

Continental Gold Appoints James Gallagher to its Board of Directors

Toronto, Ontario, January 3, 2017—Continental Gold Inc. (TSX:CNL; OTCQX:CGOOF) ("Continental" or the "Company") is pleased to announce the appointment of Mr. James (Jim) Gallagher to its Board of Directors.

Mr. Gallagher, a Professional Mining Engineer, is President and Chief Executive Officer of North American Palladium Limited ("NAP"). He is a seasoned mining executive with over 30 years of progressive leadership experience in a series of roles spanning operations, projects, engineering, technology and consulting, including 24 years at Falconbridge Limited in a variety of operational and project management roles. Prior to joining NAP, Mr. Gallagher served as Global Director of Mining at Hatch Ltd., leading one of the largest mining EPCM teams in North America. Over his career, he has benchmarked mining and tunnelling operations on a global basis and has expertise in rapid development methodologies, mining methods, deep mining and the practical application of technology. Mr. Gallagher holds a Bachelor of Engineering degree from Laurentian University in Sudbury, Canada.

Leon Teicher, Chairman of the Company, stated: "We are pleased to welcome Jim to the Continental Board of Directors. His extensive experience in operations, technical services and project development, and specific underground experience, will greatly add to our Board's capabilities as we work towards construction and operation of a large, competitive underground gold mine adhering to strict international standards at Buriticá."

"I am very pleased to be joining the Continental Board as the Company enters the next exciting phase of its growth, with the pending development and operation of the Buriticá mine," commented James Gallagher. "I look forward to contributing my expertise and experience to help the management team execute a successful project."

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.otcmarkets.com and on the Company website at www.continentalgold.com. Additional details on Continental's suite of gold exploration properties are also available at www.continentalgold.com.

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Forward-Looking Statements

Certain information contained in this press release, including statements as to constructing and advancing the Buriticá project and the Company's strategy, projects, plans or future financial or operating performance, constitutes "forward-looking statements", 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.

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