

Continental Gold Granted Environmental License to Connect Buriticá Project to Electrical Power Grid

Toronto, Ontario, July 26, 2016 – Continental Gold Inc. (TSX:CNL; OTCQX:CGOOF) ("Continental" or the "Company") is pleased to announce that it has been granted an environmental license approving the construction of a transmission line to provide electrical power for its proposed large-scale underground mine at the Buriticá Project, Antioquia, Colombia. The environmental license was issued by CORPOURABA, a regional autonomous environmental authority in Antioquia.

The 110Kv electrical transmission line will emanate from an EPM (Medellín public utility company) substation in Chorodó and will cover a distance of 31.09 kilometres in order to connect with Continental's substation at the Buriticá Project. The design of the transmission line has adhered to strict environmental protocols in order to limit impacts that could be generated on abiotic, biotic and socio-economic environments. In addition, the Company's environmental impact assessment has incorporated necessary measures to mitigate and/or compensate all environmental impacts identified during the preparation of the studies.

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.

For information on the Buriticá Project, please refer to the technical report, prepared in accordance with NI 43–101, entitled "Buriticá Project NI 43–101 Technical Report Feasibility Study, Antioquia, Colombia" and dated March 29, 2016 with an effective date of February 24, 2016, led by independent consultants JDS Energy & Mining Inc. The technical report is available on SEDAR at www.sedar.com, on the OTCQX at www.otcmarts.com and on the Company's website at www.continentalgold.com. Additional details on the rest of Continental's suite of gold exploration properties are also available at www.continentalgold.com.

For further information, please contact:

Paul Begin
Chief Financial Officer
Continental Gold Inc.
+1.416.583.5610
info@continentalgold.com
www.continentalgold.com

Forward-looking Statements

This press release contains or refers to forward-looking information under Canadian securities legislation, including statements regarding the construction and environmental impact of the transmission line, advancing the Buriticá project, 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.

Renmark Financial Communications Inc.

Barry Mire
Vice President
+1.416.644.2020 or +1.514.939.3989
bmire@renmarkfinancial.com
www.renmarkfinancial.com