

TORONTO, ON--(Marketwired - October 10, 2017) - [Continental Gold Inc.](#) (TSX: CNL) (OTCQX: CGOOF) ("Continental" or the "Company") is pleased to provide a project update and announce the commencement of the second long-hole trial mining test at its Buritic  project located in northwestern Antioquia, Colombia.

Long-Hole Trial Mining Stopes (Figures 1 and 2)

The second trial mining test will occur in the Yaragu  vein system where ore will be extracted using mechanized long-hole mining from the Hanging Wall vein ("HW2") (Figure 1). The trial mining test will extract 28.9 metres of total ore from two vertically-stacked stope blocks (see Figure 2). Production estimates for the stopes were calculated using the mineral resource estimate block model in the February 2016 Feasibility Study for the Buritic  Project.

The upper stope block will extend 20 metres along strike with a drill height of 13 metres and is anticipated to produce approximately 552 ounces of gold and 1,000 ounces of silver. The lower stope block will extend 20 metres along strike with a drill height of 15.9 metres and is anticipated to produce 310 ounces of gold and 652 ounces of silver. The average stope width for both the upper and lower blocks will be 2.3 metres, calculated by aggregating the HW2 vein width of 1.7 metres and 0.3 metres of over-break material on each stope wall.

Table 1: Combined Production Estimate for Two Trial Mining Stopes

	Tonnes	Vein Dip	Stope Dimensions (m) (LxWxH)	Gold (g/t)	Silver (g/t)	Contained Gold Ounces	Contained Silver
Upper Stope Design	1,734	83 °	20 x 2.3 x 13	9.90	17.93	552	1,000
Lower Stope Design	1,915	75 °	20 x 2.3 x 15.9	5.03	10.59	310	652
Totals	3,649			7.34*	14.08*	862	1,652

* Weighted average calculation

The objectives of this program include crucial technical and safety training for our workforce. In addition, the program will provide further validation, ahead of planned commercial production in 2020, of the mechanized long-hole mining method and its associated criteria for the Buritic  project. Finally, the lower stope block will be drilled to a longer vertical height of 15.9 metres compared to the 13 metres vertical height for all mineable stopes outlined in the feasibility study. If successful, the Company will begin evaluating the feasibility of increasing the stope heights in the mine plan, which, if adopted, would reduce the amount of development required, potentially lowering pre-production underground mining capital costs and post-production sustaining capital costs.

Site Update (Figure 3)

Underground mine development continues to ramp-up well ahead of schedule, mitigating the potential risk of work not being completed in time for planned production start-up in H1 2020. Major development equipment continues to arrive at site and the mining fleet now includes three jumbos and two 10-tonne LHD loaders. Also, a mechanized bolting machine, for use in larger development headings, is scheduled to arrive in late October 2017. The Company is continuing its comprehensive training and safety programs for its employees as they transition from the existing small-scale conventional mine to mechanized mining related activities. Over the past quarter, significant increases in development efficiencies have been realized with expectations for continued improvements in the months ahead.

Upgrades to the site access road continue and is on schedule to enable major equipment deliveries to begin in the second half of Q4 2017. Site preparations are progressing as planned, with first concrete pour anticipated in late Q4 2017. A modular building supply contract for the majority of the infrastructure facilities was signed with a well-qualified local fabricator. Work is underway on a 3.2-km low-voltage transmission line to provide additional power for mine development and construction activities.

As announced on September 18, 2017, the Company increased its drill program for calendar year 2017 from 15,000 to 25,000 metres, with eight drill rigs expected to be in operation by early November. Drill program objectives include increasing and upgrading mineral resources to higher classification categories as well as overall mineral resource growth by drilling step-out holes along strike from the Yaragu  and Veta Sur deposits. Additionally, greenfield geochemical anomalies located near existing and proposed infrastructure will be tested with a series of reconnaissance drill holes.

"We're extremely pleased with how rapidly the Buritic  project is ramping up," commented Donald Gray, Chief Operating Officer. "Both underground development and surface construction are achieving our targets and meeting expectations for production start-up in the first half of 2020. As we move forward with this second long-hole trial mining test, we expect that it will add to the valuable information and experience gained from our previous long-hole trial mining success, which validated our confidence that the long-hole method is well-suited for the near-vertical vein systems we find here at Buritic ."

[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 fully-permitted high-grade Buritic  project to production with first gold pour on track for early 2020.

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.otcm Markets.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 and construction of the Buritic  project, completion of various construction and development activities, expansion of, and results from, exploration drilling, objectives of the trial mining program (including production estimates from stopes), expected delivery of underground mining development and drilling equipment, ramp-up of underground development activities, advancing the Buritic  project, timing of commencement of commercial production 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/2017/10/10/11G146385/Images/1_Trial_Stope_Plan_View_OCT17-331c79321999b148a0

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http://www.marketwire.com/library/MwGo/2017/10/10/11G146385/Images/3_Trial_Stope_Drilling_Image_OCT17-b02b27998c1998f

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