

Continental Gold Announces US\$50 Million Unsecured Loan by Zijin Mining

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TORONTO, Feb. 19, 2020 - [Continental Gold Inc.](#) (TSX:CNL; OTCQX:CGOOF) ("Continental" or the "Company") is pleased to announce that an affiliate of [Zijin Mining Group Co. Ltd.](#) ("Zijin") has agreed to provide up to an additional US\$50 million unsecured loan ("Loan") to the Company. The proceeds of the Loan will be advanced in up to three tranches, with the first US\$25 million expected to be funded in the near term, prior to closing of the previously-announced plan of arrangement (the "Transaction") involving the Company, Zijin and 2727957 Ontario Inc. (the "Purchaser"), a wholly-owned subsidiary of Zijin, and used to advance the construction and commissioning of the Buriticá Project. The second advance of up to US\$25 million will be funded immediately prior to closing of the Transaction and used to pay closing costs. Any amount not advanced as part of the first or second advance will be advanced to the Company in a third and final tranche. Each advance is subject to certain conditions precedent.

The Loan is unsecured, repayable on the fifth anniversary date of closing and bears interest at 10% per annum with quarterly interest payments. The Loan's maturity date will be accelerated in certain circumstances, including in the event the Company's senior secured facility is terminated. The Loan is also subject to an early repayment fee of 2.5% and, following an event of default, will incur interest at an additional 5% per annum.

As previously disclosed, the Transaction provides for the acquisition by the Purchaser of the issued and outstanding common shares of the Company ("Common Shares") by way of a statutory plan of arrangement under the Business Corporations Act (Ontario). Each Continental shareholder will receive cash consideration of C\$5.50 for each Common Share held.

The Transaction remains on track for closing in the first quarter of 2020 subject to obtaining the Canadian Investment Act approval and the Chinese State Administration of Foreign Exchange (SAFE) registration, and satisfying certain other closing conditions. Following closing of the Transaction, the Common Shares will be delisted from the Toronto Stock Exchange and will not be available for trading on the Toronto Stock Exchange or the OTCQX International.

About Continental Gold

Continental Gold is the leading large-scale gold mining company in Colombia and is presently developing its 100%-owned Buriticá project in Antioquia. Buriticá is one of the largest and highest-grade gold projects in the world and is being advanced utilizing best practices for mine construction, environmental care and community inclusion. Led by an international management team with a successful record of discovering, financing and developing large high-grade gold deposits in Latin America, the Buriticá project is on schedule with mechanical completion anticipated during the first quarter of 2020. 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 but not limited to statements regarding the timing of advancing funds under the Loan, the proposed use of proceeds, the anticipated closing of the Transaction, the timing for delisting of the Common Shares, the development and construction of the Buriticá project, advancing the Buriticá 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, the possibility that the Transaction will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required regulatory approvals and other conditions of closing necessary to complete the Transaction or for other reasons, the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Transaction, 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 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.

SOURCE [Continental Gold Inc.](#)

Contact

Paul Begin, Chief Financial Officer, [Continental Gold Inc.](#), +1.416.583.5610, info@continentalgold.com, www.continentalgold.com

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