

Zijin Mining to Acquire Continental Gold in Friendly, All-Cash Offer for C\$1.4 billion

December 2, 2019

TORONTO, Ontario and FUJIAN, China, December 2, 2019 – Zijin Mining Group Co., Ltd. ("Zijin") (SSE:601899; SEHK:2899) and Continental Gold Inc. ("Continental") (TSX:CNL; OTCQX:CGOOF) are pleased to announce that they have entered into a definitive agreement (the "Arrangement Agreement"), pursuant to which Zijin has agreed to acquire all of the outstanding shares of Continental (the "Transaction") at a price of C\$5.50 per share (the "Offer Price") in cash and all outstanding securities convertible into such common shares will also be acquired on the same basis. The total equity value pursuant to the Transaction is approximately C\$1.4 billion on a fully diluted basis. The Offer Price represents a premium of 29% over Continental's 20-day volume-weighted average price ("VWAP") as at November 29, 2019 on the Toronto Stock Exchange ("TSX").

Newmont Goldcorp Corporation ("Newmont") and directors and officers of Continental collectively holding approximately 21.5% of the outstanding Continental common shares have entered into voting support agreements to support the Transaction.

Ari Sussman, CEO and a Director of Continental, stated:

"The all-cash offer at a significant premium to market is an excellent outcome for our shareholders and is a testament to the extraordinary effort of the Continental team and its stakeholders in pioneering a new and modern gold industry in Colombia. In the span of a decade, Continental has transformed the Buriticá project from a grassroots discovery into one of the world's largest and highest-grade gold projects. With production on the horizon in 2020, the timing is right for Continental to sell to a more experienced mine operator and therefore Continental's Board of Directors recommends that shareholders vote in favour of the Transaction. Zijin is one of the world's fastest growing mining companies and boasts an impressive track record of successful international acquisitions and operations. Most importantly, Zijin shares common principles with Continental on what defines modern mining and, as a result, will continue to operate in a safe, transparent and inclusive manner with the employees of the Company and external stakeholders."

Chen Jinghe, Chairman of Zijin, stated:

"Continental's 100%-owned Buriticá project in Antioquia, Colombia is one of the largest and highest-grade gold projects in the world and represents a highly complementary addition to Zijin's international asset portfolio. The Buriticá project is expected to produce approximately 250k ounces of gold per annum on average over a 14-year mine life at LOM all-in sustaining cost of ~US\$600 per ounce. We believe the sizeable, high-grade mineral resource of 16.02 Mt at an average gold grade of 10.32 g/t (being a measured resource of 1.40 Mt with a gold grade of 13.70 g/t and an indicated resource of 14.62 Mt with a gold grade of 10.00 g/t) presents excellent opportunities to expand production and extend mine life. Continental has successfully advanced and substantially de-risked the Buriticá project with commercial production now clearly in sight and first gold pour expected in the first half of 2020. Continental also holds a sizeable and highly prospective land package in Colombia that, combined with the Buriticá project, provides Zijin with the leading position in an emerging world-class gold producing region."

"We have been greatly impressed by Continental's focus on safe, efficient and sustainable mining practices which closely align with Zijin's approach to mining and development operations. Zijin is conscious of the demonstrated responsibility of Continental's operation towards the well-being of the local communities and the responsible

management of environmental aspects of its operation. Zijin commits to continuing with a similar approach, focus and investment in that regard. Zijin will practice in all its operations with the same commitment of Continental towards transparency and ethics and will continue to operate in a highly responsible manner in Buriticá, Antioquia and Colombia more broadly. We look forward to working closely with stakeholders and local communities in Colombia to deliver a world-class operation that will benefit the regional economy.”

Benefits to Continental Shareholders

- Immediate and significant premium of approximately 29% to the 20-day VWAP on the TSX
- All-cash offer that is not subject to a financing condition
- Strong deal certainty with voting support agreements entered into with the directors and senior officers of Continental and with Newmont, Continental’s largest shareholder, representing a total of approximately 21.5% of the Continental shares
- Removes future dilution, commodity, construction and execution risk

Transaction Summary

The Transaction will be completed pursuant to a Plan of Arrangement under the *Business Corporations Act* (Ontario). The Transaction will be subject to the approval of at least 66- $\frac{2}{3}$ % of the votes cast by shareholders and more than 50% of the votes cast by disinterested shareholders at a special meeting of Continental shareholders expected to be held in January 2020. In addition to shareholder approval, the Transaction is also subject to the receipt of certain regulatory, court and stock exchange approvals and other closing conditions customary in transactions of this nature.

The Arrangement Agreement includes, among other things, a non-solicitation covenant on the part of Continental (subject to customary fiduciary out provisions) and a right for Zijin to match any competing offer that constitutes a superior proposal. Under certain circumstances, Zijin would be entitled to a US\$35 million termination fee and Continental would be entitled to a US\$35 million reverse termination fee or may require Zijin to purchase US\$35 million of Continental shares at the Offer Price.

Continental Interim Financing

In connection with the Transaction, Zijin has agreed to provide Continental with US\$50 million by subscribing for convertible debentures (the “Zijin Debentures”), subject to regulatory approval. The term of the Zijin Debentures will be 5 years with a 5% interest rate, payable semi-annually in arrears. The Zijin Debentures will be convertible at the holder’s option into common shares of Continental at a conversion price equal to C\$4.50 per share, subject to adjustment. The Company has also terminated the binding option on a financing offer for shares on a private placement basis, which was initially announced on November 14, 2019. In connection with the Transaction, Continental has given notice to redeem US\$25 million of its currently outstanding convertible debentures.

Zijin intends to set up an Ontario acquisition entity for this transaction which will be held by a Hong Kong holding subsidiary of Zijin formed with certain strategic investors who are willing to jointly invest with Zijin in Continental.

Continental Board of Directors Recommendations

The Transaction has been unanimously approved by the board of directors of Continental following the unanimous recommendation of a special committee of independent directors of Continental (the “Special Committee”). Maxit Capital LP has provided an opinion to the Continental board of directors and Cormark Securities Inc. has provided an opinion to the Special Committee, respectively, stating that, based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered to the

Continental shareholders pursuant to the Transaction is fair, from a financial point of view, to the Continental shareholders.

Timing

Full details of the Transaction will be included in Continental's management information circular, which is expected to be mailed to shareholders in December 2019 with the shareholders meeting expected to take place in January 2020. Shareholders are urged to read the information circular once available as it will contain additional important information concerning the Transaction. The Arrangement Agreement will also be filed on SEDAR.

Advisors and Counsel

Credit Suisse is acting as financial advisor to Zijin and McCarthy Tétrault LLP is acting as Zijin's legal counsel.

Maxit Capital LP is acting as financial advisor to Continental. Cassels Brock & Blackwell LLP is acting as legal counsel to Continental and Fasken Martineau DuMoulin LLP is acting as legal counsel to the Special Committee. Cormark Securities Inc. is acting as financial advisor to the Special Committee.

About Continental

Continental 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's suite of gold exploration properties are also available at www.continentalgold.com.

The scientific and technical information in this press release has been reviewed and approved by Donald Gray, Chief Operating Officer of Continental, who is a qualified person as defined under National Instrument 43-101 ("NI 43-101"). For information on the Buriticá project, please refer to the technical report, prepared in accordance with NI 43-101, entitled "NI 43-101 Buriticá Mineral Resource 2019-01, Antioquia, Colombia" and dated March 18, 2019 with an effective date of January 30, 2019, which is available on SEDAR at www.sedar.com and at www.continentalgold.com.

About Zijin

Formed in 1993, Zijin is based in Fujian, China and is a leading global mining company specializing in gold, copper, zinc and other mineral resource exploration and development. It manages an extensive portfolio, primarily consisting of gold, copper, zinc, and other metals through investments in China and overseas across nine countries. Listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, as of November 29, 2019 Zijin has a current market capitalization of approximately US\$12.13 billion.

Forward-Looking Statements

This news release contains or refers to forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). Certain information contained in this news release constitutes "forward-looking information" under Canadian securities legislation including statements with respect to the benefits of the Transaction to Continental shareholders, the anticipated meeting date and mailing of the information circular in respect of the meeting, timing for completion of the Transaction and receiving the required regulatory and court approvals, Continental's production horizon,

expectations regarding how Zijin will continue operations and benefit the region, advancing the Buriticá project including timing of first gold pour and mechanical completion, the economic effect of the mine, and future plans and objectives of Continental and Zijin. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “expects”, “believes”, “aims to”, “plans to” or “intends to” or variations of such words and phrases or statements that certain actions, events or results “will” occur. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Continental and/or Zijin to be materially different from those expressed by such forward-looking statements or forward-looking information, including the business of the respective company, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks, and delay, inability to complete the interim financing or failure to receive regulatory approvals. Although management of Continental and Zijin have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Neither Continental nor Zijin undertake to update any forward-looking statements or forward-looking information that are contained or incorporated by reference herein, except as required by applicable securities laws. The information contained in this news release is not investment or financial product advice.

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