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Continental Gold Announces a Positive Feasibility Study for the Buriticá Project

Toronto, Ontario, February 24, 2016 - Continental Gold Inc. (TSX:CNL; OTCQX:CGOOF) ("Continental" or the "Company") is pleased to announce the results of an independent Feasibility Study ("FS"), prepared in accordance with National Instrument 43-101 ("NI 43-101"), for its 100%-owned Buriticá project in Antioquia, Colombia. The FS 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. The FS indicates that the Buriticá project will be host to an economically robust, high-grade underground gold mine. All dollar amounts are quoted in U.S. Dollars; all cash cost information is net of silver by-product credits.

Feasibility Study Highlights

- Maiden mineral reserve for the combined Yaraguá and Veta Sur vein systems totaling 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);
- Gold and silver recoveries of 94.1% and 59.9%, respectively, over the life of the mine ("LOM");
- 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 (including silver credits). LOM 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;
- 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 (Colombian Peso)) of 2,850, resulting in the following economics:
    - The after-tax net present value at a 5% discount ("NPV_5") amounts to $0.86 billion;
    - Internal Rate of Return ("IRR") of 31.2%; and
    - Capital payback of 2.3 years;
- High case scenario utilizing a gold price of $1,400/ounce, a silver price of $17/ounce and an exchange rate (US$:COP) of 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.

Tables 1 and 2 show economic results with varying metal prices and the economic model basis:

Table 1: Summary of Buriticá Project Economics by Precious Metal Price

Gold Price ($/oz)	**$1,000**	**$1,100**	**$1,200**	**$1,300**	**$1,400**
Silver Price ($/oz)	**$12**	**$13**	**$15**	**$16**	**$17**
After-Tax Net Cash Flow ($billion)	$0.99	$1.22	**$1.44**	$1.67	$1.89
After-Tax NPV_5 ($billion)(1)	$0.56	$0.71	**$0.86**	$1.01	$1.16
After-Tax IRR	23.6%	27.5%	**31.2%**	34.6%	37.8%
Payback Period (years)	3.0	2.6	**2.3**	2.0	1.8
Exchange Rate (US$:COP)	2,850	2,850	**2,850**	2,850	2,850
Years 1-5 Average Total Cash Cost ($/payable oz)(2)	$384	$386	**$387**	$389	$392
Years 1-5 Average All-in Sustaining Cash Cost ($/payable oz)(2)	$492	$495	**$496**	$498	$501
Years 1-5 Average After-Tax Annual Cash Flow ($million)	$127	$145	**$163**	$181	$199
LOM Average Total Cash Cost ($/payable oz)(2)	$408	$410	**$411**	$414	$416
LOM All-in Sustaining Cash Cost ($/payable oz)(2)	$489	$492	**$492**	$495	$497
LOM Average After-Tax Annual Cash Flow ($million)(3)	$100	$116	**$133**	$149	$165

(1) NPV is discounted to September 1, 2016.
(2) Cash Costs include silver credits.
(3) Average LOM cash flow calculated on 13.8-year production period.

“The Feasibility Study confirms that the Buriticá project offers immediate development potential and would be among one of the lowest cost precious metal mines in the world. The construction phase of the mine would employ over 1,200 people at peak activity (approximately 900 during operations), and would be the largest single gold mine in Colombia once production commences,” stated Ari Sussman, Chief Executive Officer of Continental. “With support from our employees, the Buriticá community and local, departmental and national governments of Colombia, we look forward to building Latin America’s next great high-grade gold mine. Initial production is scheduled to commence from the mineral reserves of only two deposits. With existing large Inferred mineral resources already in place and mineralization open in most directions, not only do these deposits offer significant future growth, but exploration has outlined four other large vein system targets within five kilometres that are drill ready.”

“The Feasibility Study results are compelling and present an opportunity to build a large, safe and modern mine using conventional technology,” remarked Donald Gray, Chief Operating Officer. “Not only do the results confirm our expectations, but they also increase our confidence in assertively moving forward with the Buriticá project.”

Table 2: Feasibility Study Basis

Gold Price	$1,200 per ounce
Silver Price	$15 per ounce
Total Resource Tonnes to be Mined	13,717,000
Processing Rate (tonnes per day)	2,100, increasing to 3,000 by third year
Mine Life	14 years
Planned Dilution(1)	36%
Minimum Mining Width	1.0 metres
Average Mining Width	1.9 metres (Yaraguá) 3.2 metres (Veta Sur)
Gold Grade	8.4 g/t
Silver Grade	24.3 g/t
Gold Recovery Rate	94.1%
Silver Recovery Rate	59.9%
Total Gold Ounces Recovered	3,492,000
Total Silver Ounces Recovered	6,425,000
Initial Project CAPEX	$389.2 million
Contingency (included within Initial Project CAPEX)	$35.4 million
LOM Sustaining Capital Costs	$272.5 million
Mining Costs	$57.21/tonne
Processing Costs including Tailing Storage Facility	$26.16/tonne
G&A	$17.13/tonne
Cut-Off Grade	4.0 g/t Au (Veta Sur) 3.8 g/t Au (Yaraguá)
Royalty	3.20%
Effective Tax Rate	33.0%

(1) Dilution calculated as below cut-off grade tonnes divided by total tonnes mined.

Details

Buriticá Mineral Reserves

Mineral Reserves from the FS for the Buriticá project are derived from the Mineral Resource Estimate for the Yaraguá and Veta Sur vein systems set out in the technical report entitled “Independent Technical Report and Resource Estimate on the Buriticá Gold Project 2015” (the “2015 Technical Report”) dated August 7, 2015, with an effective date of May 11, 2015, led by independent consultants Mining Associates Limited. The Mineral Reserves are based on 271,003 metres of drill core sampling and 7,215 metres of underground sampling (as at May 11, 2015).

Mineral Reserve estimates by deposit and category are summarized in Tables 3, 4 and 5.

Table 3: 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, $950 per ounce gold price, and US$:COP exchange rate of 2,850. Rounding of some figures may lead to minor discrepancies in totals.

Table 4: 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, $950 per ounce gold price, and US$:COP exchange rate of 2,850. Rounding of some figures may lead to minor discrepancies in totals.

Table 5: 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, $950 per ounce gold price, and US$:COP exchange rate of 2,850. Rounding of some figures may lead to minor discrepancies in totals.

Mining and Processing

The FS is based on a multiple ramp access underground mining operation, whole ore cyanide leach processing facility, dry-stacked filtered tailing and related infrastructure capable of mining and processing 2,100 tonnes per day ("tpd"), ramping up to 3,000 tpd by year three. LOM production profile is summarized in Table 6.

The mine is designed to initially develop two high-grade zones to minimize pre-production development time and capital and maximize early revenues. Mining methods selected for the Buriticá project were chosen to maintain mining flexibility and selectivity for the various ground conditions anticipated. The majority of mineral reserves will be mined by long-hole open stoping (59% stoping plus 25% stope development) on 15-metre sublevels, and overhand cut-and-fill (15%) with average mining costs of $57.21/tonne over LOM. Some shrinkage stope extraction will be used for narrower, isolated veins. Paste backfill made from a mixture of tailing and cement will be the primary backfill material, with unconsolidated waste rock being used in the cut-and-fill stopes. An internal raise system will direct ore and waste to the Higabra tunnel (already constructed by the Company), the main haulage level which will daylight adjacent to the process plant.

The majority of the mineral reserves in the Yaraguá and Veta Sur systems are located above the elevation of the Higabra tunnel, providing an advantageous gravity scenario for ore and waste movement and de-watering. A total of 300,000 metres of primary and secondary development are contemplated over the 14-year mine life, with approximately 53,000 metres of definition drilling projected ahead of commercial production.

Ore will be processed using a conventional crushing-grinding-gravity-cyanidation circuit with doré sold to a third party smelter. Metallurgical test-work completed to date demonstrates average recovery rates of 94.1% for gold and 59.9% for silver on a blended basis from the Yaraguá and Veta Sur mineral reserves. Processing costs of $26.16/tonne have been established over LOM.

Filtered tailing and waste rock not used for backfill will be placed in a single tailing storage facility. The integrated design utilizes the waste rock for stability and erosion protection.

Table 6: LOM Production Profile

	Resource Mined (kt)	Resource Milled (kt)	Gold (g/t)	Silver (g/t)	Production	
					Gold (kOz)	Silver (kOz)
PP	97	82	6.9	22.5	17	36
1	814	816	12.2	37.1	291	469
2	840	833	11.8	34.7	296	482
3	1,079	1,080	8.6	28.0	282	573
4	1,068	1,080	7.7	21.4	253	466
5	1,103	1,073	8.8	22.2	287	482
6	1,070	1,092	8.3	22.6	277	495
7	1,104	1,110	8.1	23.0	274	526
8	1,104	1,110	8.1	24.2	273	544
9	1,103	1,092	7.6	22.0	252	482
10	990	999	7.6	21.5	231	425
11	1,106	1,110	7.5	20.8	253	468
12	1,061	1,055	7.0	20.3	223	434
13	826	833	7.5	22.9	190	378
14	353	354	8.8	25.5	94	166
TOTAL	**13,717**	**13,717**	**8.4**	**24.3**	**3,492**	**6,425**

Notes: Reported figures have been rounded; minor variations may occur during the addition of rounded numbers; k=thousands.

Capital Costs

Capital costs for the Buriticá project were estimated under the assumption that any acquisition costs or expenditures by the Company prior to this FS are deemed "sunk" costs, and are therefore not included in the analysis, other than for their impact on taxes. Initial capital costs are summarized in Table 7.

Table 7: Pre-Production Capital Cost Estimate

Capital Costs	$ million
Underground Development, Infrastructure and Mine Equipment	95.3
Process Plant and Tailings Facility	115.8
General Site Facilities and Equipment and Site Development	43.7
Water Treatment Plant	12.6
Power	5.4
Access Road	10.9
Subtotal	283.7
VAT (including $14.9 million available as income tax credits)	19.5
Owners and Project Indirect Cost and EPCM	86.0
Total (including Contingency of $35.4 million)	**389.2**

Sustaining capital costs over the balance of the mine-life total $272.5 million, predominantly attributable to continued underground development, equipment rebuilds and replacement, and the ramp-up from 2,100 tpd to 3,000 tpd in the third year of commercial production.

Operating Costs

Operating cost estimates were prepared by JDS in conjunction with the Continental senior management team. Operating costs, before by-product credits, are outlined in Table 8. All-in sustaining cash cost is shown in Table 9.

Table 8: LOM Unit Operating Cost Estimate

Operating Costs	$/tonne
Mining	57.21
Processing	26.16
G&A (including refining and transportation)	18.22
Royalty	10.00
Total Operating Costs	**111.59**

Table 9: Total and LOM All-in Sustaining Cash Cost Estimate

	Unit	Value
Total Cash Costs[(1)]	$M	$1,435
Closure, Reclamation & Remediation[(2)]	$M	10
Sustaining Capital Expenditure	$M	272
All-In Sustaining Cash Costs	$M	$1,717
Gold Sales	000's payable oz	3,489
LOM All-In Sustaining Cash Costs per Ounce	$/payable oz	**$492**
Initial Capex	$M	389
Total All-In Sustaining and Construction Costs per Ounce	$/payable oz	**$604**

(1) Net of silver credits totalling $27.50 per Au ounce.
(2) Net of salvage ($7.4M).

Upside Feasibility Study Potential

The FS excludes from consideration all inferred resources (as defined in the May 11, 2015 mineral resource estimate for the Yaraguá and Veta Sur vein systems and set out in the 2015 Technical Report). The Company will initiate an infill drilling program once permitting and project financing are obtained with the aim of upgrading the inferred resources into higher confidence categories. Additionally, the 2015 Technical Report concludes both the Yaraguá and Veta Sur vein systems remain open for expansions along strike to the west and at depth.

Table 10: Inferred Mineral Resource Estimate

Combined Yaraguá and Veta Sur Inferred Mineral Resources
above a 3 g/t gold cut-off, as at May 11, 2015

RESOURCE		GRADES			METAL		
Category	**Tonnes (M)**	**Gold (g/)t**	**Silver (g/t)**	**Gold Eq (g/t)**	**Gold (Moz)**	**Silver (Moz)**	**Gold Eq (Moz)**
Inferred	15.6	9.0	29	9.5	4.5	14.7	4.8

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 Gold Eq = Gold + Silver/60. M in Figures and Tables represents millions.

In addition, the FS has been prepared using an exchange rate (US$:COP) of 2,850, which impacts all COP-denominated capital, sustaining and operating costs incurred. As at February 23, 2016, the US$:COP exchange rate was 3,313, representing an approximate 16% devaluation from the rate utilized in the FS.

Financing and Cash Resources

The Company is financed to continue development activities and complete project permitting in 2016. In order to finance construction of the mine, discussions are underway with project lending providers. Any major financing facilities that may be afforded to the Company will be contingent on the Company completing project permitting.

Technical Information

A technical report to support the FS will be prepared in accordance with NI 43-101 and filed on SEDAR within 45 days of this press release. For information with respect to the key assumptions, parameters and risks associated with the results of the FS for the Buriticá project, the mineral resource and reserve estimates included therein and other technical information with respect to those initiatives, please refer to the technical report to be made available at www.sedar.com.

The FS was prepared, under the direction of JDS, by leading independent industry consultants, all Qualified Persons (QP) under NI 43-101. Consultants and QPs contributing to the FS are listed in Table 11.

Table 11: Feasibility Study Contributors

Qualified Person, Designation	Company	Scope of Responsibility
Austin Hitchins, P.Geo.	JDS Energy & Mining Inc.	Geologic setting and Mineralization, Deposit type, Exploration, Drilling
Andrew J Vigar, FAusIMM, MSEG Ian Taylor, MAusIMM, MAIG	Mining Associates Limited	Mineral Resource Estimate, Sample preparation, Analysis and Security, Data Verification
Stacy Freudigmann, P.Eng.	JDS Energy & Mining Inc.	Mineral Processing and Metallurgical testing
Laurie Tahija, MMSA-QP	M3 Engineering & Technology Corp.	Recovery Methods, Design of Process Plant and related surface infrastructure

Qualified Person, Designation	Company	Scope of Responsibility
Jack Caldwell, P.Eng.	Robertson GeoConsultants Inc.	Tailing Storage Facility
Greg Blaylock, P.E.	JDS Energy & Mining Inc.	Mineral Reserve Estimate, Mining Methods, Mine Design and Infrastructure, Mining Capital and Operating costs
Mike Levy, P.E.	SRK Consulting	Mine Geomechanics
Mike Creek, P.E.	JDS Energy & Mining Inc.	Environmental Studies, Permitting
David Stone, P.E.	Minefill Services Inc.	Pastefill Design
Lyle A. Davis, P.E. Michael Rosko, P.G.	Montgomery & Associates Inc.	Hydrogeology, Water Management
Martin Williams, BSc. PhD Tobias Roetting, BSc. PhD	Schlumberger Water Services	Geochemistry
Wayne Corso, P.E.	JDS Energy & Mining Inc.	Executive Summary, Introduction, Reliance on Other Experts, Property Description, Accessibility, Physiography, History, Infrastructure, Market Studies, Capital and Operating Costs, Economic Analysis, Adjacent properties, Interpretation and Conclusions, Recommendations, References

This press release has been reviewed and approved by Donald Gray, BSc. Mining Engineering and MSc. Civil Engineering, Chief Operating Officer of the Company and a QP under NI 43-101.

For additional technical information on the Buriticá project, please refer to the 2015 Technical Report, available on SEDAR at www.sedar.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.

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

Corporate Presentation

The Company's corporate presentation has been updated to include the results of the FS and is available on the Company's website 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 results of the feasibility study, including, but not limited to, gold price and exchange rate assumptions, cash flow forecasts, projected capital and operating costs, metal or mineral recoveries, mine life and production rates; the Company's potential plans and operating performance; the estimation of the tonnage, grades and content of deposits, and the extent of the resource and reserves estimates; potential production from and viability of the Company's properties; estimates of future production and operating costs; estimates of permitting submissions and timing; the timing and receipt of necessary permits and project approvals for future operations; access to project funding, exploration results, and expected filing of the feasibility study technical report, 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. The forward-looking statements contained in this press release 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.