

Continental Gold Boosts Confidence in Proposed Mining Plan with Underground Sampling at Yaraguá System, Buriticá, Colombia

Toronto, Ontario, January 7, 2015 - Continental Gold Limited (TSX:CNL; OTCQX:CGOOF) ("Continental" or the "Company") is pleased to announce new channel sampling results from development drifts and cross-cuts in upper levels of the Yaraguá mine at the Company's 100%-owned Buriticá project in Antioquia, Colombia. Approximately 4,000 metres of total underground development accessing the Yaraguá system has been completed to-date, providing for detailed evaluation of the geometries and grades of precious metal distributions, mining conditions and metallurgical recoveries through the Yaraguá pilot plant. The Company recently released a Preliminary Economic Assessment, based partly on underground development, for the Buriticá project.

Highlights (referenced in **Figures 1, 2 and 3 and Tables I and II**)

- Systematic channel sampling across drifts in the San Antonio Vein (Level 0 and Level 1) and the NWSE Vein (Level 0) has demonstrated continuity of high-grade gold mineralization through substantial strike lengths over true horizontal widths approximating those proposed for mining stopes. Results include:
 - **1.77 metres @ 50.1 g/t gold and 68 g/t silver along 61.5 metres (San Antonio Vein, elevation of 1,560 metres);**
 - **1.74 metres @ 34.7 g/t gold and 63 g/t silver along 120.5 metres (San Antonio Vein, elevation of 1,496 metres); and**
 - **1.24 metres @ 32.4 g/t gold and 112 g/t silver (NWSE Vein, elevation of 1,560 metres).**

These results increase the confidence levels in mineral resource estimates for upper Yaraguá, demonstrating higher grades X thicknesses than in the current mineral resource estimate set out in the Company's technical report entitled "Buriticá Gold Project, NI 43-101 Technical Report Preliminary Economic Assessment, Antioquia, Colombia", dated December 22, 2014 with an effective date of November 17, 2014 (the "2014 PEA"). The 2014 PEA is preliminary in nature and includes inferred mineral resources that are considered to be too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the 2014 PEA will be realized. Further, mineral resources that are not mineral reserves do not have demonstrated economic viability.

- Continuous channel sampling of cross-cuts and other drifts on Level 0 has shown widespread mineralization in the form of veins and veinlets oblique to and between the master veins in the current Yaraguá mineral resource envelope. Mineralized intervals, over true horizontal widths, include:
 - **15.8 metres @ 8.6 g/t gold and 19 g/t silver (including 2.2 metres @ 31 g/t gold and 50 g/t silver, HW Vein);**
 - **17.5 metres @ 7.8 g/t gold and 19 g/t silver (including 2.24 metres @ 10.3 g/t gold and 30 g/t silver, HW Vein); and**
 - **8.8 metres @ 5.4 g/t gold and 12 g/t silver (including 0.55 metres @ 28 g/t gold and 110 g/t silver, NWSE Vein).**
- These results may support the potential development of mine openings additional to and/or broader than those contemplated in the provisional mining plan in the 2014 PEA.
- Mining dilution may also decrease with the incorporation of greater than the zero grades of gold and silver assumed in the 2014 PEA to be outside the hard boundaries of the modelled veins including in the Level 0 area. Further work is underway to determine whether mining dilution grades in future economic studies can be improved.

“The results of the ongoing underground sampling in the Yaraguá system complements the Company’s recent bulk sampling of the Veta Sur system and continues to increase the confidence of mineralization between veins, which bodes well for improving dilution expectations,” commented Ari Sussman, CEO.

Details

Continental’s 100%-owned, 62,348-hectare project, Buriticá, 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 underground developments. The Veta Sur system has been drill-outlined along 1,000+ metres of strike and 1,800 vertical metres and 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. See “About Continental Gold” below for a précis the 2014 PEA prepared in accordance with NI 43-101. This release discusses the results of sampling of underground developments in upper parts of west-central Yaraguá. Significant new channel sampling results are listed below in **Tables I and II** and are referenced in **Figures 1, 2 and 3**.

Table I: Drift Sampling, Yaraguá

Vein	Segment	Length* (m)	Average Width (m)	Gold (g/t)	Silver (g/t)	Zinc (%)	Elevation (m)
San Antonio	GAL545E, Level 1	120.50	1.74	34.70	63.0	1.01	1496
San Antonio	G545E, Level 0	61.50	1.77	50.10	68.1	1.93	1560
NWSE	GA SE, Level 0	15.00	1.24	32.40	111.7	1.19	1560

* Channel samples are taken every 3 metres across drift backs. Composite channel grades are length-weighted averages of three samples. Widths are true horizontal metres at 0 g/t gold cut-off grade.

The San Antonio and NWSE vein domains were systematically sampled across the full widths of underground openings on Level 0 (**Figure 2**), at an average elevation of 1,560 metres. The San Antonio vein domain was also sampled on Level 1 (**Figure 3**) at an average elevation of 1,496 metres, demonstrating the vertical continuity (at high precious metal grades) of this vein domain in west-central Yaraguá (**Figure 1**).

Results for the San Antonio vein domain include:

- **50.1 g/t gold, 68 g/t silver and 1.93% zinc, over average width of 1.77 metres along 61.5 metres (Level 0); and**
- **34.7 g/t gold, 63 g/t silver and 1.01% zinc, over average width of 1.74 metres along 120.5 metres (Level 1);**

and for the NWSE vein (oblique to San Antonio):

- **32.4 g/t gold, 112 g/t silver and 1.19% zinc, over average width of 1.23 metres along 15 metres (Level 0).**

These results attest to the lateral continuity of the vein domains at high gold grades over significant strike lengths with true horizontal widths comparable to those proposed for mining stopes.

Although some of the Level 0 sampling on San Antonio was utilized in the current mineral resource model, the sampling results increase the confidence levels in mineral resource estimates for upper

Yaraguá, demonstrating considerably higher grades X thicknesses than in the current mineral resource estimate set out in the 2014 PEA.

Table II: Cross-cut sampling, Yaraguá

Cross-cut	From (m)	To (m)	True Width (m)	Gold (g/t)	Silver (g/t)	Zinc (%)	Elevation (m)	Vein
EST9503N	0.00	2.42	2.42	7.50	11.5	1.61	1558	<i>BMV</i>
EST9507S	0.00	11.17	11.17	1.94	6.6	0.47	1558	
<i>incl.</i>	<i>0.00</i>	<i>3.65</i>	<i>3.65</i>	<i>3.59</i>	<i>6.4</i>	<i>0.61</i>		<i>BMV</i>
	<i>3.65</i>	<i>5.80</i>	<i>2.15</i>	<i>2.46</i>	<i>10.7</i>	<i>0.89</i>		<i>HW</i>
	<i>5.80</i>	<i>11.17</i>	<i>5.37</i>	<i>0.62</i>	<i>5.1</i>	<i>0.20</i>		<i>BMV</i>
EST9510N	0.00	8.80	8.80	5.43	12.2	0.57	1558	
<i>incl.</i>	<i>0.00</i>	<i>4.85</i>	<i>4.85</i>	<i>6.27</i>	<i>7.9</i>	<i>0.53</i>		<i>BMV</i>
	<i>4.85</i>	<i>5.40</i>	<i>0.55</i>	<i>28.02</i>	<i>109.5</i>	<i>3.28</i>		<i>NWSE</i>
	<i>5.40</i>	<i>8.80</i>	<i>3.40</i>	<i>0.58</i>	<i>2.5</i>	<i>0.20</i>		<i>BMV</i>
EST9520S	0.00	17.51	17.51	7.75	18.8	1.11	1559	
<i>incl.</i>	<i>0.00</i>	<i>5.95</i>	<i>5.95</i>	<i>8.79</i>	<i>13.4</i>	<i>0.82</i>		<i>BMV</i>
	<i>5.95</i>	<i>8.19</i>	<i>2.24</i>	<i>10.28</i>	<i>29.9</i>	<i>1.81</i>		<i>HW</i>
	<i>8.19</i>	<i>17.51</i>	<i>9.32</i>	<i>6.60</i>	<i>18.3</i>	<i>1.05</i>		<i>BMV</i>
EST9528S	0.00	15.81	15.81	8.57	18.6	0.87	1559	
<i>incl.</i>	<i>0.00</i>	<i>8.50</i>	<i>8.50</i>	<i>1.54</i>	<i>5.1</i>	<i>0.32</i>		<i>BMV</i>
	<i>8.50</i>	<i>10.70</i>	<i>2.20</i>	<i>30.97</i>	<i>49.7</i>	<i>1.93</i>		<i>HW</i>
	<i>10.70</i>	<i>15.81</i>	<i>5.11</i>	<i>14.05</i>	<i>33.0</i>	<i>1.53</i>		<i>BMV</i>
EST9537N	0.00	12.34	12.34	2.33	6.0	0.30	1558	
<i>incl.</i>	<i>0.00</i>	<i>2.05</i>	<i>2.05</i>	<i>9.26</i>	<i>18.1</i>	<i>0.60</i>		<i>FW</i>
	<i>2.05</i>	<i>12.34</i>	<i>10.29</i>	<i>0.95</i>	<i>3.6</i>	<i>0.25</i>		<i>BMV</i>

Cross-cut walls are continuously sampled, with samples averaging 0.5-metre lengths. Widths are true horizontal metres for length-weighted composite grades at 0 g/t gold cut-off grade. Master veins included in the channel composites are highlighted in blue. BMW is defined as new mineralization encountered in cross-cuts situated between existing modeled veins.

Six cross-cuts were developed on Level 0 at an average elevation of 1,559 metres. These cross-cuts were developed to evaluate potential mineralization on the margins of, and between, the northern master veins in the Yaraguá system. Continuous channel sampling of these cross-cuts has shown widespread mineralization in the form of veins and veinlets oblique to and outside of the master veins in the current Yaraguá mineral resource envelope. Full results are given in **Table II**, and include:

- **15.81 metres @ 8.6 g/t gold and 19 g/t silver (including 2.2 metres @ 31 g/t gold and 50 g/t silver, HW Vein);**
- **17.5 metres @ 7.8 g/t gold and 19 g/t silver (including 2.24 metres @ 10.3 g/t gold and 30 g/t silver, HW Vein); and**
- **8.8 metres @ 5.4 g/t gold and 12 g/t silver (including 0.55 metres @ 28 g/t gold and 110 g/t silver, NWSE Vein).**

These results may support the potential development of mine openings additional to and/or broader than those contemplated in the provisional mining plan in the 2014 PEA for Level 0 and surrounds, over lateral extents of more than 50 metres.

Mining dilution at zero grades for gold and silver in the Level 0 area exceeded 50% in the 2014 PEA. The incorporation of higher grades of diluting materials, as encountered in the current sampling, may lead to lower dilutions and recovery of additional precious metals than that stated in the 2014 PEA.

Further work is underway to improve knowledge of mineralization between the main veins and related mining dilution grades in future economic studies.

Technical Information

Vic Wall, PhD, special advisor to the Company and a qualified person for the purpose of NI 43-101, has prepared or supervised the preparation of, or approved, as applicable, the technical information contained in this press release. Dr. Wall is a geologist with 35 years' experience in the minerals mining, consulting, exploration and research industries. Following a career in Australian and North American academes, he held senior positions in a number of multinational major and junior minerals companies. A Fellow of the Australian Institute of Geoscientists, Dr. Wall is Principal of Vic Wall & Associates, a Brisbane-based consultancy that provides geoscientific services to mineral companies and government agencies, worldwide.

Channel samples from the Yaraguá drifts and cross-cuts averaged around 3 kilograms mass and were prepared and fire-assayed for gold and silver by ALS Colombia Limited ("ALS"), 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 ACME Analytical Laboratories in Vancouver, British Columbia and/or Inspectorate America Corp. in Reno, Nevada.

For additional information on the Buriticá project, please refer to the 2014 PEA, led by M3 Engineering and Technology of Tucson, Arizona with contributions from other independent consultants, including NCL Ingeniería y Construcción SPA which was responsible for the underground mine plan for the project. The 2014 PEA utilizes the May 2014 mineral resource estimate for the Buriticá project, and is available on SEDAR at www.sedar.com on the OTCQX at www.otcmart.com and on the Company website at www.continentalgold.com.

About Continental Gold

Continental Gold Limited is an advanced-stage exploration and development company with an extensive portfolio of 100%-owned gold projects in Colombia. Spearheaded by a team with over 40 years of exploration and mining experience in Colombia, the Company is focused on advancing its high-grade Buriticá gold project to production. On November 17, 2014, the Company announced the results of an independent Preliminary Economic Assessment (the "2014 PEA") on the Buriticá project. The 2014 PEA results included an 18-year mine life based on 20,055,000 tonnes grading 7.80 g/t gold and 19.35 g/t silver resulting in 4,777,000 ounces of recovered gold and 7,088,000 ounces of recovered silver, and utilized the May 2014 mineral resource estimate prepared in accordance with NI 43-101. The study concludes an after-tax net present value at a 5% discount of \$1.08 billion and an after-tax internal rate of return of 31.5% on an initial capital cost of \$390.3 million with a payback of 2.8 years. The 2014 PEA technical report, entitled "Buriticá Gold Project, NI 43-101 Technical Report Preliminary Economic Assessment Antioquia, Colombia", is available on SEDAR at www.sedar.com and on the Company website at www.continentalgold.com.

In August 2012, Continental achieved an important milestone, receiving formal approval for the modification of its existing Environmental Impact Assessment. The amendment allows the Company to build a six-kilometre switchback road and begin underground development by constructing a one-kilometre access tunnel. With a goal of being the newest hard rock gold producer in Colombia, Continental has achieved major advances with the access tunnel, which is providing access for underground drilling and will eventually be used for commercial production. A Phase VII drill program is underway at the Buriticá project to further delineate the mineral resources and drill new target zones identified within its concessions.

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

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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, results of the 2014 PEA, exploration results, potential mineralization, potential development of mine openings, potential improvement of mining dilution grades, and exploration and mine development plans, and is based on current expectations that involve a number of business risks and uncertainties. Forward-looking statements are subject to significant risks and uncertainties, and 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, 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 forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. These forward-looking statements are made as of the date hereof and 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 – Longitudinal section showing the results of new and previous sampling on the San Antonio Vein and surrounds, along with mineral resource categories for this vein from the 2013 mineral resource model. The gold grades of composited channel sample results are color-coded according to the legend.

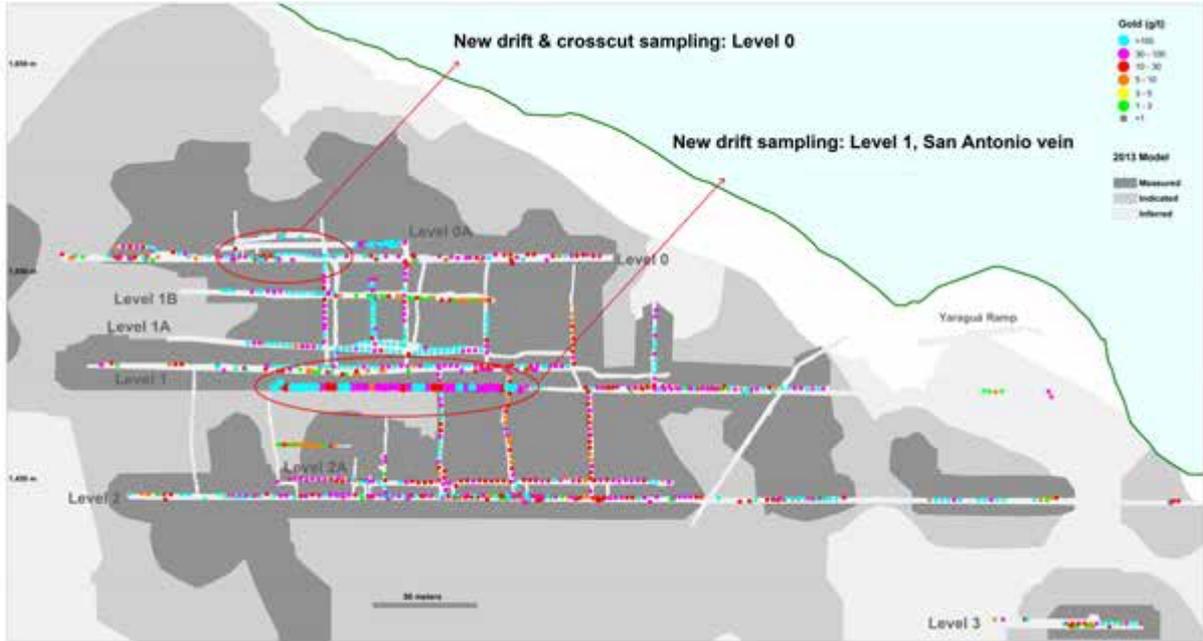


Figure 2 – Plan view of drift and cross-cut sampling on Level 0, Yareguá, also showing the envelopes of master vein domains in the current Yareguá mineral resource model. The gold grades of composited channel sample results are color-coded according to the legend.

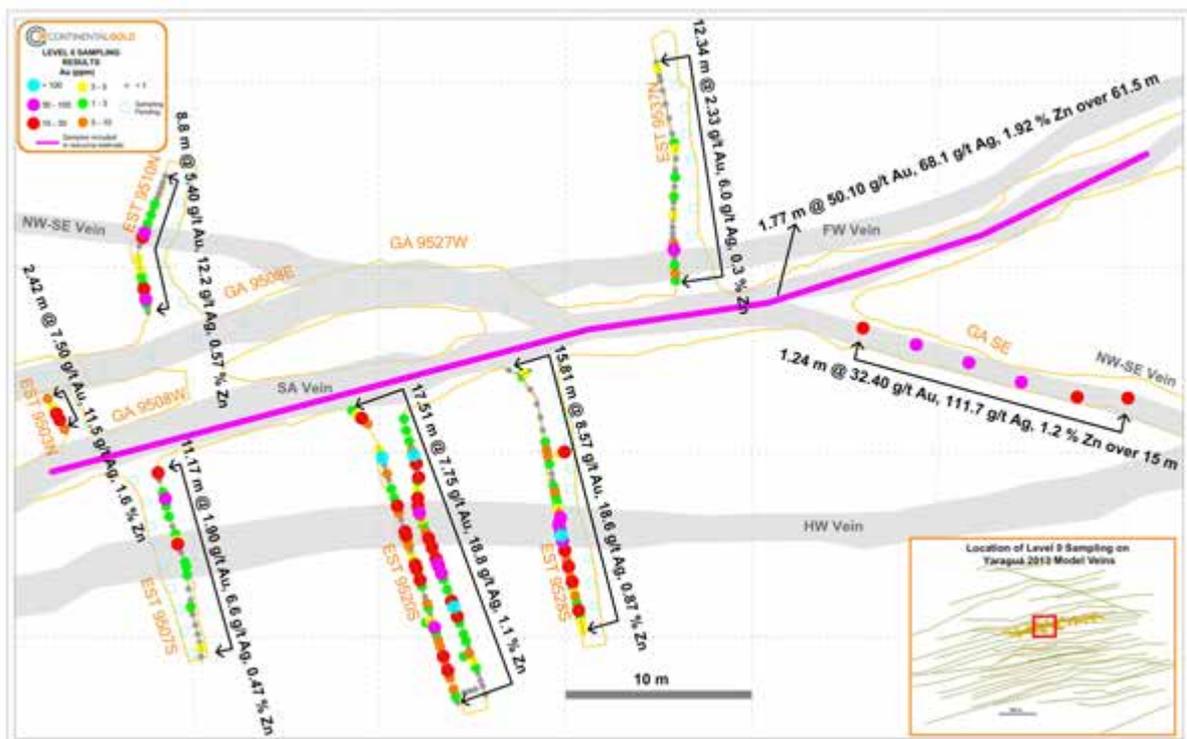


Figure 3 – Plan view of drift sampling on San Antonio Vein, Level 1, Yaraguá. The gold grades of composited channel sample results are color-coded according to the legend.

