Continental Gold Mines 49% More Gold Than Estimated from Second Long-Hole Trial Mining Test

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TORONTO, Dec. 18, 2017 (GLOBE NEWSWIRE) -- Continental Gold Inc. (TSX:CNL) (OTCQX:CGOOF) ("Continental" or the "Company") is pleased to announce positive assay results for ore extracted from trial mining test stopes at the Buriticá project, Antioquia, Colombia. Two vertically-stacked stopes located along the HW vein in the Yaraguá system, at a midpoint elevation of 1525 RL measuring 20 metres along strike by 35 metres vertically by 2.60 metres wide, were mined using the mechanized long-hole method (see Figure 1). All extracted ore was systematically and thoroughly muck sampled and assayed with final results being significantly better than the mineral resource block model estimate on grade, tonnes and ounces. Results are as follows:

Figure 1: Long Section of Stacked Trial Stopes

Figure 2: Photo of Stacked Trial Stope Demonstrating Excellent Blast Control and Clean Breakage Along the Mineralized Contact

Table 1: Estimate Stope Production vs. Actual Results

	Tonnes	Gold (g/t)	Silver (g/t)	Contained Gold Ounces	Contained Silver Ounces
Combined Stope Design	3,649	7.34	14	862	1,652
Actual Results	4,627	8.60	18	1,285	2,678
Increase from Resource Model Estimation (%)	+27%	+17%	+26%	+49%	+62%

“This is an impressive outcome as it is the second trial mining test completed by the Company and both have yielded significantly more ounces of precious metals than we estimated from the mineral resource block model,” commented Ari Sussman, CEO. “Importantly, the vertical extent of ore extracted from the combined stopes is approximately five metres longer than the feasibility study design for the project and as a result, our team is planning to evaluate designing larger stopes for production in 2020, which in turn would potentially reduce the amount of total underground development required.”

Conclusions

- This is the second trial mining test conducted by the Company with final results being significantly superior to the estimated results (the initial trial mining test results were announced on May 3, 2016 with 2,093 ounces of gold extracted from 2,090 tonnes of material grading 31.1 g/t gold versus an estimated 1,033 ounces of gold from 2,022 tonnes of material grading 15.9 g/t gold).
- The actual tonnes mined was 27% greater than the design estimate due to the contact between mineralization and waste rock being wider than the block model estimate and not due to excess dilution. The break along the contact was clean (see Figure 2).
- The combined vertical dimension of the two stacked stopes was approximately 5 metres higher than the stope design dimensions outlined in the February 24, 2016 Buriticá project Feasibility Study. The next iteration of the mine plan will evaluate extending the vertical dimensions of the stopes, which should provide greater flexibility in the underground mine design and potentially reduce upfront underground development.

- Ground control measures and safety protocols utilized were excellent and provided valuable training for our employees.
- The Company has batch processed, through its 30-tonne per day Yaraguá mill, approximately 10% of the mined ore from the trial mining stopes. Results are anticipated in January 2018.

Technical Information

The technical information contained in this press release has been reviewed and approved by Donald Gray, Chief Operating Officer of the Company, who is a qualified person within the meaning of NI 43‑101.

Underground development along the veins was sampled by trained crews under the direct supervision of mine geologists. The sampling consisted of channel samples that were taken by hammer and chisel across the full width of the back every 3 metres along strike. Distinct geological zones were sampled separately (vein separate from wall rock), with minimum-maximum horizontal sample widths of 0.1 to 1.0 metres. The widths of the channels were adjusted so that each sample weighed approximately 3 kilograms. Sample locations were measured from a surveyed control point. Channel samples were also taken from advancing faces in the SG9521W sublevel along the Hanging Wall vein for comparison with back and drill hole sampling. Duplicate channel samples were collected with a frequency of one every 25 samples. Bar code tags were inserted into the individual sample bags by the geologist, including duplicates which were numbered in sequence with the primary samples. The bags were then secured with a cable tie and transported out of the mine by the sampling crew to a secure staging area on surface. Sample shipments were prepared by the sampling crew and approved by the Mine Geologist and Chief Geologist. All channel samples were transported from the gated mine compound in Company vehicles to a sample preparation lab in Medellín, Colombia operated by ALS Colombia Limited (“ALS”). Samples were then shipped for analysis to ALS Peru’s ISO 9001 accredited assay laboratory in Lima, Peru.

Muck samples were taken during stope extraction at a frequency of one sample from every four scoop buckets, equivalent to 16 tonnes of broken material. Sampling was performed by the geology assistant, extracting four separate channels vertically across the face of the scoop bucket into large pails in order to approximate as nearly as possible a representative sample of both coarse and fine rock fragments present in the muck. Each sample taken weighed approximately 40 kilograms. The large sample was reduced by cone-and-quartering on a canvas to two 5 kilogram sample splits, which were placed in separate sample bags. One of these was the primary split and the second was a quality control duplicate. Sample bags were numbered in sequence with a numbered tag inserted by the Mine Geologist, who then secured the individual bags with cable ties. The sampling assistant and geologists transported the bags out of the mine to a secure staging area where sample shipments were prepared. In all, 342 primary muck samples were collected, totaling 1.7 tonnes of stope material. Sampling was done by the same three teams over the entire program for consistency. The Mine Geologists performed regular audits of the sampling and sample reduction technique. Custody of the samples was transferred at the mine site to Actlabs, which transported the samples to Actlabs Colombia SAS, Medellín, Colombia, an ISO-9001 accredited facility. Channel samples taken from the development backs were analyzed by a 50-gram gold fire assay with atomic absorption finish, or a gravimetric finish for samples initially reporting over 100 g/t gold. Muck samples were analyzed by a 50-gram gold fire assay with a gravimetric finish. All silver values were determined by aqua regia digestion and atomic absorption method.

Besides rigorous chain-of-custody procedures, the Company utilized a comprehensive quality control/quality assurance program for the channel and muck samples, including routine insertion of blind certified commercial standards, blanks, field duplicates, check assays and analysis of results using industry-accepted best practices. For the test stope program, all quality control anomalies were addressed and/or corrected as necessary to assure reliable assay results; no material quality control issues were encountered in the course of the program.

For the core drilling in the test stope area, the Company applied its standard protocols for sampling and assay. HQ and NQ core are sawn or split with one-half shipped to a sample preparation lab in Medellín operated by ALS in Colombia, whereas BQ core samples are full core. Samples are then shipped for analysis to ALS Peru’s ISO 9001 accredited assay laboratory in Lima, Peru. The remainder of the core is stored in a secured storage facility for future assay verification. Blanks, duplicates and purchased certified reference standards are inserted into the sample stream to monitor laboratory performance. A portion of the samples are periodically check-assayed at SGS Colombia S.A., an ISO 9001 accredited assay laboratory in Medellín, Colombia.

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.otcmarkets.com and on the Company website at www.continentalgold.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 fully-permitted high-grade Buriticá gold project to production with first gold pour on track for early 2020. Additional details on Continental Gold’s suite of gold exploration properties are also 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 regarding the results of the feasibility study, including, but not limited to, metal or mineral recoveries, 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; exploration results, potential improvement of mining dilution grades, future drill programs and studies, future channel sampling results, 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 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 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.

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:
http://www.globenewswire.com/NewsRoom/AttachmentNg/b4483d2b-0f22-4e30-8bae-2311cfc8afeb

Figure 2:
http://www.globenewswire.com/NewsRoom/AttachmentNg/196d9d6f-e6e5-4427-9a7b-276b3aaf7e30