

Continental Gold Extracts High-Grade Gold by Mechanized Long-Hole Mining at Buriticá, Colombia

Toronto, Ontario, February 4, 2016 - Continental Gold Inc. (TSX:CNL; OTCQX:CGOOF) ("Continental" or the "Company") is pleased to announce 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 at the Company's 100%-owned Buriticá project in Antioquia, Colombia. JDS Energy & Mining Inc. was retained to plan and oversee trial mining and material handling protocols.

Details (referenced in Figures 1, 2 and 3)

To evaluate the effectiveness of longitudinal long-hole mining in Buriticá vein systems, the Company has completed sublevel development and mined two trial stopes using mobile equipment in the San Antonio vein located at an elevation of 1,547 metres in the central part of the Yaraguá vein system (**Figures 1 and 2**).

Stopes were designed based on the orientation and width of the San Antonio vein, as outlined in the most recent mineral resource block model for the Yaraguá deposit prepared in accordance with Canadian National Instrument 43-101 ("NI 43-101"). The initial east stope design measured 11 metres drill height by 17 metres long by 1.8 metres wide, while the west stope measured 11 metres drill height by 12 metres long by 1.8 metres wide. The 1.8-metre width was determined by adding 0.3 metres of over-break dilution to either side of the 1.2-metre-wide San Antonio vein.

Subsequent channel sampling of the sublevel showed high-grade gold mineralization over substantially broader widths than the modelled 1.2-metre average width of the San Antonio vein domain in the 2015 mineral resource envelope for Yaraguá in this area, a consequence of veinlet sets oblique to the margins of the main vein (**Figure 3**). Results are as follows:

Drift name	Average Width* (m)	Uncapped			Capped**			Length* (m)	Location
		Gold (g/t)	Silver (g/t)	Zinc (%)	Gold (g/t)	Silver (g/t)	Zinc (%)		
East	2.77	39.7	65	2.15	27.4	65	2.13	15	Yaraguá Vein System
West	2.41	59.5	68	1.26	35.3	68	1.26	13.5	Yaraguá Vein System
East & West	2.58	49.3	66	1.72	31.2	66	1.71	28.5	Yaraguá Vein System

* Channel samples are taken across the roof of the underground drift and are spaced every one metre along the strike length. Widths are true horizontal metres at a 0 g/t gold cut-off grade

** Grade Capping for Gold: 120g/t, Silver: 1,000g/t and Zinc: 16%

To accommodate the broader than anticipated high-grade gold mineralization, the east and west stopes were redesigned, resulting in average widths of 2.29 and 2.33 metres, respectively (including 0.3 metres overbreak allowance for each side of the stope). From the 2015 Yaraguá mineral resource model, mill feed from the redesigned stopes was estimated as 1,170 tonnes @ 18.3 g/t gold for the east stope, and 850 tonnes @ 12.6 g/t gold for the west stope.

Approximately 1,300 tonnes of mined material from the east stope and 790 tonnes from the west stope have been delivered to the Yaraguá mill for processing. Importantly, the Company has demonstrated the suitability of long-hole mining for the majority of areas in the Yaraguá and Veta Sur vein systems.

“As we have seen time and time again at Buriticá, vein widths and precious metal grades tend to improve with increased sample density due primarily to unmodelled gold bearing veinlets intersecting master veins at various orientations,” commented Ari Sussman, CEO. “We are presently running material from both mined out stopes through our small-scale processing facility and will report final reconciled results towards the end of Q1 2016.”

“Continental’s first mechanized long-hole trial mining test has provided very valuable experience for our operations and technical teams”, commented Donald Gray, COO. “Not only has dilution proven to be well within expected ranges for these initial trial stopes, but the test mining results we have experienced to date have continued to validate our confidence that the long-hole method will be well suited for Buriticá’s vein systems.”

Technical Information

Certain technical information in this press release is based upon information prepared by Austin Hitchins, P.Geo of JDS Energy & Mining Inc., a Qualified Person (as defined in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves and NI 43-101) and independent of Continental.

The technical information in this press release has been reviewed and approved by Donald Gray, Chief Operating Officer of Continental, who is a Qualified Person under NI 43-101 standards.

Channel samples from the Yaraguá drift averaged approximately 3.51 kilograms mass (6.83 kilograms maximum and 2.81 kilograms minimum) and were prepared by ALS Colombia Limited and fire-assayed for gold and silver by ALS Perú S.A., as well as being assayed for other metallurgically-significant elements. The Company utilizes a rigorous, industry standard QA/QC program. Blanks, duplicates and certified reference standards are inserted into the sample stream to monitor laboratory performance and a portion of the samples are periodically check assayed at SGS Colombia S.A. in Medellín, Colombia.

For additional information on the Buriticá project, please refer to the technical report, prepared in accordance with NI 43-101, entitled "Independent Technical Report and Resource Estimate on the Buriticá Gold Project 2015" and dated August 7, 2015 with an effective date of May 11, 2015, led by independent consultants Mining Associates Limited. The technical report is available on SEDAR at www.sedar.com, on the OTCQX at www.otcmarkets.com and on the Company website at www.continentalgold.com.

About Continental Gold

Continental Gold Inc. is an advanced-stage exploration and development company with an extensive portfolio of 100%-owned gold projects in Colombia. Formed in April 2007, the Company – led by an international management team with a successful track record of discovering and developing large high-grade gold deposits in Latin America – is focused on advancing its high-grade Buriticá gold project to production. On June 24, 2015, the Company announced an updated mineral resource estimate for the Buriticá project, prepared in accordance with Canadian National Instrument 43-101, based on 271,003 metres of drilling and sampling (as at May 11, 2015). This estimate covers 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.

The Buriticá project contains several known areas of high-grade gold and silver mineralization, of base metal carbonate-style (“Stage I”) variably overprinted by texturally and chemically distinctive high-grade (“Stage II”) mineralization. The two most extensively explored of these areas (the Yaraguá and Veta Sur systems) are central to this land package. The Yaraguá system has been drill-outlined along 1,100 metres of strike and 1,700 vertical metres and partially sampled in extensive underground developments. The Veta Sur system has been drill-outlined along 1,000+ metres of strike and 1,800 vertical metres and has been partially sampled in underground developments. Both systems are characterized by multiple, steeply-dipping veins and broader, more disseminated mineralization and both remain open at depth and along strike, at high grades.

Additional details on the Buriticá project and the rest of Continental's suite of gold exploration properties are available at www.continentalgold.com.

About JDS Energy & Mining Inc.

JDS Energy & Mining Inc. is a Vancouver-based mining consulting company with extensive experience in mining and development studies. JDS has assembled a multi-disciplinary international team of experts to conduct a feasibility study for the Buriticá project.

For further information, please contact:

Paul Begin
Chief Financial Officer
Continental Gold Inc.
+1.416.583.5610
info@continentalgold.com
<http://www.continentalgold.com>

Forward-Looking Statements

This press release contains or refers to forward-looking information under Canadian securities legislation, including statements regarding the estimation of mineral resources, advancing the Buriticá project, exploration results, potential mineralization, potential development of mine openings, potential improvement of mining dilution grades, future drill programs and studies, future channel sampling results, completion of a feasibility study, exploration and mine development plans, and future plans and objectives of the Company, and is based on current expectations that involve a number of significant business risks and uncertainties. Forward-looking statements are subject to other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, an inability to advance the Buriticá project to the next level, failure to convert estimated mineral resources to reserves, capital and operating costs varying significantly from estimates, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry. Specific reference is made to the most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. All of the forward-looking statements made in this press release are qualified by these cautionary statements, and are made as of the date hereof. The Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by law.

Differences in Reporting of Resource Estimates

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

Figure 1 – Plan View of the location of both trial stopes showing the surface projection of veins in the current Yaraguá and Veta Sur mineral resource models on geology–topography and underground developments.

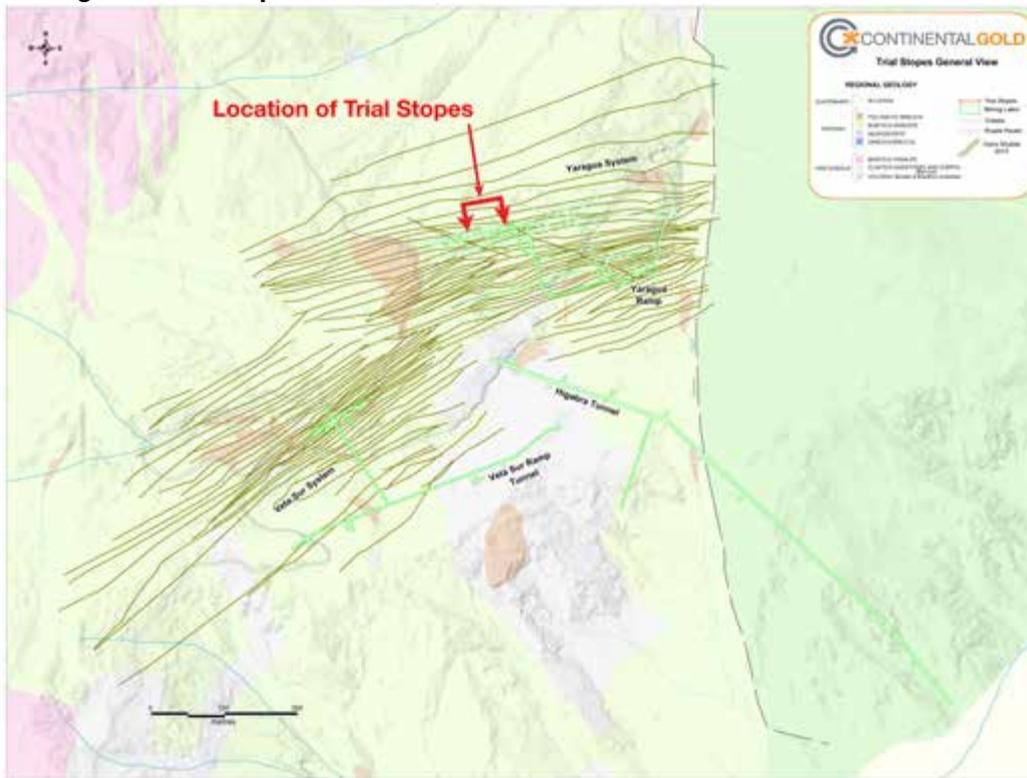


Figure 2 – Long section (at elevation of 1,550 metres) and sectional views of the completed East and West stopes and lower access drift.



Figure 3 – Plan view channel sample composites from the long-hole drilling drift at elevation around 1,547 metres, eastern San Antonio vein system, Yaraguá, overlain on the gold grades of resource blocks in the 2015 mineral resource model.

