworks and breccias which include some fracture-related disseminations in associated wall-rocks.

Pre-development

On June 24, 2015, the Company announced the Resource Estimate undertaken by Mining Associates Limited, independent consultants to the Company. The Resource Estimate was based on 271,003 metres of drilling and 7,215 metres of underground sampling (as at May 11, 2015). Mineral resources that are not mineral reserves do not have demonstrated economic viability.

COMBINED YARAGUÁ AND VETA SUR MINERAL RESOURCES above a 3 g/t gold cut-off, as at May 11, 2015									
RESOURCE		GRADES				METAL			
Category	M tonnes	Gold g/t	Silver g/t	Gold Eq g/t	Zinc %	Gold Moz	Silver Moz	Gold Eq Moz	Zn Mlbs
Measured	0.89	19.0	55	19.9	0.7	0.54	1.58	0.57	13.4
Indicated	12.00	10.2	32	10.7	0.4	3.94	12.40	4.18	112.6
M & I	**12.89**	**10.8**	**34**	**11.4**	**0.4**	**4.48**	**13.98**	**4.71**	**126.0**
Inferred	**15.6**	**9.0**	**29**	**9.5**	**0.3**	**4.5**	**14.7**	**4.8**	**91**
Notes – Reported tonnage and grade figures have been rounded from raw estimates to reflect the order of accuracy of the estimate. Minor variations may occur during the addition of rounded numbers. There have been no assumptions made as to metal prices or recoveries in this mineral resource estimate other than in gold equivalents that are calculated for AuEq = Au+ Ag/60. M in Figures and Tables represents millions.									

The Company filed with Canadian securities regulators the corresponding independent technical report prepared by Mining Associates Limited in accordance with NI 43-101 entitled "Independent Technical Report and Resource Estimate on the Buriticá Gold Project 2015", with an effective date of May 11, 2015 and dated August 7, 2015.

In anticipation of completing the Feasibility Study, the Company continued to advance various studies during the second half of 2015, including metallurgy and mill design, mine planning, tailing storage facility, hydrology and hydrogeology and electrical.

During the year, the Company also announced that it had requested the National Government of Colombia to assume the responsibility of reviewing the application for modification to the EIA for the Buriticá project as a PINES project, as contemplated under Colombian law. As a result of the National Government of Colombia accepting such responsibility, the Company withdrew its application for the modification of the EIA from the Regional Environmental Authority and, subsequent to year end, refiled a new EIA with ANLA and simultaneously sent a final copy to the Regional Environmental Authority. On February 10, 2016, the Company announced that the Constitutional Court of Colombia issued a press release in reaction to previous reports in the media, announcing that certain aspects of the National Development Plan (Law 1753) passed by Congress in July 2015 were considered unconstitutional and that they intend to issue definitive rulings in this regard in due time. The Court indicated that ANLA (the National Environmental Agency) will not have sole exclusivity over permitting and maintaining environmental aspects of PINES projects. Shortly thereafter, the Court published its ruling, deeming the PINES program constitutional and removing ANLA's exclusive authority to permit and maintain environmental aspects of PINES projects.

Feasibility Study – February 2016

In May 2015, the Company retained independent mining and engineering consulting firm JDS Energy & Mining Inc. of Kelowna, British Columbia, to supervise the Feasibility Study, which was issued subsequent to year-end on February 24, 2016. Independent mining and consulting firm M3 Engineering & Technology was responsible for designing the processing facilities and related surface infrastructure.

The Feasibility Study provides the basis for the Buriticá project execution and operating plan, which includes a multiple ramp access underground mining operation, whole ore cyanide leach processing facility, dry-stacked filtered tailing and related infrastructure. The operating plan includes mining and processing beginning at 2,100 tonnes per day ("tpd"), with ramp-up to 3,000 tpd by year three. The mine is designed to develop two high grade zones initially, in order to minimize pre-production development time and capital as well as maximize early revenues. The mining methods selected for the Buriticá project were chosen to maintain mining flexibility and selectivity for the various anticipated ground conditions. Most of the mineral reserves will be mined by either long-hole open stoping (59% stoping plus 25% stope development) on 15-metre sublevels, or overhand cut-and-fill (15%) with average mining costs of $57.21/tonne over the 13.8 year expected mine life. Some shrinkage stope extraction will be applied to the narrower, more isolated veins. Paste fill made from a mixture of tailing and cement will provide the primary backfill material, with unconsolidated waste rock used in cut-and-fill stopes. An internal raise system will direct ore and waste to the existing Higabra tunnel, which is the main haulage level daylighting adjacent to the planned process plant location. The filtered tailing and waste rock not used for backfill will be placed into a single tailing storage facility; the integrated tailing storage facility design will allow the waste rock to be utilized for stability and erosion protection.

The Feasibility Study contains the Company's initial mineral reserve statement and economic analysis demonstrating project viability: The Feasibility Study effective date is February 24, 2016. The mineral reserve for the combined Yaraguá and Veta Sur vein systems totals 3.7 million ounces of gold and 10.7 million ounces of silver (13.7 million tonnes grading 8.4 g/t gold and 24.3 g/t silver). Mineral reserve estimates by deposit and category are summarized in the following tables:

COMBINED YARAGUÁ AND VETA SUR MINERAL RESERVE ESTIMATE

RESERVE		GRADES		CONTAINED METAL	
Category	Tonnes	Gold (g/t)	Silver (g/t)	Gold (oz)	Silver (oz)
Proven	677,400	21.1	60.0	459,000	1,307,000
Probable	13,039,400	7.8	22.5	3,251,000	9,412,000
Total P&P	13,716,800	8.4	**24.3**	**3,710,000**	**10,719,000**

Notes: Based on cut-off grades of 3.8 g/t for Yaraguá and 4.0 g/t for Veta Sur, $950 per ounce gold price, and a US$:COP exchange rate of 1:2,850. Rounding of some figures may lead to minor discrepancies in totals.

YARAGUÁ MINERAL RESERVE ESTIMATE

RESERVE		GRADES		CONTAINED METAL	
Category	Tonnes	Gold (g/t)	Silver (g/t)	Gold (oz)	Silver (oz)
Proven	450,600	20.5	47.6	297,000	690,000
Probable	8,378,800	7.0	20.8	1,889,000	5,609,000
Total P&P	**8,829,400**	**7.7**	**22.2**	**2,186,000**	**6,299,000**

Notes: Based on a 3.8 g/t cut-off grade, $950 per ounce gold price, and a US$:COP exchange rate of 1:2,850. Rounding of some figures may lead to minor discrepancies in totals.

VETA SUR MINERAL RESERVE ESTIMATE

RESERVE		GRADES		CONTAINED METAL	
Category	Tonnes	Gold (g/t)	Silver (g/t)	Gold (oz)	Silver (oz)
Proven	226,800	22.2	84.7	162,000	617,000
Probable	4,660,600	9.1	25.4	1,362,000	3,803,000
Total P&P	**4,887,400**	**9.7**	**28.1**	**1,524,000**	**4,420,000**

Notes: Based on a 4.0 g/t cut-off grade, $950 per ounce gold price, and a US$:COP exchange rate of 1:2,850. Rounding of some figures may lead to minor discrepancies in totals.

Other key Feasibility Study results include:

- Gold and silver recoveries of 94.1% and 59.9%, respectively, over the life of the mine;
- A 14-year mine life that will produce 3,492,000 ounces of recovered gold and 6,425,000 ounces of recovered silver;
- The first five years of production will average approximately 282,000 ounces of gold and 494,000 ounces of silver annually, at a total average cash cost of $387 per ounce of gold. Life-of-mine production will average 253,000 ounces of gold and 466,000 ounces of silver annually, at a total cash cost of $411 per ounce of gold (including silver credits), placing Buriticá in the lowest cash cost quartile globally;
- Estimated project capital cost, including contingency, of $389.2 million;

- Average operating costs over the LOM of $111.59 per tonne milled (including royalty, doré transport and refining charges);

- Base case scenario utilizes a gold price of $1,200/ounce, a silver price of $15/oz and a US$:COP exchange rate of 1:2,850, resulting in the following economics:

  - The after-tax NPV_5 amounts to $0.86 billion;
  - IRR of 31.2%; and
  - Capital payback of 2.3 years;

- High case scenario utilizes a gold price of $1,400/ounce, a silver price of $17/ounce and a US$:COP exchange rate of 1:2,850, resulting in the following economics:

  - The after-tax NPV_5 amounts to $1.16 billion;
  - IRR of 37.8%; and
  - Capital payback of 1.8 years.

Sustainability and Corporate Social Responsibility

Continental Gold is committed to conducting its operations in a safe and environmentally and socially responsible manner, while ensuring respect and transparency in any community in which it operates.

The Company's Corporate Social Responsibility ("CSR") model is aligned with international performance standards, aiming to protect the environment, deliver effective and sustainable community development, and improve the quality of life for its employees and contractors, their families, and the immediate community.

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

- Implemented a formal grievance system;

- Continued to promote education by sponsoring courses for adult basic training for various community members, including employees of the Company;

- Awarded post-secondary scholarships;

- Partnered with the Ministry of Labour to promote international standards against child labour;

- Improved infrastructure at local schools, hospitals, sports recreation centres and public areas, including:

  - Continued funding and support of the construction of auxiliary facilities, such as playgrounds, at the new "Hogar Juvenil de Tabacal" school;

  - Improved access between the Higabra and Mogotes communities by constructing a new alternative path;

  - Constructed a new playground in the town of Buriticá;

  - Provided personnel to support the paving of a main road leading to the town of Tabacal; and

  - Donated funds to the local hospital to purchase back-up generators;

- Engaged local communities in helping to determine infrastructure improvement priorities;

- Partnered with Conservation International to promote conservation and environmental governance in the municipality of Buriticá. The agreement calls for the development of environmental programs important to the biodiversity of the region and for the sustainable development and subsistence of the community;

- Continued support of the small-scale mining formalization process by helping to establish various procedures and controls with a focus on health and safety, environmental compliance and mine planning;

- Supported local businesses and farmers through partnerships, awarding contracts, donations and co-hosting events;

- Established a corporate volunteer and employee donation plan that helps support local projects and raises money to sponsor children attending the Tabacal rural youth home; and

- Communicated with local communities through formal meetings regarding the formalization process, reconnaissance exploration and various other projects underway in the local communities.

In 2016, the Company plans to continue to advance its CSR program by establishing a solid foundation for sustainable development, with focus on, among other things, continued overall support of community activities, support of local businesses, promoting children's health, productivity, and refining infrastructure with a focus on water resources and urban planning.

2015 Expenditures

During the three months and year ended December 31, 2015, the Company incurred $7.7 million and $34.2 million, respectively, of deferred exploration and development costs (three months and year ended December 31, 2014 – $14.8 million and $54.5 million, respectively), including $0.1 million and $0.7 million, respectively (three months and year ended December 31, 2014 – $0.2 million and $1.2 million, respectively) of capitalized share-based payments. Gold sales resulting from exploration work and drifting in ore at the Buriticá Project amounted to $0.6 million and $4.0 million, respectively, for the three months and year ended December 31, 2015 (three months and year ended December 31, 2014 – $2.5 million and $6.5 million, respectively). In addition, during the three months ended December 31, 2015, $2.8 million was received as an advance for gold sales completed in 2016. Gold sales and advances are treated as a capital credit as they support ongoing exploration of the Buriticá project and, accordingly, are not included as a revenue item in the Company's annual consolidated statements of operations and comprehensive loss. As a result, net project expenditures for the three months and year ended December 31, 2015 totaled $4.3 million and $27.4 million, respectively (three months and year ended December 31, 2014 – $12.3 million and $48.0 million, respectively).

Impairment

During the year ended December 31, 2015, management identified indicators of impairment, requiring an assessment of the Company's recorded values for exploration and evaluation assets.

A write-down of $5.4 million has been recorded for the three months and year ended December 31, 2015 (three months and year ended December 31, 2014 – $2.4 million) for a property within the Buriticá Project for which exploration and evaluation work has indicated low potential. As a result, management of the Company decided to allow the license in respect of the property to expire and has written-off the recorded book value of the property. The write-down in 2014 relates to properties that management determined had a low recoverability for their book values due to both the remoteness of the properties and exploration activities on such properties provided inconclusive information regarding their value and potential. All subsequent expenditures related to these properties will be recognized as exploration expense.

The Company has determined that the remaining value of the Buriticá project is appropriate as a result of the positive Feasibility Study. Expenditures related to the main Buriticá project will continue to be capitalized as exploration and evaluation assets. See the “Risks and Uncertainties” section in this MD&A.

Berlin Project

The Berlin project covers an aggregate area of 38,103 hectares of exploration rights. The project is comprised of 11 registered concessions totaling 22,851 hectares and 11 pending registration concessions totaling 15,252 hectares. The project area is located 90 kilometres north of Medellín in the Antioquia Department.

No work was performed at the Berlin project during 2015, but the Company continues to anticipate the initiation of a diamond drilling campaign in the future.

During 2014, a write-down of $14.2 million was recorded in respect of the remaining value of the Berlin project. The slow progress towards the improvement of security conditions in the area have prevented the Company from commencing any meaningful exploration activity to date at the Berlin project. As management of the Company did not expect a change in circumstances in the foreseeable future, it determined that the recoverability of the recorded value for the project was uncertain and accordingly recorded a write-down for the book value of the property (see the “Risks and Uncertainties” section in this MD&A). All subsequent expenditures in respect of the Berlin project are recognized as exploration expense.

Dojura Project

The Dojura project covers an aggregate area of 40,707 hectares of exploration rights. It is located in the western cordillera in the Choco Department, 30 kilometres southeast of the Departmental capital city of Quibdó. The Dojura project is comprised of three registered concessions totaling 12,726 hectares, 10 pending registration concessions totaling 27,675 hectares and one concession application totaling 306 hectares.

Due to uncertainty as to whether the Company will be able to recover its costs or commence exploration for the project, the Dojura project was written down to a value of $nil in prior years. Any costs incurred subsequently are recognized as exploration expense.

The Corporation is currently evaluating its options with respect to the Dojura project. No exploration activities were undertaken on the property in 2015.

On September 23, 2014, the Superior Court of the District of Antioquia rejected a claim to cancel exploration and mining concessions that encompass traditional indigenous land due to indigenous groups being displaced as a result of security conditions. However, the Court temporarily suspended exploration and mining activities on indigenous land until formal consultation with indigenous communities occur. Approximately 7,726 hectares in the Dojura project are affected by this court ruling. The Company plans to begin the process of consulting the indigenous communities in the affected areas.

Dominical Project

The Dominical project encompasses an aggregate area of 25,894 hectares of exploration rights and is located in southern Colombia in the Cauca Department. The Dominical project area is comprised of four registered concessions totaling 5,590 hectares, 12 pending registration concessions totaling 19,514 hectares and two concession applications covering 790 hectares.

In prior years, the Dominical project was written down to a value of $nil as a result of worsening security conditions in the Cauca Department (see the “Risks and Uncertainties” section in this MD&A). Any costs incurred subsequently are recognized as exploration expense.

No exploration activities were undertaken on the property in 2015.

SELECTED ANNUAL CONSOLIDATED FINANCIAL INFORMATION

The following financial data has been prepared in accordance with IFRS. The presentation currency and functional currency are U.S. dollars.

As at In thousands of U.S. dollars	**December 31** **2015**	December 31 2014	December 31 2013
	$	$	$
Consolidated Financial Position			
Cash and cash equivalents	**28,053**	57,558	117,526
Exploration and evaluation assets	**217,316**	195,309	163,888
Total assets	**259,774**	268,498	297,313
Shareholders' equity	**220,133**	242,972	278,747
Year ended In thousands of U.S. dollars	**December 31** **2015**	**December 31** **2014**	December 31 2013
	$	**$**	$
Consolidated Operating Results			
Foreign exchange loss	**(5,102)**	**(7,164)**	(8,180)
Loss on disposal or write-down of assets	**(5,365)**	**(16,599)**	(7,403)
Net loss	**(27,976)**	**(39,663)**	(25,309)
Consolidated Cash Flow			
Acquisition of and investment in exploration and evaluation assets, net of gold sales and advances	**21,957**	**46,320**	41,438
Net cash out flow	**(23,591)**	**(53,096)**	(44,769)

The Company's total assets at December 31, 2015 were $259.8 million, which is consistent in comparison to total assets of $268.5 million as at December 31, 2014 and $297.3 million as at December 31, 2013. Changes are mainly due to foreign exchange losses on Canadian dollar cash balances.

Cash and cash equivalents at December 31, 2015 was $28.1 million, compared to $57.6 million as at December 31, 2014. The decrease in cash and cash equivalents is primarily a result of expenditures for the continued advancement of the Buriticá project and the decline in Canadian-dollar cash balances due to changes in the C$:U.S. dollar exchange rate.

Exploration and evaluation assets at December 31, 2015 includes 2,785 ounces of gold doré inventory (December 31, 2014 – nil ounces) that are committed for delivery in 2016 and for which advanced payments of $2.8 million (December 31, 2014 – $nil) have been received and 564 ounces (December 31, 2014 – 86 ounces) gold doré inventory having a net realizable value of $0.6 million based on a closing gold price of $1,060 per ounce (December 31, 2014 - $0.1 million based on a closing gold price of $1,206 per ounce). The total cost of gold at a cost of doré inventory as at December 31, 2015 was $3.4 million (December 31, 2014 – $0.1 million).

The Company has no long-term financial liabilities, off-balance sheet financing arrangements or material contingent liabilities or contractual obligations. Excluding the impact of revaluations for financial liabilities and foreign exchange on Canadian-dollar cash balances, the Company expects to continue to incur losses until commercial mining operations from its exploration and evaluation assets have commenced.

Net loss for the year ended December 31, 2015 was $28.0 million compared to $39.7 million for the year ended December 31, 2014 and $25.3 million for the year ended December 31, 2013. The change in 2015 is mainly due to impairment charges recorded for the Company's Berlin property in 2014.

Net cash outflow for the year ended December 31, 2015 was $23.6 million compared to $53.1 million for the year ended December 31, 2014 and $44.8 million for the year ended December 31, 2013. The change in 2015 is a result of reduced exploration and development activity as activities in 2015 were mainly focused on the update of the mineral resource estimate and the advancement of the Feasibility Study.

CONSOLIDATED OPERATING RESULTS

The following is a summary of the Company's consolidated operating highlights for the years ended December 31, 2015 and 2014:

Year ended December 31	**2015**	2014
Tonnes milled (tonnes)	**7,158**	7,952
Average grade (g/t)	**31.19**	23.71
Gold production (ounces)	**6,643**	5,267
Gold sales (ounces)	**3.382**	5,267
Realized gold price($)	**1,173**	1,230

In thousands of U.S. dollars, except per share amounts	**2015**	2014
	$	$
Net loss	**(27,976)**	(39,663)
Net loss per share, basic and fully diluted	**(0.22)**	(0.31)

Year ended December 31 In thousands of U.S. dollars, except per share amounts	**2015**	2014
	$	$
Exploration expenditures, net of gold sales and recoveries (see "Exploration Summary")	**27,368**	47,995
Operating activities	**(5,457)**	(2,651)
Investing activities	**(21,098)**	(51,215)
Financing activities	**2,996**	770
	(23,559)	(53,096)
Foreign exchange on cash and cash equivalents	**(5,946)**	(6,872)
Net decrease in cash and cash equivalents	**(29,505)**	(59,968)

Pre-Production and Development Planning Activities

For the three months and year ended December 31, 2015, the Company produced 1,707 ounces and 6,643 ounces, respectively (2014 – 2,046 ounces and 5,267 ounces, respectively) of gold and sold 578 ounces and 3,382 ounces, respectively (2014 – 2,046 ounces and 5,267 ounces, respectively) for an average realized price of $1,083 per ounce and $1,173 per ounce, respectively (2014 – $1,217 per ounce and $1,230 per ounce, respectively). The increase in production in 2015 is a result of an increase in grade, both of which vary as production is dependent on exploration and development activities. As a result of management's decision to retain the services of an international refiner, shipments were delayed until all arrangements were properly established, resulting in the reduction in sales. As of December 31, 2015, the Company received advances of $2,845,000 in respect of the sale of 2,785 ounces of gold in early 2016.

In addition to the 2,785 ounces of gold doré inventory committed for delivery in 2016 and for which advances have been received, the Company held 564 ounces (December 31, 2014 – 86 ounces) of gold doré in inventory with a net realizable value of $0.6 million based on a closing gold price of $1,060 per ounce (December 31, 2014 - $0.1 million based on a closing gold price of $1,206 per ounce). As at December 31, 2015, total gold doré inventory of 3,349 ounces (December 31, 2014 – 86 ounces) was recorded at a cost of $3.2 million (December 31, 2014 - $0.1 million). Inventory is classified as part of exploration and evaluation assets as the bulk sampling operation is used to support exploration and development activities.

Operating Results

The Company's net loss for the three months and year ended December 31, 2015 amounted to $7.5 million ($0.06 per share) and $28.0 million ($0.22 per share), respectively, compared to $23.3 million ($0.18 per share) and $39.7 million ($0.31 per share) for the same respective periods in 2014. The change for the quarter and year-to-date compared to the same periods in 2014 was primarily from the following:

- Corporate administration for the three months and year ended December 31, 2015 were $1.4 million and $7.8 million, respectively (three months and year ended December 31, 2014 – $1.4 million and $8.5 million, respectively), including share-based payments. The change is mainly a result of a new Colombia wealth tax in 2015.
- Compensation costs related to share-based payments during the three months and year ended December 31, 2015 were $0.4 million and $2.1 million, respectively (three months and year ended December 31, 2014 – $0.6 million and $3.1 million, respectively), of which $0.3 million and $1.5 million, respectively (three months and year ended December 31, 2014 – $0.4 million and $1.9 million, respectively) were expensed and $0.1 million and $0.6 million, respectively (three months and year ended December 31, 2014 – $0.2 million and $1.2 million, respectively) were capitalized to exploration and evaluation assets.
- Changes related to share-based payments relate to the issuance of nil and 2,620,000 stock options, respectively, during the three months and year ended December 31, 2015, with average grant date fair values of $nil per share and $0.88 per share, respectively, compared to nil stock options and 2,025,000 stock options, respectively, during the three months and year ended December 31, 2014, with average grant date fair values of $nil per share and $1.54 per share, respectively. The valuation of share-based payments is subjective and can impact net income (loss) significantly.
- Foreign exchange loss for the three months and year ended December 31, 2015 was $0.4 million and $5.1 million, respectively, compared to $2.6 million and $7.2 million, respectively, for the same periods in 2014. The change is primarily the result of the continued weakening of the Canadian dollar against the U.S. dollar in 2015.
- Gain/loss on marketable securities during the three months and year ended December 31, 2015 was a $0.2 million gain and $0.1 million loss, respectively, compared to losses of $0.5 million and $3.8 million, respectively, for the same periods in 2014. The change resulted from the revaluation of securities held. In addition, the conversion of the Company's investment in an associate to marketable securities resulted in the recognition of a gain of $1.6 million in 2014.
- Deferred tax expense for the three months and year ended December 31, 2015 was $0.4 million and $9.5 million, respectively, compared to $2.6 million and $6.2 million, respectively, for the same periods in 2014. Deferred tax expense is mainly related to foreign exchange on the translation of foreign tax balances at current rates net of a change in May 2015 relating to the tax rates applicable to Colombia tax losses generated in 2013 and subsequent years.

Excluding the effect of the revaluation of financial instruments and foreign exchange on cash balances, the Company will continue to incur losses until commercial mining operations from its exploration and evaluation assets have commenced.

Cash Flow Items

Operating Activities

Operating activity expenditures for the three months and year ended December 31, 2015 of $0.6 million and $5.5 million, respectively, compared to $0.8 million and $2.7 million for the same respective periods in 2014, increased as a result of Colombian wealth tax charges implemented in 2015, and reduced interest income on cash balances and changes in working capital balances.

Investing Activities

Investing activity expenditures for the three months and year ended December 31, 2015 of $3.1 million and $21.1 million, respectively (three months and year ended December 31, 2014 – $14.1 million and $51.2 million, respectively) relate mainly to continued advancement and acceleration of the Buriticá project exploration and development programs, net of capitalized gold sales revenues and advances relating to such assets and refunds received for value added taxes on exploration expenditures. During 2015, drilling and development activities were significantly reduced as activities were focused towards the advancement of the Feasibility Study. In 2014, the Company also invested $0.9 million in additional investments in marketable securities.

Financing Activities

Financing activity for the three months and year ended December 31, 2015 of $nil and $3.0 million, respectively, is consistent with the $0.5 million and $0.8 million for the same respective periods in 2014, and relates to cash proceeds from the exercise of stock options.

SUMMARY OF CONSOLIDATED QUARTERLY RESULTS

The Company currently capitalizes its exploration expenditures to mineral properties as deferred expenses.

The following table sets forth selected consolidated financial information, prepared in accordance with IFRS, for each of the Company's eight most recently completed quarters. The presentation currency and functional currency are U.S. dollars:

In thousands of U.S. Dollars, except per share amounts	**Q4–2015**	**Q3–2015**	**Q2–2015**	**Q1–2015**	**Q4–2014**	**Q3–2014**	**Q2–2014**	**Q1–2014**
	$	**$**	**$**	**$**	**$**	**$**	**$**	$
Net (loss) income	**(7,543)**	(10,198)	186	(10,421)	(23,338)	(14,173)	1,685	(3,837)
Basic and diluted (loss) income per share	**(0.06)**	(0.08)	0.00	(0.08)	(0.18)	(0.11)	0.01	(0.03)

The Buriticá project is the Company's most significant project and is expected to continue to be the focus of most of the exploration and development work undertaken by the Company in the current and future fiscal years.

CONTINGENCIES

In November 2013, the Company was assessed a fine of COP 2,947,500,000 from the Regional Environmental Authority for alleged environmental infractions dating back to 2007 and 2008. The Company does not believe that the allegations have any merit and intends to vigorously defend this matter.

In 2014, the Company and the Regional Environmental Authority reached an agreement in principle. The principal terms of the agreement included the payment to the regional authority of COP 2,947,500,000 plus interest of COP 265,452,000 over a 12-month period. The agreement was submitted for approval to, and rejected by, the Colombian courts for administrative technicalities. The Company subsequently initiated legal proceedings against the regional authority, which proceedings are currently in process.

As at December 31, 2014, the Company recognized a liability and a corresponding expense of $1,381,000 representing the fine of COP 2,947,500,000 and interest to December 31, 2014 of COP 349,145,000 in the annual consolidated statement of operations and comprehensive loss for the year ended December 31, 2014.

During the first quarter of 2015, the Company paid $1,318,000 representing the fine of COP 2,947,500,000 plus interest of COP 507,019,239. The Company believes payment of such fine was in the best interest of the Company as it limits the accumulation of interest while the matter is dealt with in the courts.

The Company's exploration, development and bulk sampling activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are subject to change and may generally become more restrictive. As of December 31, 2015, the Company did not believe that there were any significant environmental obligations requiring material capital outlays in the near-term and anticipate that such obligations, if any, will only arise when mine development commences.

LIQUIDITY, CAPITAL RESOURCES AND BUSINESS PROSPECTS

The adequacy of the Company's capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategy, forward gold prices, the mining industry, economic conditions and associated risks. In order to maintain or adjust its capital structure, the Company may adjust project capital spending, issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or issue new debt.

Historically, the Company's sole source of funding has been the issuance of equity-based securities for cash.

As at In thousands of U.S. dollars	**December 31 2015**	December 31 2014
	$	$
Cash and cash equivalents	**28,053**	57,558

The Company's financial position at December 31, 2015 included $28.1 million in cash and cash equivalents, compared to $57.6 million at December 31, 2014. The Company maintains its surplus funds in cash with two major banks in Canada, one in Bermuda and certain Colombian banks. As at March 9, 2016, cash and cash equivalents amounted to approximately $20.7 million and 1,435 ounces of gold doré in inventory with a net realizable value of $1.8 million based on a closing gold price of $1,246 per ounce.

The Company had working capital of $24.3 million as of December 31, 2015 (December 31, 2014 – $58.2 million). The change in working capital in 2015 is a result of continued expenditures for the advancement of the Buriticá exploration and development programs. In addition, the Company received advances of $2.8 million in respect of 2,785 ounces of gold for which the Company is committed to deliver in 2016.

The Company has lease agreements expiring between 2016 to 2020 for office and warehouse facilities in Toronto and Colombia. The Company's estimated annual rent is approximately $0.5 million, depending upon the actual annual operating costs for the Company's premises. In addition, as at December 31, 2015, the Company has $6.1 million of capital commitments relating to open contracts and purchase orders expiring or expected for delivery between 2016 to 2017 for the development of the Buriticá project.

As at December 31, 2015, 8,695,293 options were outstanding at an average exercise price of C$5.40 per share. Management does not know when and how much will be collected from the exercise of such securities, as this is dependent on the determination of the option holder and the market price of the Common Shares.

The Company continues to have no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's liquidity risk with financial instruments is minimal as excess cash is invested in interest-bearing accounts with two major Canadian banks. In addition, amounts receivable are comprised mainly of value-added-tax receivables, which are expected to be received within one year, and interest receivable on cash and cash equivalents.

The Company has no operating cash flow, and therefore must utilize its current cash reserves, income from short-term investments, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet working capital requirements and planned expenditures, or to fund any further development activities. It is not possible to predict whether future financing efforts will be available on reasonable terms, or at all (see "Risks and Uncertainties" in this MD&A).

The Company's underground exploration development at the Buriticá project includes gold production results from its bulk-sample testing operation from exploration work and drifting in ore. Aggregate gold sales for the three months and year ended December 31, 2015 were $0.6 million and $4.0 million, respectively (three months and year ended December 31, 2014 – $2.5 million and $6.5 million, respectively). In addition advances received in respect of gold sales for 2016 of $2.8 million were received in the three months and year ended December 31, 2015. Gold sales are used as another source of funding the Company's exploration program and are viewed as a recovery of expenses. As a result, gold sales and advances, net of costs, are treated as a capital credit and netted against deferred expenses that have been incurred to-date on the Buriticá project.

For the three months and year ended December 31, 2015, the Company capitalized costs related to mineral properties in the amount of $4.3 million and $27.4 million, respectively (three months and year ended December 31, 2014 – $12.3 million and $48.0 million, respectively). See "Exploration Summary".

MANAGEMENT OF CAPITAL

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objectives are to ensure the entity continues as a going concern and to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. As at December 31, 2015, total shareholders' equity (managed capital) was approximately $220.1 million (December 31, 2014 – $243.0 million).

The properties in which the Company currently has an interest are primarily in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient potential, if it has adequate financial resources to do so and if it fits within the Company's overall strategic plan.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the quarter ended December 31, 2015.

The Company is not subject to any externally imposed capital requirements. The Company believes that its current capital resources were sufficient to discharge its liabilities and capital commitments relating to open contracts and purchase orders as at December 31, 2015.

SHARE CAPITAL

Fully Diluted Shares

As at (In thousands)	**December 31 2015**	December 31 2014
Shares issued	**129,550**	127,179
Stock options outstanding[1]	**8,695**	10,298
	138,245	137,477

[1] Each stock option is exercisable for one Common Share

As at March 9, 2016, there were 129,729,345 Common Shares outstanding.

Share-Based Compensation

The Company has a stock option plan (the "Option Plan"), a deferred share unit plan (the "DSU Plan") and a restricted share unit plan (the "RSU Plan") in place. The maximum number of Common Shares issuable under all stock-based compensation arrangements of the Company is equal to 10% of the issued and outstanding Common Shares from time to time. The Option Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. The maximum number of Common Shares to be reserved for issuance under the DSU Plan and RSU plan is set at 250,000 and 750,000, respectively.

Under the Option Plan, directors, officers, employees and consultants may be granted stock options to purchase Common Shares. The DSU Plan provides that employees and directors of the Company may elect to receive up to 100% of their annual compensation in deferred share units ("DSUs"). In addition, DSUs may be awarded to an employee or director as deemed appropriate by the Company. Under the RSU Plan, restricted share units may be awarded to an employee or consultant as a discretionary payment in consideration of past or futures services to the Company. Limits have also been set in respect of the maximum number of options or DSUs that may be issued to a non-employee director in any one-year period.

As at December 31, 2015, 8,695,293 options were outstanding at an average exercise price of C$5.40 (December 31, 2014 – 10,297,663 options at an average exercise price of C$5.50), of which 6,236,543 were exercisable (December 31, 2014 – 8,443,288). Management does not know when and how much will be collected from the exercise of such securities as this is dependent on the determination of the option holders and the market price of the Common Shares. As at December 31, 2015, there were no DSUs or RSUs outstanding.

As at March 9, 2016, there were 9,160,293 stock options and no DSUs and RSUs outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

RELATED PARTY TRANSACTIONS

Transactions with related parties are in the normal course of Company's business and are recorded at the exchange amount, being the price agreed between the parties. The following is a summary of related party transactions for the three months and year ended December 31, 2015:

- Gold sales to a refinery company (in which a former director of the Company has an equity interest and is an officer) for the three months and year ended December 31, 2015 amounted to $nil, compared to $nil and $2.6 million for the same respective periods in 2014, and were reported as a reduction to exploration and evaluation assets in the Company's annual consolidated statements of financial position. The former director resigned from the Company effective June 4, 2014.

- The Company had a consulting agreement with a company controlled by the former Chairman of the Company for $20,000 per month. Services included site visit security and logistics, technical assistance and assistance with Colombia mining law and processes. This consulting agreement terminated on December 31, 2014.

- In 2013, the Company issued a letter of support to the Colombian Mining Authority representing a total of 257,690 hectares covered in exploration applications submitted by a former associate of the Company. The letter of support indicated a commitment by the Company to financially support the exploration activities of the former associate, limited to an approximate cost of $98/hectare, for future exploration expenditures for the three-year period commencing from the date a concession contract is registered in respect of the specified areas in the applications. The letter of support was required in order for the former associate to meet rules governing mineral exploration applications. In December 2014, the Company notified the Colombian Mining Authority of the withdrawal of the letter of support. No payments were made or received by the Company in respect of the letter of support and its withdrawal.

CONTRACTUAL OBLIGATIONS

As at December 31, 2015, the Company had the following payments due on its contractual obligations and commitments:

Contractual Obligations In thousands of U.S. dollars	**Total**	**< 1 year**	**2-3 years**	**4-5 years**	**>5 years**
	$	**$**	**$**	**$**	**$**
Operating lease obligations [1]	**728**	**214**	**280**	**234**	**–**
Rehabilitation obligations[2]	**13,147**	**1,201**	**12**	**11,934**	**–**
Capital commitments[3]	**5,254**	**3,655**	**1,599**	**–**	**–**
Wealth Tax [4]	**1,295**	**925**	**370**	**–**	**–**
Total	**20,424**	**5,995**	**2,261**	**12,168**	**–**

(1) Represents lease agreements for office, warehouse and housing facilities in Toronto and Colombia.
(2) Represents undiscounted cash flows.
(3) Represents open contracts and purchase orders for the development of the Buriticá project.
(4) Represents estimated wealth tax payments based on the Company's net equity position in Colombia as at December 31, 2015.

As at December 31, 2015, a rehabilitation provision of $6.9 million (December 31, 2014 – $3.1 million) was recorded, representing the discounted value of the expected future cash flows.

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company manages capital and its exposure to financial risks by ensuring it has sufficient financial capacity to support exploration and development plans and long-term growth strategy.

The Company is subject to various financial risks that could have a significant impact on financial conditions and the Company's ability to advance its exploration projects. These risks include liquidity risk, credit risk and financial market conditions relating to interest rates, gold price and currency rates.

Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The Company's management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has treasury policies designed to support managing liquidity risk by proactively mitigating exposure through cash management, including forecasting its liquidity requirements with available funds and anticipated cash flows. As at December 31, 2015, the Company had cash and cash equivalents of $28.1 million (December 31, 2014 – $57.6 million) to settle current liabilities of $6.2 million (December 31, 2014 – $4.8 million). In addition, as at December 31, 2015, the Company received advance payments of $2.8 million for 2,785 ounces of gold for which the Company was committed and has delivered in 2016. The majority of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has begun to examine its options to secure additional sources of funds including public issuances, private placements and the exercise of outstanding stock options.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. In the normal course of business, the Company is not exposed to market risk as a result of its investments being held in cash or short-term investment certificates.

Currency Risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company’s financial instruments will fluctuate because of changes in foreign exchange rates. The Company’s functional currency is the U.S. dollar and major purchases are transacted primarily in U.S. dollars and Colombian pesos. The Company funds certain operations, exploration and administrative expenses in Colombia on a cash-call basis using Colombian pesos converted from its Canadian and/or U.S. dollar bank accounts held in Canada. The Company maintains Canadian and U.S. dollar bank accounts in Canada, a U.S. dollar bank account in Bermuda and Colombian pesos bank accounts in Medellín, Colombia. The Company is subject to gains and losses due to fluctuations in the Colombian peso and the Canadian dollar against the Company’s U.S. dollar functional currency. Sensitivity to a plus or minus 20% change in all foreign currencies (Colombian pesos and Canadian dollars) against the U.S. dollar, with all other variables held constant as at December 31, 2015, would affect net loss and comprehensive loss by approximately $1.6 million.

As at December 31, 2015, the Company held a total of $2,250,000 of COP non-deliverable forward foreign currency contracts at an average US$:COP rate of 1:3,098 with value dates between April 2016 to September 2016. A derivative liability of $0.1 million representing an unrealized loss on the contracts was recorded in accounts payable and accrued liabilities on the annual consolidated statement of financial position as at December 31, 2015.

Interest Rate Risk

Interest rate risk is the impact that changes in interest rates could have on the Company’s earnings and assets. In the normal course of business, the Company is exposed to interest rate fluctuations as a result of cash and cash equivalents being invested in interest-bearing instruments. Interest rate risk is minimal, as the Company’s interest-bearing instruments have fixed interest rates.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from its properties. The Company’s cash and cash equivalents are held with banks in Colombia, Bermuda and Canada. The Company limits material counterparty credit risk on these assets by dealing with financial institutions with credit ratings of at least A or equivalent, or those which have been otherwise approved. The majority of amounts receivable are current and consist of receivables from unrelated parties as of December 31, 2015. Management believes that the credit risk concentration with respect to amounts receivable is minimal based on the Company's history with these unrelated parties.

Fair Value

As at December 31, 2015, the carrying and fair value amounts of the Company’s financial instruments were approximately equivalent. The fair value of the Company’s financial instruments at December 31, 2015 was determined using quoted market prices.

MARKET TRENDS

Global Financial Market Conditions

Events and conditions in the global financial markets particularly over the last two years continue to impact gold prices, commodity prices, interest rates and currency rates. These conditions, as well as market volatilities, may have a positive or negative impact on the Company’s operating costs, project exploration and development expenditures, and planning of the Company’s projects.

Gold Market

The Company's economic assessment of its gold projects is impacted by the market-driven gold price. The gold market is affected by negative real interest rates over the near-to-medium term, continued sovereign debt risks, elevated geo-political risks, mine production and substantial above-ground reserves that can affect the price should a portion of these reserves be brought to market.

While many factors impact the valuation of gold, traditionally the key factors are actual and expected U.S. dollar value, global inflation rates, oil prices and interest rates.

The global financial market crisis affected the volatility of gold and other commodity prices, oil prices, currencies and the availability of credit. The gold price has displayed considerable volatility in the last few years. The daily closing spot gold price in 2015 was between $1,049 and $1,295 per ounce ($1,142 per ounce and $1,385 per ounce in 2014) for an average price in 2015 of $1,160 per ounce (2014 - $1,266 per ounce). Continued uncertainties in major markets, specifically in the U.S. and European countries, and increased investments from Asian countries, namely India and China, were the main driving forces in the demand for gold.

($/ounce of gold)	**2015**	2014
Average market gold price for the year ended December 31	**1,160**	1,266
Closing market gold price as at December 31	**1,060**	1,206

Currency

The Company's functional and reporting currency is the U.S. dollar. Fluctuation of the Canadian dollar against the U.S. dollar has a direct impact on the Company's corporate office cost base and cash balances. Fluctuation of the Colombian peso has a direct impact on the Company's exploration activities. Currencies continued to experience volatility relative to the U.S. dollar in 2015. The key currencies to which the Company is exposed are the Canadian dollar and the Colombian peso.

	Closing Rate as at		**Average Rate year ended**	
	December 31 2015	December 31 2014	**December 31 2015**	December 31 2014
Canadian dollar/US$	**0.7225**	0.8620	**0.7833**	0.9058
Colombian peso /US$	**0.00032**	0.00042	**0.00037**	0.00050

During 2015, the Company will have significant U.S. dollar and Colombian peso requirements due to exploration activities, the majority being expenditures to advance the Buriticá project. As at December 31, 2015, the Company held $12.1 million in U.S. dollars, which represents approximately 43% of total cash balances to protect against currency volatility in 2015 and which the Company believes is sufficient to fund remaining planned exploration expenditures for 2015. As at March 9, 2016, the Company held approximately $20.7 million in cash and cash equivalents, of which $8.7 million was in U.S. dollars, representing approximately 42.0% of total cash balances. In addition, the Company held 1,435 ounces of gold doré in inventory as at March 9, 2016 with a net realizable value of $1.8 million based on a closing gold price of $1,246 per ounce.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's annual consolidated financial statements under IFRS requires management to make certain estimates and assumptions that affect the amounts reported in the annual consolidated financial statements. The accounting estimates considered to be significant are the valuation of the Company's mineral resource assets and equity instruments, the factors considered in determining the Company's functional currency, and the inputs used in determining the balances recorded for the rehabilitation provision, commitments and contingencies. While management believes that these estimates and assumptions are reasonable, actual results could vary significantly.

The policy of capitalizing exploration costs to date does not necessarily relate to the future economic value of the exploration properties. The valuation of mineral resource properties is dependent entirely upon the discovery of economic mineral deposits.

The Company uses the Black-Scholes model to determine the fair value of stock options and warrant investments. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses historical price data in the estimate of the stock price volatility.

Changes in the accounting estimates in the items discussed above may have a material impact on the consolidated financial position of the Company.

Other items requiring estimates are accounts receivable, accounts payable and accrued liabilities, asset retirement obligations and future income taxes. Changes in the accounting estimates in these items may have a material impact on the financial position of the Company.

CHANGES IN ACCOUNTING POLICIES

Future Accounting Changes

The following revised standards and amendments have not been applied in preparing the annual consolidated financial statements. Management has not yet considered the potential impact of their adoption on the Company's consolidated financial statements and does not plan to adopt these standards in advance of their respective effective dates.

IFRS 9 – Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9"), replaces IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") and some of the requirements for IFRS 7, Financial Instruments – Disclosures. The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), replaces IAS 11, Construction Contracts ("IAS 11"), IAS 18, Revenue ("IAS 18") and some revenue-based interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16 – Leases

IFRS 16, Leases ("IFRS 16"), replaces IAS 17, Leases ("IAS 17"). IFRS 16 requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset'.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 - Intangibles

Amendments to IAS 16, Property, Plant and Equipment ("IAS 16") and IAS 38, Intangibles ("IAS 38") provide clarification in respect of the acceptable methods of depreciation and amortization.

The amendments to IAS 16 and IAS 38 are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

There were no significant changes in the Company's disclosure controls and procedures and internal control over financial reporting, or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation as of December 31, 2015, nor were there any significant deficiencies or material weaknesses in the Company's internal controls identified requiring corrective actions.

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2015, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its disclosure controls and internal controls over financial reporting will prevent or detect all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

QUALIFIED PERSON

Donald P. Gray, Chief Operating Officer of the Company, is a qualified person within the meaning of NI 43-101 – Standards of Disclosure for Mineral Projects and has reviewed and approved the scientific and technical information contained in this MD&A.

For additional information on the Buriticá Project, please refer to the Technical Report, available on the Company's website at www.continentalgold.com and under the Company's profile on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The business of the Company is subject to a variety of risks and uncertainties, including those described below. Investment in the Common Shares should be considered highly speculative and involves a high degree of risk due to the nature of the Company's business, the present stage of exploration and development of the Company's mineral properties and the location of its properties in Colombia. The reader should carefully consider the information below as well as the risks disclosed in the Company's annual consolidated financial statements, annual information form and in other publicly-filed documentation regarding the Company available under the Company's SEDAR profile at www.sedar.com. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations, and any of these risk elements could have a material adverse effect on the business of the Company.

Nature of Mineral Exploration

Resource exploration and development is a speculative business and involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The properties in which the Company holds an interest, with the exception of the Buriticá Project, are without a known mineral resource. Each of the proposed programs on the properties is an exploratory search for resources or additional resources. There is no assurance that commercial quantities of resources will be discovered. There is also no assurance that even if commercial quantities of resources are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade, ground conditions and proximity to infrastructure, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of economic commercial quantities of ore.

Foreign Country Risk

The Company's principal mineral properties are located in Colombia. Over the past 10 to 15 years, the government of Colombia has made strides in improving the social, political, economic, legal and fiscal regimes. However, operations in Colombia are still subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including, but not limited to, unemployment and inequitable income distribution. Colombia is also home to South America's largest and longest running insurgency and large swaths of the countryside are under guerrilla influence. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping, extortion and thefts and civil unrest in certain areas of the country. Such instability may require the Company to suspend operations on its properties. It is common practice in Colombia to have contractual arrangements with the police and/or army in exchange for protective services. There is a risk that agreements with the police and/or army cannot be reached on time or on terms that are acceptable to the Company which could result in an increase in security threats or loss of control at the project site which could have a material adverse effect on the Company.

Although the Company is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Company's operations, renegotiation or nullification of existing concessions, licenses, permits and contracts, illegal mining, changes in taxation policies, or other matters.

The government of Colombia is currently in peace negotiations with the country's largest guerrilla groups, and there is no certainty that an agreement will be reached. There is a risk that any peace agreement might contain new laws or change existing laws that could have a material adverse effect on the Buriticá Project. Furthermore, the achievement of peace with the country's guerrilla groups could create additional social or political instability in the immediate aftermath which could have a material adverse effect on the Company.

Illegal Miners/Mineral Extraction by Third Parties without Title

The Company's mining concessions are held in remote areas of Colombia that have historically been mined by illegal miners. As the Company further explores and advances mining projects towards production, it must evict or negotiate with illegal miners operating on the Company's mining concessions illegally. There is a risk that such illegal miners may oppose the Company's operations and efforts to evict them from the Company's mining concessions may result in violence, the destruction of the Company's property, the physical occupation of the Company's current mine or a disruption to the planned development and/or to mining and processing operations; all of which could have a material adverse effect on the Company.

Illegal miners have extracted precious metals from the Company's mining concessions. Historically, the areas that are being mined by illegal miners are near surface and do not form a material part of the Company's mineral resources, and the rate of extraction has been minimal. However, there is a risk that the number of illegal miners could increase, their activities could reach depths that include the Company's mineral resources or their method of extraction could change whereby the rate of extraction could increase, all of which could deplete a material portion of the Company's mineral resources and reserves.

On occasion, illegal activities have been discovered adjacent to the Company's underground workings; areas impacted have been excluded from the Company's mineral resource and reserve estimates.

Illegal miners that operate on the Company's concessions do not meet proper health and safety standards. Accidents do occur and range from minor to serious, including death. Although these miners are unrelated to Continental Gold and its operations, the Company may be implicated in such accidents, which could have a material adverse effect on the Company's business operating results and financial position.

While the Company takes all formal steps to notify the authorities when illegal miners operate in an unsafe manner and in close proximity to the Company's current operations, illegal miners have on occasion, advanced within close proximity to the Company's current underground operation. The Company uses explosive to advance underground development and to extract mineralized material for its current operation. While the Company takes precautions with respect to ensuring the safe detonation of explosives, there is a risk that the detonation of explosives could cause an accidental breakthrough to an illegal mine which could lead to an injury or death to an illegal miner and could have a material adverse effect on the Company.

Illegal miners have also historically used chemicals that are harmful to the environment to separate the precious metals from the mineralized material. While the Company has implemented a course of action to minimize its exposure for environmental liabilities caused by illegal miners, there is no assurance that the Company will not be subject to these environmental liabilities in the future. This could have a material adverse effect on the Company's business, operating results and financial position.

Closure of Illegal Mines

The responsibility to close illegal mines resides with the government of Colombia and the Company provides assistance at the request of the government. Delays or inaction by the government of Colombia in closing illegal mines could result in an increase in illegal mining activity which could have a material adverse effect on the Buriticá Project.

Illegal mines are closed by either the use of explosives or the sealing of the mine openings with concrete. The use of explosives is dangerous and accidents could occur while closing illegal mines which could result in injuries to third parties including, but not limited to, fatalities. There is a risk the Company could be implicated or blamed for accidents or fatalities that occur during or near the time of closing illegal mines. These events could result in, but are not limited to, litigation and/or the loss of community support which could have a material adverse effect on the Buriticá Project.

When explosives are not used to close illegal mines, there is a risk that the illegal mines are re-opened shortly after being closed. Without proper oversight and monitoring of the area, there is a risk that illegal miners will return to the area and resume activities which could result in an increase in illegal mining activity and have a material adverse effect on the Buriticá Project.

In addition, many illegal miners who are impacted by the closure of illegal mines will re-establish themselves in other communities that are within the Company's concessions. An increase in illegal miners in other local communities as a result of the closure of illegal mines near the Yaraguá bulk sampling facility could create negative sentiments towards the Company and a loss of the Company's social license which could have a material adverse impact on the Buriticá Project.

Illegal miners could also resist the closure of illegal mines with force or violence which could lead to injury or death to the Company's employees or consultants, which could have a material negative adverse effect on the Company.

Formalization of Artisanal Miners

During 2014, the Company signed formalized sub-contract agreements with several small-scale mining associations, paving the way for the implementation of legal and responsible small-scale mining operations at the Buriticá Project. These sub-contracts are the first to be executed under Law 1658 of July 15, 2013 and will be regulated by Decree 480 of March 6, 2014, which importantly places all legal responsibilities related to technical, environmental and industrial safety and security on the individual small-scale mining associations. While the Company has taken precautions and performed due diligence, there is a risk these formalized groups are associated with illegal activities or criminal organizations. There is also a risk that the formalized groups do not adhere to the contractual terms of the agreements including, but not limited to, limiting the mining of mineralized material to a maximum depth of 50 metres. Additionally, there is a risk that a formalized group or a member of a formalized group acts in a way that is contrary to the best interests of the community including but not limited to causing an environmental disaster or using threats, violence or force, with the community associating these acts with the Company. All of the above risks could have a material adverse effect on the Company.

Subsequent to the year ended December 31, 2014, Law 1658 was challenged in the Colombian court system to be unconstitutional. Such challenge was unsuccessful, however, Law 1658 continues to be open to constitutional challenge thus subject to being declared null and void, including the aspect of the law which places all legal responsibility related to technical, environmental and industrial safety and security, on the individual small-scale mining associations. This could result in environmental liabilities to the Company and jeopardize the formalization process, which could lead to, among other things, an increase in illegal mining and have a material adverse effect on the Company.

If new formalization agreements are executed they will be subject to Law 1753, 2015, which includes provisions placing all legal responsibilities related to technical, environmental and industrial safety and security on the individual small-scale mining associations. The Company has no knowledge that Law 1753, 2015 has been challenged in court as being unconstitutional. However, in the event that the law is successfully challenged and new formalization agreements are executed under this law, it could lead to, among other things, an increase in illegal mining and have a material adverse effect on the Company.

Requirement for Further Financing/Going Concern

The Company has sufficient financial resources to undertake its currently planned exploration and development programs for 2016, but will require additional funds to finance further exploration, future acquisitions and additional development and mine construction programs. The exploration and development of the various mineral properties in which the Company holds interests and the acquisition of additional properties depend upon the Company’s ability to obtain financing through joint ventures of projects, debt financing, equity financing or other means. The perception that security conditions in Colombia have not improved and the decline in the capital markets for the extractive industry could hinder the Company’s ability to access capital in a timely or cost effective manner. There can be no assurance that the Company will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to existing shareholders. Failure to obtain additional financing on a timely basis may result in delays or an indefinite postponement of exploration, development, or production on any or all of the Company’s properties, could cause the Company to reduce or terminate its operations or lose its interest in its properties and cease to continue as a going concern.

Environmental Permitting

The Company currently has a valid environmental license to operate its current bulk sampling facility at Buriticá and is in the process of amending the environmental license in order to build a larger and more modern mine at Buriticá. According to Colombian law, environmental permitting authority resides with local autonomous regional corporations. Under the provisions of Law 1753, 2015, if the project was designated as a Project of National Strategic Interest (“PINE”) under the National Development Plan, the project could be permitted at the national level (“ANLA”).

On September 15, 2015, the Company announced that it had requested the National Government of Colombia to assume the responsibility of reviewing the Environmental Impact Assessment (“EIA”) for the Buriticá project as a PINE project. Previously, the Company had applied for the modification of the EIA with the Regional Environmental Authority. On January 20, 2016, the Company announced that it had finalized and filed its EIA application with ANLA.

On February 9, 2016, the Colombian Constitutional Court issued a press release in response to previous reports in the media addressing certain aspects of the National Development Plan (Law 1753) as being unconstitutional. While the Constitutional Court declared the PINES process constitutional, it also indicated that ANLA does not have the sole exclusivity over permitting and maintaining environmental aspect of PINES projects. Shortly thereafter, the Court published its ruling, deeming the PINES program constitutional and removing ANLA's exclusive authority to permit and maintain environmental aspects of PINES projects. There is a risk that the permitting process could be delayed which could have a material adverse effect on the Company.

The Company requires various approvals including, but not limited to, the approval from ANLA or the Regional Environmental Authority for the modification of the EIA to build a large-scale mine in the Higabra valley. There is no assurance that the Company will receive the various approvals, including the modification to the EIA, or receive them within a reasonable time period.

Foreign Operations

The Company's key asset, the Buriticá Project, and operations are located in Colombia. Colombia's legal and regulatory requirements in connection with companies conducting mineral exploration and mining activities, banking system and controls as well as local business culture and practices are different from those in Canada. The officers and directors of the Company must rely, to a great extent, on the Company's Colombian legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist the Company with its governmental relations. The Company must rely, to some extent, on the members of management and the Board of Directors who have previous experience working and conducting business in Colombia in order to enhance its understanding of and appreciation for the local business culture and practices in Colombia. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters in Colombia. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Colombia are beyond the control of the Company and may adversely affect its business.

The Company also bears the risk that changes can occur in the government of Colombia and a new government may void or change the laws and regulations that the Company is relying upon. Currently, there are no restrictions on the repatriation from Colombia of earnings to foreign entities and Colombia has never imposed such restrictions. However, there can be no assurance that restrictions on repatriation of earnings from Colombia will not be imposed in the future. Exchange control regulations require that any proceeds in foreign currency originated on exports of goods from Colombia (including minerals) be repatriated to Colombia. However, purchase of foreign currency is allowed through any Colombian authorized financial entities for purposes of payments to foreign suppliers, repayment of foreign debt, payment of dividends to foreign stockholders and other foreign expenses.

Environmental and Other Regulatory Requirements

All phases of the Company's operations are subject to environmental regulation (including environmental impact assessments and permitting). Environmental legislation and international standards are evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation and standards, if any, will not adversely affect the Company's business, condition or operations. Environmental hazards may exist on the properties in which the Company holds interests which are unknown to the Company at present and which have been caused by artisanal/illegal miners or previous or existing owners or operators of the properties. In addition, the Company operates a small-scale mining operation on such properties which may result in environmental hazards on the properties. Government approvals and permits are current; however, additional approvals and permits will be required in the future in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration and development of mineral properties.

Failure to comply with applicable laws, regulations, permitting and zoning requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation of existing laws, could have a material adverse impact on the Company and cause an increase in exploration expenses or capital expenditures or require abandonment or delays in the development of new exploration properties.

It is not possible for the Company to accurately predict changes in laws or policy or the extent to which any such developments or changes may have a material adverse effect on the Company's operations. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of any of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the properties, business, operations or financial condition of the Company. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

The Company cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially or adversely affect its financial condition. There is no assurance that future changes to environmental regulation, if any, will not adversely affect the Company.

Construction and Operating Cost Estimates

Mine development projects require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful studies and environmental assessments, the issuance of necessary governmental permits and availability of adequate financing. The economic viability of development projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future gold prices, and anticipated capital and operating costs of these projects. The Company's Buriticá development project has no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and studies that derive estimates of cash operating costs from anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of gold from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic viability of a project: unanticipated changes in grade and tonnes of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability of labour, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, and the environment), fluctuations in gold prices, and accidents, labour actions and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. It is likely that actual results for the Buriticá project will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favourable than currently estimated, the Company's business, results of operations, financial condition and liquidity could be materially adversely affected.

Reliability of Mineral Resource and Reserve Estimates

There is no certainty that any of the mineral resources or mineral reserves on the Buriticá project or any other project with mineral resources or mineral reserves will be realized. Until a deposit is actually mined and processed, the quantity of metal and grades must be considered as estimates only. In addition, mineral resources and mineral reserve quantities may vary. Any material change in quantity of metal, grade or dilution may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in a large scale test under on-site conditions or during production.

Fluctuations in gold and base or other precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Estimated mineral resources or mineral reserves for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. Any material reductions in estimates of mineral resources or mineral reserves could have a material adverse effect on the Company's results of operations and financial condition. In addition, the grade of minerals ultimately mined, if any, may differ from that indicated by drilling results. In addition, estimating methodologies may ultimately prove to be inaccurate.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to uncertainty that may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured and indicated resources or proven and probable reserves as a result of continued exploration.

There are uncertainties inherent in estimating measured, indicated and inferred resources and proven and probable mineral reserves, including many factors beyond the Company's control. Estimating resources and reserves is a subjective process. Accuracy depends on the quantity and quality of available data and assumptions and judgement used in engineering and geological interpretation, which may be unreliable. It is inherently impossible to have full knowledge of particular geologic structures, faults, voids, intrusions, natural variations in and within rock types and other occurrences. Failure to identify such occurrences in the Company's assessment of mineral reserves and mineral resources may have a materially adverse effect on the Company's future cash flows, results of operations and financial condition.

Reliance on a Single Property

The only material property interest of the Company is the Buriticá project. Unless the Company acquires additional property interests or advances its other exploration properties, any adverse developments affecting the Buriticá project could have a material adverse effect upon the Company and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Company. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all. See "Material Mineral Property – Buriticá Project".

No Assurance of Titles or Boundaries

The Company is not the registered holder of all of the licences or concessions that comprise its Colombia projects. Some of the licences and concessions that comprise the Colombia projects are registered in the names of certain entities, including entities controlled by Bullet Holding Corporation ("Bullet"). The Company's interest in the Colombia projects is derived from the Agreement for Sale of Concession Contracts and Applications for Concession Contracts in Colombia, dated December 20, 2007, between

Bullet and the Company (the “Concession Sale Agreement”). Under the Concession Sale Agreement, Bullet has agreed to transfer the licences and concessions that comprise such properties to the Company. There can be no assurance, however, that such transfers will be effected. In addition, events may occur that would prevent Bullet or the other entities from being able to transfer such licences and concessions to the Company. In addition, in the event of a dispute between the parties to the Concession Sale Agreement, the Company’s only recourse against Bullet will be to seek enforcement of the terms of the Concession Sale Agreement. If the Company is required to commence legal proceedings to enforce the terms of the Concession Sale Agreement, there is no assurance that the Company will succeed in such proceedings, and, therefore, may never obtain title to such properties.

The Company has obtained in the past a title report from Colombian legal counsel with respect to title to the Buriticá project and the Colombia projects held by the Company or Bullet, as applicable, but this should not be construed as a guarantee of title. Other parties may dispute title to any of the Company’s mineral properties, any of the Company’s properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected encumbrances or defects or governmental actions or errors. A successful challenge to the precise area and location of the Buriticá project or the Colombia projects could result in the Company being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties. The Company does not have all of the surface rights at the Colombia projects and there is no assurance that these surface rights will be available on reasonable terms or at all.

Limited Operating History

The Company has no history of generating operating revenues or profits. The Company expects to continue to incur losses unless and until such time as it develops its properties and commences operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company’s control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with strategic parties, if any. There can be no assurance that the Company will generate operating revenues or profits in the future.

Fluctuation in Mineral Prices

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of same or mineral prices will be such that the Company’s properties can be mined at a profit. Factors beyond the control of the Company may affect the ability of the Company to attract investors and receive further funds for exploration. Metal prices have experienced volatile and significant price movements over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the Canadian and United States dollars and the Colombian peso relative to other currencies), interest rates, global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. In particular, the supply of and demand for gold are affected by, among other factors, political events, economic conditions and production costs in major gold-producing regions and governmental or central bank policies with respect to gold holdings. Declines in the price of gold may adversely affect the Company’s development and mining projects. Although the Company believes that the fundamentals of supply and demand will remain stable in the future and participants in various sectors will continue to support the gold price despite uncertainties in the global economy, there is no guarantee that the gold price will not materially decrease.

Insurance and Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the storage and shipment of precious metal concentrates or doré bars, and political and social instability. Such occurrences could result in damage to mineral properties, damage to underground development, damage to production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance policies do not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not always available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. The Company does not currently maintain insurance against political risks, underground development risks, production facilities risks, business interruption or loss of profits, theft of doré bars, the economic value to re-create core samples, environmental risks and other risks. Furthermore, insurance limits currently in place may not be sufficient to cover losses arising from insured events. Losses from any of the above events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Information Technology

The Company is reliant on the continuous and uninterrupted operations of its information technology ("IT") systems. User access and security of all IT systems are critical elements to the operations of the Company. Protection against cyber security incidents and cloud security, and security of all of the Company's IT systems, are critical to the operations of the Company. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company stores all of its proprietary data on servers including, but not limited to, financial records, drilling databases, technical information, legal information, licences and human resource records. The Company utilizes standard protocols and procedures in protecting and backing up electronic records; however, there is no assurance that third parties will not illegally access these records which could have a material adverse effect on the Company.

Alleged Environmental Infractions

In November 2013, the Company was assessed a fine of COP2,947,500,000 from the Regional Environmental Authority for alleged environmental infractions dating back to 2007 and 2008. In 2014, the Company and the Regional Environmental Authority reached an agreement in principle whereby the Company would pay COP2,947,500,000 plus interest and the Regional Environmental Authority would direct the funds towards specified community development projects within the Buriticá area. The agreement was submitted for approval to, and rejected by, the Colombian courts for administrative technicalities. The Company subsequently initiated legal proceedings against the Regional Environmental Authority, which allows the renegotiation of terms of the original agreement and the re-submission of the agreement to the Colombian court for approval; the legal proceedings are currently in process.

During the first quarter of 2015, the Company paid $1,318,000, representing the fine of COP2,947,500,000 plus interest of COP507,019,239. The Company believes that paying the fine was in the best interest of the Company as it limits the accumulation of interest while the matter is dealt with in the courts.

There can be no assurance that alleged environmental infractions will be resolved in a manner which is acceptable to the Company. Furthermore, as a result of the alleged infractions, the Regional Environmental Authority has the ability, within a period of one year from the time of settlement, to revoke the Company's current environmental license in the event the Company is charged with another environmental infraction. This injunction would force the Company to stop operations and would have a material adverse effect on the Company.

Differing Interpretations in Tax Regimes in Foreign Jurisdictions

Tax regimes in foreign jurisdictions may be subject to sudden changes. The Company's interpretation of taxation law where it operates and as applied to its transactions and activities may be different than that of applicable tax authorities. As a result, tax treatment of certain operations, actions or transactions may be challenged and reassessed by applicable tax authorities, which could result in adverse tax consequences for the Company, including additional taxes, penalties or interest. See also "Risks of the Business – Bermuda Legal Matters - The Company May Become Subject to Taxes in Bermuda".

Tax Matters

The Company is subject to income taxes and other taxes in a variety of jurisdictions and the Company's tax structure is subject to review by both Canadian and foreign taxation authorities. The Company's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position were to be challenged for whatever reason, this could have a material adverse effect on the Company's business, results of operations and financial condition.

On June 10, 2015, the Company completed an internal corporate reorganization that resulted in securityholders of the Company exchanging their Old Continental securities on a one-for-one basis for equivalent securities of the Company. The internal reorganization was effected by way of the "Scheme". As a result, Old Continental became a wholly-owned subsidiary of the Company and securityholders of Old Continental became securityholders of the Company. In addition to obtaining an advanced tax ruling, the Company relied on professional advice from legal and accounting firms to undertake such transaction. There is a risk that a competent tax authority could review the transaction and disagree with the Company's assumptions and methodology, which could result in a material tax liability which would have a material adverse effect on the Company.

Land Surface Rights

The Company has purchased approximately 99% of the hectares required for future infrastructure at the Buriticá project. There is a risk that the Company will not be able to purchase the remaining hectares from third parties or on terms that are acceptable to the Company. Furthermore, surface rights have been purchased from third parties using historical records. There is a risk that another third party could claim ownership of surface rights which could have a material adverse effect on the Buriticá Project. Additionally, Colombia Law 1448/2011 compensates, with land restitution, communities that have been displaced as a result of political violence. In the event that the Company cannot purchase the remaining hectares, or is impacted by application of Law 1448/2011, it has the right to begin an expropriation process which is available under Colombian law. The expropriation process could take longer than expected and delay commencement of production which could have a material adverse impact on the Buriticá project. Although the Company does not expect third party claims, or the effects of Law 1448/2011 to impact the Buriticá project, there is a risk that land near or on the Buriticá project could be impacted, which could have a material adverse effect on the Company.

Competition

The Company may compete with other exploration companies which may have greater financial resources and technical abilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. The Company's ability to increase the number of properties that it holds in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select, acquire and develop suitable properties or prospects.

Non-Governmental Organization Intervention

The Company's relationship with the communities in which it operates is critical to ensure the future success of its existing operations and the construction and development of its projects. A number of non-governmental organizations are becoming increasingly active in Colombia as the security and safety in Colombia increases. These organizations may create or inflame public unrest and anti-mining sentiment among the inhabitants in areas of mineral development. Such organizations have been involved, with financial assistance from various groups, in mobilizing sufficient local anti-mining sentiment to prevent the issuance of required permits for the development of mineral projects of other companies. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of natural resource exploration and development. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict is required under the Business Corporations Act (Ontario) and the Company's by-laws to disclose his interest.

Dependence on Key Management Employees

The Company's development to date has strongly depended, and in the future will continue to depend, on the business and technical expertise of key executives, including the directors of the Company and a small number of highly-skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of any of these individuals or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. The Company does not have key man insurance in place with respect to any of these individuals.

Special Skill and Knowledge

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, metallurgy, logistical planning and implementation of exploration programs as well as finance and accounting. The Company has been able to recruit and retain employees and consultants with the necessary skills and knowledge, and believes it will continue to be able to do so; however, no assurance can be made in that regard.

Outside Contractor Risks

It is common for certain aspects of mining operations, such as drilling, blasting and underground development, to be conducted by outside contractors. As a result, the Company is subject to a number of risks, including: reduced control over the aspects of the tasks that are the responsibility of the contractors; failure of the contractors to perform under its agreement with the Company; inability to replace the contractors if their contracts are terminated; interruption of services in the event that the contractors cease operations due to insolvency or other unforeseen events; failure of the contractors to comply with applicable legal and regulatory requirements; and failure of the contractors to properly manage its workforce resulting in labour unrest or other employment issues.

Use of Explosives

The Company uses explosives in its bulk sampling facility and in assisting the government in closing down illegal mines. The use of explosives is tightly controlled in Colombia and accidents can occur including but, not limited to, fatalities. In addition, there is a risk that the Company's explosives could end up in the possession of criminals who use them for illegal or criminal means, and a related risk that the Company could be implicated in illegal activities if it is proven or alleged that the Company's explosives were used in illegal or criminal activities. The Company uses strict protocols in the handling and storing of explosives, however, there can be no assurance that accidents will not occur and/or explosives will not be stolen which could have a material adverse effect on the Company.

Labour and Employment Matters

While the Company has good relations with its employees, these relations may be impacted by changes in labour laws which may be introduced by the relevant governmental authorities in jurisdictions in which the Company carries on business. Adverse changes in such legislation may have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's workforce at the Buriticá Project is governed by a union and a cooperative agreement. Although labour relations with its employees have historically been good, there is no assurance that this will continue in the future. Any significant disruption in labour arrangements with either the union or cooperative could have a material adverse effect on the Company's ability to continue to operate.

Foreign Subsidiaries

The Company conducts certain of its operations through foreign subsidiaries and some of its assets are held in such entities. Any limitation on the transfer of cash or other assets between the Company and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Residency of Directors, Officers and Others

A number of the directors and officers of the Company reside outside of Canada. Substantially all of the assets of these persons, and the Company, are located outside of Canada. As a result, it may not be possible for investors to effect services of process within Canada upon these directors or officers. It may also not be possible to enforce against certain of the Company's directors and officers, and certain experts named herein, as judgments obtained in Canadian courts are predicated upon civil liability provisions of applicable securities laws in Canada.

Property Interests

The ability of the Company to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors. The Company has a number of obligations with respect to acquiring and maintaining the Company's interest in certain of its current properties. No guarantee can be given that the Company will be in a position to comply with all such conditions and obligations, or to require third parties to comply with their obligations with respect to such properties. Furthermore, while it is common practice that permits and licenses may be renewed, extended or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that such renewal, extension or a transfer will be granted to the Company or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed. A number of the Company's interests are the subject of pending applications to register assignments, extend the term, and increase the area or to convert licenses to concession contracts and there is no assurance that such applications will be approved as submitted.

There is no assurance that the Company's rights and foreign interests will not be revoked or significantly altered to the detriment of the Company.

Environmentally-Protected Areas/Forest Reserves

Colombia has a number of environmentally-protected areas or forest reserves ("Protected Areas") that can, in certain circumstances, restrict mining activities. There are varying levels of Protected Areas within the country with different levels of restrictions. Some of the Company's exploration properties are within local forest reserves and while the Company does not expect any difficulties in obtaining the necessary permits to conduct mining activities in these areas, there can be no assurances that the laws or boundaries will not change or that permits will be granted which could have a material impact on the Company's operations.

Foreign Currency Fluctuations

The Company's current and proposed exploration operations in Colombia render it subject to foreign currency fluctuations, which may materially affect its financial position and results. The Company's reporting currency is the U.S. dollar, which is exposed to fluctuations against other currencies. In addition, the Company maintains its principal office in Canada, maintains cash accounts in Canadian dollars, U.S. dollars and Colombian pesos and has monetary assets and liabilities in U.S. and Canadian dollars, and Colombian pesos; the Company holds Canadian and U.S. dollars and sends funds to Colombia by converting these funds into Colombian pesos. The important exchange rates for the Company are currently the rate between the U.S. dollar and the Colombian peso and the Canadian dollar and the U.S. dollar. While the Company is funding work in Colombia, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company's Common Shares trade on the TSX and OTCQX, a Canadian stock exchange and U.S. Over-the-Counter market, respectively. Prior and future equity financings result in the generation of Canadian dollar proceeds to fund the Company's activities which are principally incurred in U.S. dollars or Colombian pesos. To the extent funds from such financings are maintained in Canadian dollars, the Company's results can be significantly impacted by adverse changes in exchange rates between the Canadian dollar and the U.S. dollar and Colombian peso. The Company has undertaken to partially mitigate transactional volatility in the U.S. dollar and Colombian peso by entering into foreign currency instruments in order to partially offset existing currency exposures. See the "Financial Instruments and Related Risks – Currency Risk".

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Company will require external financing in future periods. See "Financial Instruments and Related Risks – Liquidity Risk".

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. See "Financial Instruments and Related Risks – Credit Risk".

Global Economic Conditions

There are significant uncertainties regarding the price of gold, other precious and base metals and other minerals and the availability of equity financing for the purposes of mineral exploration and development. Currently, prices of certain commodities such as gold have reflected volatility, which has had an impact on the Company and the mining industry in general. The Company's future performance is largely tied to the development of the Buriticá project and the Colombia projects and the commodity and financial markets. There can be no certainty that commodity prices will increase or maintain the same levels. Current financial markets are likely to continue to be volatile in Canada potentially through 2016 and beyond, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. Unprecedented uncertainty in the credit markets has also led to increased difficulties in financing activities. As a result, the Company may have difficulty raising debt or equity financing for the purposes of mineral exploration and development and, if obtained, on terms favourable to the Company and/or without excessively diluting existing shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such volatility and market turmoil continue, the Company's business and financial conditions could be adversely impacted.

Unreliable Historical Data

The Company has compiled technical data in respect of the Colombia Projects, some of which was not prepared by the Company. While the data represents a useful resource for the Company, much of it must be verified by the Company before being relied upon in formulating exploration programs.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Government Regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws and regulations governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, waste disposal, land claims of local people, mine development, and other matters. Although the Company's mining and processing operations and exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have an adverse impact on the Company.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The Company’s mineral exploration and mining activities in Colombia may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties or the costs related to the Company’s activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, government-imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Although the Company’s exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Furthermore, any shift in political attitudes, or amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof are beyond the control of the Company and could have a substantial adverse impact on the Company.

Health and Safety Risk

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. The Company has procedures in place to manage health and safety protocols in order to reduce the risk of occurrence and the severity of any accident and is continually investing time and resources to enhance health and safety at all operations.

The Company has limited insurance policies in place to cover some accidents and regularly monitors the adequacy of such policies; however, not all risks are covered by insurance policies due to either coverage not being available or not being available at commercially reasonable prices.

Market Price of Common Shares

Securities of mineral exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in precious and base metal mineral prices or the Company's financial condition or results of operations as reflected in its quarterly earnings reports. Other risks unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dividend Policy

No dividends on the shares of the Company have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs. At this time, the Company has no source of cash flow and anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business operations.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. In addition, shareholders of the Company who have an investment profit in the Common Shares that they own may seek to liquidate their holdings, which could decrease the trading price of the Common Shares and could also impair the Company's ability to raise capital through future sales of Common Shares.

Seizure or Expropriation of Assets

Pursuant to Article 58 of the Colombian constitution, the Colombian government can exercise its eminent domain powers in respect of the Company's assets in the event such action is required in order to protect public interests. According to Law 388 of 1997, eminent domain powers may be exercised through: (i) an ordinary expropriation proceeding (expropiacion ordinaria), (ii) an administrative expropriation (expropiacion administrativa) or (iii) an expropriation for war reasons (expropiacion en caso de guerra). In all cases, the Company would be entitled to a fair indemnification for expropriated assets. However, indemnification may be paid in some cases years after the asset is effectively expropriated. Furthermore, the indemnification may be lower than the price for which the expropriated asset could be sold in a free market sale or the value of the asset as part of an ongoing business.

Accounting Policies and Internal Controls

The Company prepares its financial reports in accordance with IFRS applicable to publicly accountable enterprises. In preparing financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies are described in more detail in the Company's annual consolidated financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting. Although the Company believes its financial reporting and annual consolidated financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance.

Passive Foreign Investment Corporation

If the Company is or becomes a passive foreign investment company ("PFIC") for any year during a U.S. shareholder's holding period of the Common Shares, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of Common Shares, or any "excess distribution" received on its Common Shares, as ordinary income, and to pay an interest charge on a portion of such gain or distribution, unless the shareholder makes a timely and effective "qualified electing fund" election ("QEF Election") or a "mark-to-market" election with respect to the Common Shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. However, U.S. shareholders should be aware that there can be no assurance that the Company will satisfy the record keeping requirements that apply to a qualified electing fund, or that the Company will supply U.S. shareholders with information that such U.S. shareholders require to report under the QEF Election rules, in the event that the Company is a PFIC and a U.S. shareholder wishes to make a QEF Election. Thus, U.S. shareholders may not be able to make a QEF Election with respect to their Common Shares. A U.S. shareholder who makes a mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the Common Shares over the taxpayer's adjusted tax basis therein. U.S. shareholders should consult with their own tax advisors concerning the U.S. federal income tax consequences of holding Common Shares if the Company is classified as a PFIC for any tax year.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, the litigation process could take away from management time and efforts and the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's financial position, results of operations or the Company's property development.

Unknown Liabilities in Connection with Acquisitions

As part of the Company's acquisitions, the Company has assumed certain liabilities and risks. While the Company conducted due diligence in connection with such acquisitions, there may be liabilities or risks that the Company failed, or was unable, to discover in the course of performing the due diligence investigations or for which the Company was not indemnified. Any such liabilities, individually or in the aggregate, could have a material adverse effect on the Company's financial position and results of operations.

Acquisitions and Integration

From time to time, it can be expected that the Company will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. If the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Compliance with Anti-Corruption Laws

The Company is subject to various anti-corruption laws and regulations including, but not limited to, the Canadian *Corruption of Foreign Public Officials Act* and *The Superintendence of Companies External Letter No. 100-000005 of Colombia*. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Company's primary operations are located in Colombia and, according to Transparency International, Colombia is perceived as having fairly high levels of corruption relative to Canada. The Company cannot predict the nature, scope or effect of future regulatory requirements to which its operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially or adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations, as well as on the market price of the Common Shares. As a consequence of these legal and regulatory requirements, the Company instituted policies with regard to its anti-corruption policies. There can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring the Company's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws.

Indigenous Peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. The Company holds exploration rights located in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The Company's current or future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development on those projects or operations on which the Company holds an exploration right. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the Company or the owner/operator's activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous people may disrupt or delay activities of the owners/operators of the Company's exploration assets.

Impairment of Mineral Properties

The Company assesses at the end of each reporting period whether there are any indicators, from external and internal sources of information, that an asset may be impaired requiring an adjustment to the carrying value in order not to exceed its recoverable amount. External sources of information considered could include changes in market conditions, the economic and legal environment in which the Company operates that are not within its control and the impact these changes may have on the recoverable amount. Internal sources of information include the manner in which the mineral properties are being used or are expected to be used, results and/or interpretations of exploration activities and indications of the economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs and reductions in the amount of recoverable reserves and resources are each examples of factors and estimates that could each result in a write-down of the carrying amount of the Company's mineral properties. Although management makes its best estimates, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties. Any impairment estimates, which are based on applicable key assumptions and sensitivity analysis, are based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Company. Any impairment charges on the Company's mineral projects could adversely affect its results of operations.

Bermuda Legal Matters

Old Continental was incorporated and existing under the Companies Act, 1981 of Bermuda (the "Bermuda Act") until November 13, 2015, when it discontinued from Bermuda and continued as a corporation under the laws of the Province of Ontario, Canada. Old Continental continued back into Bermuda as an exempted company from the Province of Ontario, Canada on December 21, 2015 and is thereby subject to the laws of Bermuda. The following is a non-exhaustive summary of certain laws of Bermuda which are relevant to the operations of Old Continental.

Enforcement of Judgments in Bermuda May be Difficult

The current position with regard to enforcement of judgments in Bermuda is set out below but this may be subject to change. A final and conclusive judgment of a foreign court against Old Continental, under which a sum of money is payable (not being a sum of money payable in respect of multiple damages, or a fine, penalty tax or other charge of a like nature) may be the subject of enforcement proceedings in the Supreme Court of Bermuda under the common law doctrine of obligation by action on the debt evidenced by the foreign court's judgment. On general principles, such proceedings would be expected to be successful provided that:

(a) the court which gave the judgment was competent to hear the action in accordance with private international law principles as applied in Bermuda; and

(b) the judgment is not contrary to public policy in Bermuda, has not been obtained by fraud or in proceedings contrary to natural justice, and is not based on an error in Bermuda law.

Enforcement of such a judgment against assets in Bermuda may involve the conversion of the judgment debt into Bermuda dollars, but the Bermuda Monetary Authority (the "BMA") has indicated that its present policy is to give the consents necessary to enable recovery in the currency of the obligation.

No stamp duty or similar or other tax or duty is payable in Bermuda on the enforcement of a foreign judgment. Court fees will be payable in connection with proceedings for enforcement.

Old Continental May Become Subject to Taxes in Bermuda

Bermuda currently has no income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable in respect of capital gains realized on a disposition of Old Continental's common shares or in respect of distributions by Old Continental with respect to common shares other than the application of Bermuda taxes to persons ordinarily resident in Bermuda.

The Bermuda Minister of Finance, under the *Exempted Undertakings Tax Protection Act 1966*, *as amended* (Bermuda), has given Old Continental assurance that if any legislation is enacted in Bermuda that would impose tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax will not be applicable to Old Continental or any of Old Continental's operations, shares or other obligations until March 31, 2035.

Exemption from Exchange Controls

Old Continental is designated as "non-resident" for exchange control purposes by the BMA. Where a company is so designated, it is free to deal in currencies of any other country outside the Bermuda exchange control area which are freely convertible into currencies of any other country.

Limitations on Carrying on Business

Old Continental was incorporated in Bermuda until November 13, 2015 and as from December 21, 2015 continued into Bermuda as an "exempted company". Under Bermuda law, exempted companies are companies formed for the purpose of conducting business outside Bermuda from a principal place in Bermuda. As a result, they are exempt from Bermuda laws restricting the percentage of share capital that may be held by non-Bermudians, but they may not participate in certain business transactions, including:

(a) the acquisition or holding of land in Bermuda (except that required for their business and held by way of lease or tenancy for terms of not more than 50 years) without the express authorization of the Bermuda legislature;

(b) the taking of mortgages on land in Bermuda to secure an amount in excess of BD$50,000 without the consent of the Minister of Finance of Bermuda or such other Minister as may be appointed to administer the Bermuda Act (the "Minister");

(c) the acquisition of any bonds or debentures secured by any land in Bermuda, other than certain types of Bermuda government securities; or

(d) the carrying on of business of any kind in Bermuda, except in furtherance of their business carried on outside Bermuda or under license granted by the Minister.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's AIF, is available under the Company's profile on SEDAR at www.sedar.com and on the OTCQX at www.otcmarkets.com, and is available upon request from the Company.

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