

Continental Gold Continues to Drill High-Grade Gold Over 1,200 Vertical Metres at Veta Sur While Extending the Mineral Resource Envelope

Highlight Drilling intercepts include 4.70 metres @ 161.33 g/t gold and 31 g/t silver

Toronto, Ontario, August 20, 2018 – Continental Gold Inc. (TSX:CNL; OTCQX:CGOOF) (“Continental” or the “Company”) is pleased to announce results from nine diamond drill holes into the Veta Sur system as part of its 2018 drilling program at its 100%-owned Buriticá project in Antioquia, Colombia. The Company currently has 14 diamond drill rigs in operation, focusing on increasing and upgrading the mineral resources to higher classification categories by testing for high-grade and broad mineralized zones within the mineral reserve and resource envelopes and testing high-impact targets along strike and below existing mineral resources, as well as grassroots targets proximal to existing and proposed infrastructure. The Company has US\$208 million of available liquidity as of June 30, 2018.

“With excellent progress being made in underground development for the mine, we are becoming much better-positioned to drill the orebodies from short distances,” commented Ari Sussman, CEO. “The analytical results today continue to confirm our hypotheses for the Veta Sur system—namely that infill drilling improves the grade of master veins, which will provide the bulk of mine production, and that the vertical dimension of high-grade veins remains continuous at depth, providing additional mining flexibility and potential for production to continue many years past the feasibility mine plan.”

Veta Sur System (see Figures 1, 2, 3 and 4)

- Nine drill holes intersected the Veta Sur system over 1,200 vertical metres validating the sheer scale of the precious metal system by confirming excellent continuity at high-grades. Key highlight intercepts are as follows:
 - 2.0 metres @ 53.87 g/t gold and 40.2 g/t silver (BUUY376, elevation 1,559 metres);
 - 4.70 metres @ 161.33 g/t gold and 31.1 g/t silver (BUUY389, elevation 1,515 metres);
 - 3.25 metres @ 18.64 g/t gold and 9.3 g/t silver (BUUY381, elevation 1,513 metres);
 - 1.0 metres @ 51.45 g/t gold and 388 g/t silver (BUSY374D04, elevation 875 metres);
 - 2.60 metres @ 131.96 g/t gold and 21.9 g/t silver (BUSY374D05, elevation 821 metres); and
 - 1.1 metres @ 36.7 g/t gold and 18.6 g/t silver (BUUY349D03, elevation 677 metres).
- Current and previously-announced results of Veta Sur drilling are having the following three impacts (at a 3 g/t gold cut-off):
 - The shallower drill intercepts (BUUY376, BUUY378, BUUY381, BUUY385) continue to demonstrate an improvement of grades in the master vein sets versus the mineral resource block model;
 - Drill-hole series BUSY374D1-D5, which have intersected the Veta Sur system up to 350 metres below the Higabra Tunnel, have potentially extended the vertical dimension of the Indicated mineral resource estimate boundary; and
 - Drill-hole series BUSY349D1-D3 have successfully extended high-grade gold some 300-400 metres below the current Inferred mineral resource limit.

In the past, drill-testing the depth potential of Veta Sur was limited due to lack of access. With underground development advancing at a productive rate and providing suitable drilling locations, the Company will be more aggressive in drilling the orebody and extensions over the balance of the year.

The following is a complete list of results from diamond drill-holes announced in this news release:

Hole ID	From (m)	To (m)	Intercept Interval* (m)	Gold** (g/t)	Silver** (g/t)	Gold Equivalent** (g/t)	Mid-Point Elevation (m)	Vein
BUUY376	174.95	176.70	1.75	2.52	56.5	3.32	1580	120
	211.20	217.00	5.80	3.11	14.2	3.31	1563	75
<i>incl</i>	213.80	215.70	1.90	6.09	22.0	6.41	1563	
	222.60	224.60	2.00	53.87	40.2	54.44	1559	65
<i>incl</i>	222.60	223.10	0.50	207.00	92.7	208.32	1560	
	235.50	237.60	2.10	8.13	10.8	8.28	1554	51
BUUY378	150.00	150.50	0.50	15.80	56.0	16.60	1594	110
	155.15	156.30	1.15	6.97	42.8	7.58	1592	90
EV	167.10	167.90	0.80	5.62	31.8	6.07	1588	
	176.00	177.05	1.05	21.61	201.1	24.48	1585	65
	187.55	191.65	4.10	6.89	242.7	10.36	1581	51
<i>incl</i>	187.55	188.15	0.60	24.20	1595.0	46.99	1582	
<i>and</i>	189.65	190.15	0.50	19.85	24.4	20.20	1581	
	213.50	214.00	0.50	17.25	29.4	17.67	1573	39
BUUY381	171.60	174.15	2.55	1.48	35.1	1.98	1556	120
	225.35	226.85	1.50	10.12	52.9	10.87	1530	65
<i>incl</i>	226.35	226.85	0.50	15.05	48.6	15.74	1530	
	245.50	250.70	5.20	1.71	8.6	1.83	1518	48
	251.70	255.90	4.20	1.70	5.4	1.78	1516	43
	257.60	260.85	3.25	18.64	9.3	18.78	1513	39
<i>incl</i>	257.60	258.10	0.50	68.60	25.7	68.97	1515	
<i>and</i>	258.60	259.10	0.50	45.60	24.3	45.95	1514	
BUUY385	189.20	192.05	2.85	4.98	22.0	5.29	1573	70
<i>incl</i>	191.50	192.05	0.55	18.25	15.2	18.47	1573	
	193.25	195.50	2.25	2.56	8.5	2.69	1571	65
	197.90	199.00	1.10	19.58	690.3	29.44	1570	62
<i>incl</i>	197.90	198.45	0.55	37.60	1360.0	57.03	1570	
	205.00	208.85	3.85	1.26	9.0	1.39	1566	51
	218.55	220.00	1.45	7.42	17.0	7.66	1561	43
<i>incl EV</i>	219.20	220.00	0.80	11.61	12.4	11.79	1561	
	230.55	234.45	3.90	2.98	23.9	3.32	1554	39
<i>incl</i>	233.40	233.95	0.55	8.97	16.3	9.20	1555	
BUUY389	204.50	209.20	4.70	161.33	31.1	161.77	1515	110
<i>incl</i>	207.60	208.10	0.50	1495.00	187.0	1497.67	1516	
	261.80	269.00	7.20	4.30	11.5	4.46	1477	62
<i>incl</i>	266.85	267.40	0.55	23.40	8.4	23.52	1478	51
	271.10	275.05	3.95	2.36	8.9	2.49	1473	48
	276.75	281.00	4.25	2.20	14.9	2.41	1470	43
	285.75	287.25	1.50	15.19	37.8	15.73	1466	42-39?
<i>incl</i>	286.75	287.25	0.50	39.40	40.0	39.97	1466	

Hole ID	From (m)	To (m)	Intercept Interval* (m)	Gold** (g/t)	Silver** (g/t)	Gold Equivalent** (g/t)	Mid-Point Elevation (m)	Vein
BUUY349D03	267.80	268.90	1.10	36.70	18.6	36.97	677	120
	273.00	274.35	1.35	3.68	1.3	3.70	674	110
	333.40	334.10	0.70	14.35	42.4	14.96	640	62
	361.65	362.80	1.15	5.79	1.7	5.81	624	48
	365.40	366.70	1.30	5.75	10.4	5.89	622	48
	602.40	602.90	0.50	12.65	18.9	12.92	504	22
	634.40	638.40	4.00	6.32	5.3	6.40	491	New
<i>incl</i>	636.10	636.65	0.55	34.90	24.1	35.24	491	
	681.65	684.20	2.55	2.98	5.0	3.05	474	16
BUUY349D04	66.15	66.65	0.50	52.20	13.7	52.40	781	New
BUSY374D04	269.65	270.15	0.50	18.35	10.9	18.51	956	185
	503.90	504.90	1.00	51.45	388.0	56.99	875	39
	522.05	522.55	0.50	11.95	45.9	12.61	869	32
	525.30	527.30	2.00	11.35	27.6	11.74	868	31
<i>incl</i>	526.30	526.80	0.50	41.60	90.7	42.90	868	
BUSY374D05	136.10	136.60	0.50	11.20	129.0	13.04	984	New
	197.40	198.00	0.60	17.85	89.7	19.13	958	New
	210.70	211.20	0.50	57.20	7.5	57.31	952	New
	236.00	237.25	1.25	9.17	4.9	9.24	941	185
	485.20	489.80	4.60	4.90	34.7	5.39	837	42
<i>incl</i>	486.20	486.75	0.55	20.90	192.0	23.64	838	
	498.00	499.10	1.10	7.52	13.5	7.71	833	New
	500.90	504.10	3.20	2.19	7.2	2.29	831	New
	511.50	514.70	3.20	8.72	8.5	8.84	827	34
<i>incl</i>	512.10	512.70	0.60	38.40	14.8	38.61	827	
	517.50	519.75	2.25	2.72	2.3	2.75	824	32
	526.60	529.20	2.60	131.96	21.9	132.27	821	31
	528.65	529.20	0.55	615.00	96.0	616.37	821	New
	534.00	535.60	1.60	3.95	3.0	4.00	818	30
	555.00	556.90	1.90	3.05	4.9	3.12	810	New
	560.20	565.70	5.50	7.16	8.9	7.28	806	New
<i>incl</i>	563.60	565.00	1.40	21.87	22.5	22.20	807	24

* Intercepts calculated at a composite 4.8 grams X metre gold equivalent (70:1 Au/Ag) for minimum intervals of 0.5 metres, with generally no more than 20% internal dilution. True widths are generally estimated to be between 80-100%.

** Grades herein are reported as uncapped values.

Note: Drill holes designated "BUUY" were collared from underground.

Geological Description of the Buriticá Project

Continental's 100%-owned, 75,023-hectare project, Buriticá, contains several known areas of high-grade gold and silver mineralization, of base metal carbonate-style ("Stage I") variably overprinted by texturally and chemically distinctive high-grade ("Stage II") mineralization. The two most extensively explored of these areas (the Yaraguá and Veta Sur systems) are central to this land package. The Yaraguá system has been drill-outlined along 1,100 metres of strike and 1,700 vertical metres and partially sampled in underground developments. The Veta Sur system has been drill-outlined along 1,000+ metres of strike and 1,800 vertical metres and has been partially sampled in underground developments. Both systems are characterized by multiple, steeply-dipping veins and broader, more disseminated mineralization and both remain open at depth and along strike, at high grades.

Technical Information

Mauricio Castañeda, Vice-President, Exploration of the Company and a qualified person for the purpose of Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”), has prepared or supervised the preparation of, or approved, as applicable, the technical information contained in this press release.

The Company utilizes a rigorous, industry-standard QA/QC program. HQ and NQ core is sawn or split with one-half shipped to a sample preparation lab in Medellín run by ALS Colombia Limited (“ALS”) in Colombia, whereas BQ core samples are full core. Samples are then shipped for analysis to an ALS-certified assay laboratory in Lima, Peru. The remainder of the core is stored in a secured storage facility for future assay verification. Blanks, duplicates and certified reference standards are inserted into the sample stream to monitor laboratory performance and a portion of the samples are periodically check assayed at SGS Colombia S.A., a certified assay laboratory in Medellín, Colombia.

The Company does not receive assay results for drill holes in sequential order; however, all significant assay results are publicly reported.

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.otcm Markets.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 H1 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 timing of a production decision and length of life-of-mine, advancing the Buriticá project, exploration results, potential mineralization, potential development of mine openings, potential improvement of mining dilution grades, increasing the drill program and exploration and mine development plans 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 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.

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” that may be 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 – Plan View of the Laurel and Veta Sur Systems

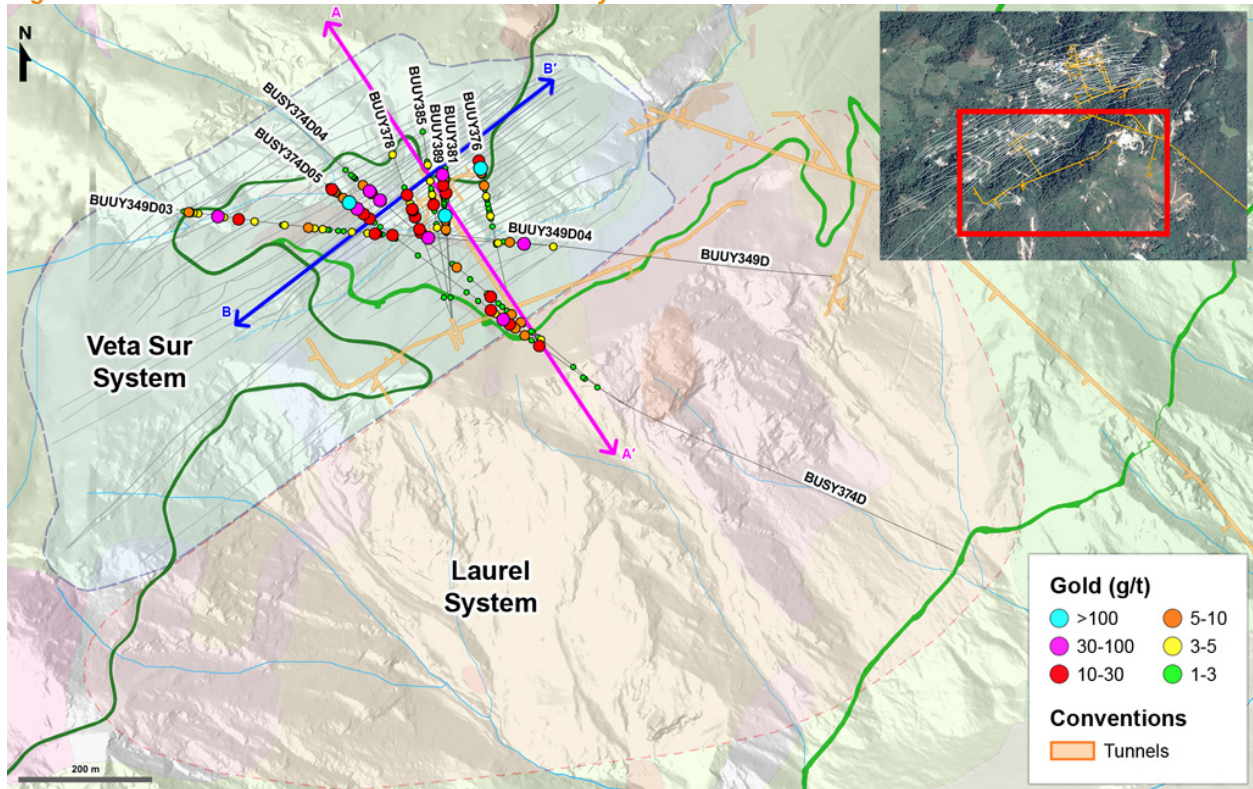


Figure 2 – Cross Section A to A' of the Laurel and Veta Sur Systems

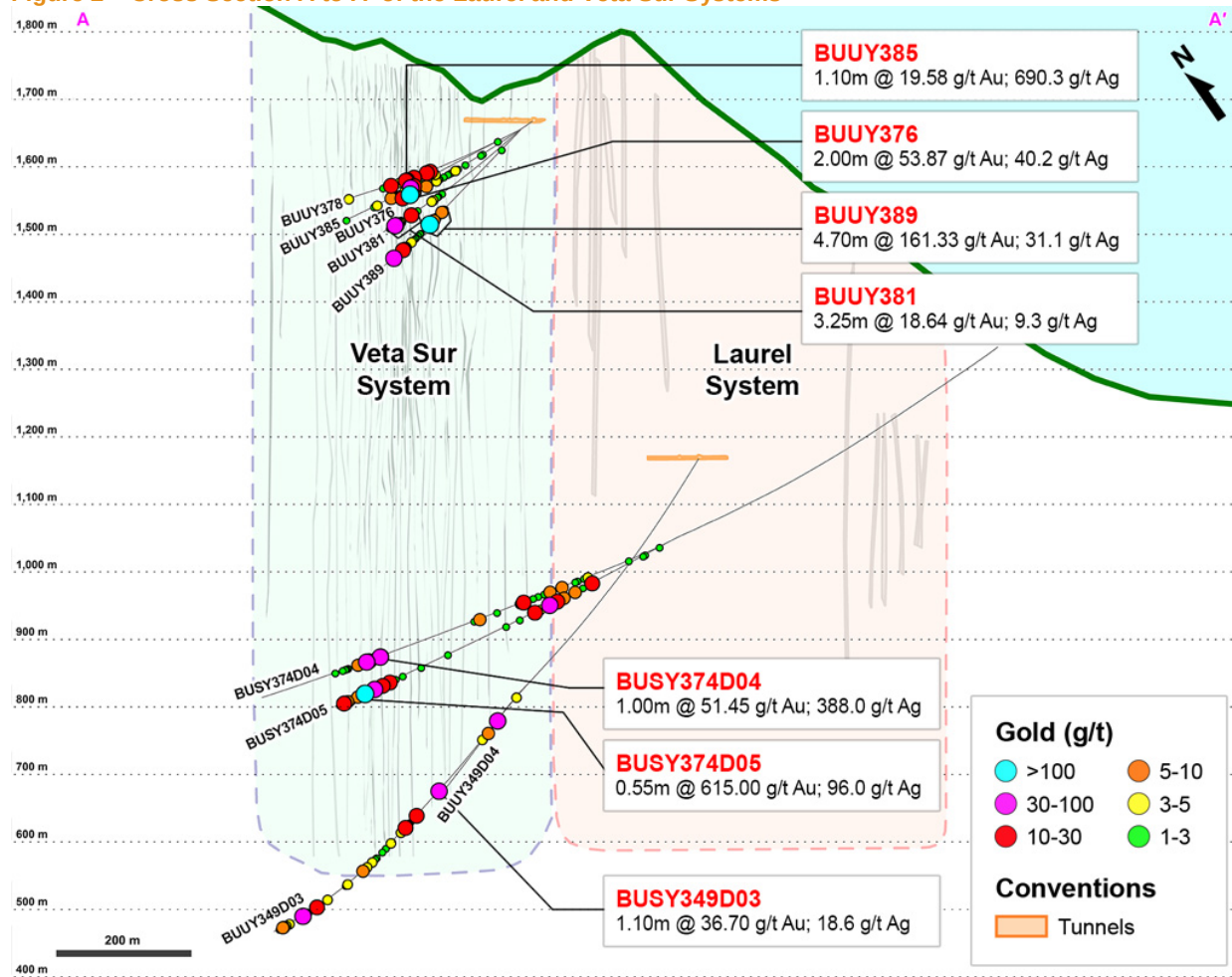


Figure 3 – Long Section of the Veta Sur System with Mineral Resource Envelopes

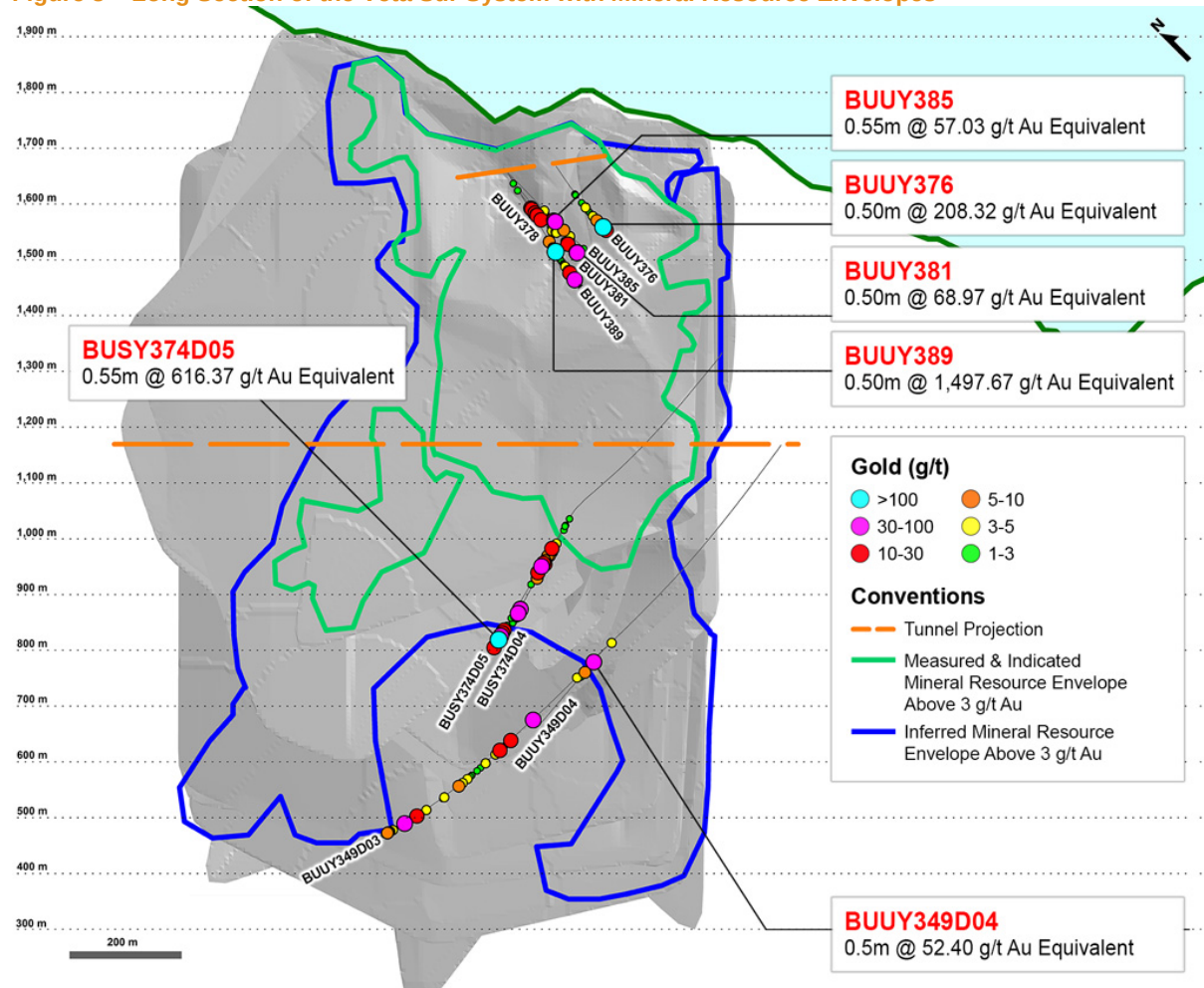


Figure 4 – Long Section B to B' of Vein 39 from the Veta Sur System

