

TORONTO, ON--(Marketwired - April 25, 2017) - [Continental Gold Inc.](#) (TSX: CNL) (OTCQX: CGOOF) ("Continental Gold" or the "Company") is pleased to provide an operations update and the 2017 construction outlook for its 100%-owned Buriticá project located in Antioquia, Colombia. Since receiving the final environmental permit in November 2016 and securing a senior secured debt facility in January 2017 for the Buriticá project, the Company has been active in ordering long lead time equipment and hiring key project personnel ahead of major earthworks beginning later this year. With the senior secured debt facility in place, the Company remains funded for its 2017 planned activities with approximately \$100 million in available cash and liquidity and remains on track for first gold pour in early 2020.

Site Construction Progress

Construction of the first phase of the six-kilometre access road, which connects the Buriticá property entrance to the future plant and infrastructure site in the Higabrá valley, is now complete (Figures 1, 2 and 3). The road, which was built on time and budget, is now being used for transportation of construction personnel and equipment and for related activities. The second phase of the access road, which will upgrade the road to accommodate plant and infrastructure equipment deliveries, has commenced and is expected to be completed in Q4 2017.

Project Activity	Commencement Date	Completion Date	Completion to date
Phase 1 single-lane access road	Q3 2016	Q2 2017	100%
Selection of EP and CM contractors	Q2 2016	Q1 2017	100%
Clear-cutting for infrastructure and plant sites	Q2 2017	Q4 2017	55%
Upgrade to double-lane access road	Q2 2017	Q4 2017	In progress
Earthworks	Q3 2017	Q2 2018	-
Second mechanized long-hole trial mining stope	Q3 2017	Q4 2017	-
First concrete pour	Q4 2017	Q2 2018	-
Structural steel fabrication	Q4 2017	Q2 2018	-
Underground development	Late Q4 2017	Ongoing	-

The Company is well advanced in the installation of several modular office buildings, which will serve to support project and mine development activities (Figure 4). The buildings are located near the Rampa Sur portal and are expected to be completed in Q3 2017. In addition, clear-cutting of future plant and infrastructure sites in the Higabrá Valley is approximately 55% complete and is expected to be completed in Q3 2017.

The Company anticipates mobilization of earth moving equipment to the Higabrá valley shortly; site excavation is scheduled to begin in Q3 2017, followed by the initial concrete pours in Q4 2017. Both activities are anticipated to be sufficiently completed by the end of Q2 2018 to allow initial structural steel installations to commence.

Mining Activities 2017

Two mechanized long-hole stopes, each measuring approximately 25 metres along strike by 15 metres high, will be mined in sequence to extract nearly 30 metres vertically in the Hanging Wall vein. Extraction of these stopes is anticipated to commence in the third quarter of 2017. In 2016, the Company successfully extracted two side-by-side mechanized long-hole stopes, which encountered approximately twice the gold grade and extracted approximately twice the ounces of gold when reconciled with the NI 43-101 mineral resource model; results are summarized in the following table.

Mechanized Long-Hole Trial Mining Stope in Yaraguá	Estimated Stope Production	Actual Stope Production
Ounces gold	1,033	2,093
Ounces silver	1,620	2,733
Tonnes	2,022	2,090
Grade g/t gold	15.9	31.1
Grade g/t silver	24.9	40.7

The extraction of additional trial mining stopes in 2017 and additional long-hole stopes planned during the construction phase will serve as excellent training for Company personnel, while providing valuable reserve reconciliation data with actual mining results. The location of the trial mining stopes within the Yaraguá vein system and related associated information will be announced once planning has been completed towards the end of Q2 2017.

Procurement

The Company has been diligently working on procuring all long lead time equipment with the goal of having purchase orders placed prior to the end of Q3 2017. To date, the Company has ordered the following long lead time items:

Long lead time equipment underway	Status	Delivery date
SAG and ball mills	Ordered	Q2 2018
Tailing filters	Ordered	Q2 2018
Thickeners	Ordered	Q2 2018
Underground mining fleet	30% Ordered	Q3 2017
Water-handling and treatment plant	Ordered	Q4 2017

The Company expects 30% of the underground mine development equipment to be delivered in the third quarter of 2017 (Figure 5). As equipment arrives, underground development activities will begin to ramp-up approximately six months ahead of schedule.

Engineering and Project Management

As announced on April 3, 2017, the Company awarded the Buritic  project contract for construction management to Merit Consultants International Inc. and the contract for engineering and procurement to M3 Engineering & Technology Corp. The construction management team members are currently being integrated into the project team and detailed engineering is ongoing.

Infill and Exploration Drilling

The Company plans to resume exploration drilling with a minimum 12,000-metre drill program commencing in the second quarter of 2017. Details of the program will be announced shortly.

"After years of advancing and de-risking the project, the time has finally arrived to begin constructing the first modern large-scale gold mine in Colombia. The Company anticipates the construction phase to provide meaningful employment opportunities for individuals within our area of influence, while adhering to strict international standards," commented Ari Sussman, CEO of Continental Gold. "We are also very excited to resume drilling at Buritic  for the first time in two years and remain confident that not only should deposits continue to grow, but we expect to uphold the trend of increasing precious metal grades and mineable widths with denser drill spacing and sampling."

"We are very pleased with our progress in ramping up project activities so quickly," added Don Gray, COO of Continental Gold. "Our crews are rapidly adapting to mechanized development and we expect our plans for additional long-hole trial mining to add to their mining skills as well as increase understanding of our high-grade vein systems. Engineering and procurement activities are advancing very quickly and our schedule for beginning construction remains on track. We also remain on course to achieve our early 2020 production goal."

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 Buritic  gold project to production.

For information on the Buritic  project, please refer to the technical report, prepared in accordance with NI 43-101, entitled "Buritic  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 website at www.continentalgold.com. Additional details on Continental Gold's suite of gold exploration properties are also available at www.continentalgold.com.

Forward-Looking Statements

This news release contains or refers to forward-looking information under Canadian securities legislation, including statements regarding the development, construction and working capital requirements of the Buritic  project, the availability of the funds under the senior secured debt facility, completion of various construction and development activities, completing mining and extraction of long-hole stopes, expected delivery of underground mining development equipment, ramp-up of underground development activities, resumption and results from exploration drilling, adhering to strict international standards, advancing the Buritic  project, the economic effect of the mine, 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 Buritic  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 news 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.

Image Available:

http://www.marketwire.com/library/MwGo/2017/4/24/11G136791/Images/Future_Site_915x826-60096c170a61bbd2938b59f06859f3

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