

Continental Gold Comments on Share Price and Provides Operational Update

Toronto, Ontario, August 21, 2017 - Continental Gold Inc. (TSX:CNL; OTCQX:CGOOF) (“Continental” or the “Company”) comments that, at this time, the Company is unaware of any specific reason contributing to the recent decline in the Company’s share price. Excellent progress is being made at the Company’s flagship Buriticá gold project (the “Project”) with early construction, engineering and procurement activities remaining on or ahead of schedule.

The Company continues to ramp-up mine development, which began in January 2017 well ahead of the January 2018 development start date outlined in the February 2016 feasibility study for the Project. Major development equipment has been arriving per this early start-up plan, allowing the Company’s miners to move from conventional mining activities to mechanized development. Focused training has resulted in development efficiencies increasing faster than anticipated. The mining fleet will increase to three jumbos with September delivery of the Company’s second two-boom jumbo. This accelerated development start date reduces the risk of not completing mine development needed for production start-up, anticipated for the first half of 2020.

Site preparation is rapidly advancing with the first concrete pour planned for late fourth quarter 2017. The recently completed single-lane access road, connecting the existing Buriticá-municipal paved road to the Higabrá Valley mill site, is undergoing planned upgrade to accommodate plant and infrastructure equipment deliveries; this upgrade is scheduled for completion in the fourth quarter of 2017. Clear-cutting of mill site and infrastructure areas in the Higabrá Valley has recently been completed and work is well-advanced on the site diversion channels required for starting major earthworks.

The 15,000-metre drilling program at the Project is well underway with three rigs currently operating. Two additional rigs are expected to arrive in September and October 2017, respectively. Drill intercepts in the first series of holes are strongly mineralized, including zones with visible gold. Due to the positive results, the Company is currently planning a significantly expanded drilling program that will focus on conversion, step-out drilling and greenfield targets with the intent to deliver overall mineral resource growth during the construction phase of the Project.

The illegal mine (where the recent tragedy occurred involving security contractors) remains closed. Support of local communities against illegal mining has been strongly communicated and the Company has been assured by the Government that the increased presence of authorities at site will remain in place on a permanent basis.

In early September 2017, the Company expects to issue a drilling update with first assay results from the current drilling program; a more detailed development update for the Project is anticipated shortly thereafter.

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.

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 Gold’s suite of gold exploration properties are also available at www.continentalgold.com.

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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 Buriticá project, completion of various construction and development activities, expansion of, and results from, exploration drilling, expected delivery of underground mining development and drilling equipment, ramp-up of underground development activities, advancing the Buriticá project 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 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.