

Continental Gold Drills 25.45 m @ 12.02 g/t Gold and 57.4 g/t Silver at Veta Sur and Extends the Veta Sur Mineralization 350 m Vertically with the First Drill-Hole of the Buriticá Deep Drilling Program

Toronto, Ontario, August 31, 2011-- Continental Gold Limited ("Continental" or the "Company") (TSX:CNL) is pleased to announce results for 16 diamond drill-holes from the Company's ongoing program at its Buriticá Project in Antioquia, Colombia. Over 80,000 metres of diamond drilling have been completed on the property to date and nine drills are currently on schedule to complete approximately 100,000 metres of surface and underground drilling by the end of 2011.

Highlights

Veta Sur (*Figures 1 and 2*)

- Two drill-holes extended the high grade central part of this system to the southwest and up-dip. Drill intercepts including:
 - 25.45 m @ 12.02 g/t gold, 57.4 g/t silver, including 2.25 m @ 43.76 g/t gold and 113 g/t silver (BUSY167)
 - 2.10 m @ 21.31 g/t gold, 31.1 g/t silver and 1.50 m @ 14.21 g/t gold and 43 g/t silver (BUSY180)
- Drilling in Veta Sur central continued to demonstrate the continuity of high base metal-carbonate veining and common Stage II overprints as well as high silver veins in this area. Highlights include:
 - 1.1 m @ 3.90 g/t gold, 1424 g/t silver and 3.0 m @ 17.11 g/t gold, 15 g/t silver (BUSY165)
 - 4.5 m @ 2.43 g/t gold, 244.1 g/t silver and 1.19 m @ 18.47 g/t gold, 56.5 g/t silver (BUSY181)
 - 1.55 m @ 22.47 g/t gold, 56 g/t silver and 0.5 m @ 142.1 g/t gold., 96 g/t silver (BUSY185)
 - 10.35 m @ 18.15 g/t gold, 25.1 g/t silver and 3.35 m @ 12.63 g/t gold, 11.5 g/t silver (BUSY186)
- BUSY192 intersected high grade gold and silver veins with relatively low base metal contents confirming the northeasterly extensions of the Veta Sur system deep under the Diatreme Fault, including
 - 3.24 m @ 32.7 g/t gold, 350.6 g/t silver and 4.25 m @ 24.12 g/t gold, 57.9 g/t silver
- BUSY164, drilling for the southwest extensions of Veta Sur, intersected several auriferous veins at depth and also a family of silver-rich veins including 3 m @ 517 g/t silver.

- BUSY 210 (awaiting assay), the first deep drill-hole under the Veta Sur system, encountered base metal carbonate mineralization at elevations up to 350 metres deeper than any previous drill-hole.

Yaragua and Yaragua South (Figure 1)

- BUSY178 and BUSY182 extended the Yaragua system to the west of and underneath the Diatreme Fault, both holes encountering substantial mineralized intercepts, including
 - 6.60 m @ 6.01 g/t gold, 35.2 g/t silver, incl. 1.53 m @ 19.29 g/t gold, 72 g/t silver (BUSY178)
 - 4.5 m @ 9.8 g/t gold, 7.4 g/t silver (BUSY182)
- BUUY58 and BUUY59 drilled across west central Yaragua each intersected several major veins from the Murcielagos family in the south and also substantial widths of lower grade mineralization, including
 - 2.20 m @ 55.12 g/t gold, 30.6 g/t silver (BUUY58)
 - 4.50 m @ 6.20 g/t gold, 22.3 g/t silver and 2.6% zinc (BUUY59)
- In addition to encountering several new auriferous vein sets, BUSY176 and BUSY183, drilled from south of Yaragua, extended the Murcielagos family of veins deep under eastern Yaragua. High grade intercepts include
 - 2.0 m @ 20.44 g/t gold and 4.2 g/t silver and 0.6 m @ 22.43 g/t gold, 23.0 g/t silver (BUSY176)
 - 1.4 m @ 14.16 g/t gold, 8.3 g/t silver (BUSY183)
- BUSY187 demonstrated the continuity of high silver-auriferous veins, south of the Murcielagos family of veins over 70 metres from previous drilling. Significant intercepts including
 - 2.90 m @ 4.53 g/t gold, 588 g/t silver, incl. 1.40 m @ 5.99 g/t gold, 1210 g/t silver

Details

Continental's 100%-owned, 22,457-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 Yaragua system and the Veta Sur system, **Figure 1**) are central to this land package. The Yaragua System has been drill-outlined along 550 metres of strike and 600 vertical metres and partially sampled in underground developments. The Veta Sur system has been drill intersected along 500 metres of strike and over **900** vertical metres, including the latest visual intercept (**Figure 2**). Both systems are characterized by multiple, steeply dipping veins and broader, more disseminated mineralization and both remain open at depth at high grades.

Veta Sur

Significant new drill intercepts in the Veta Sur system are tabulated below

Drillhole	From (m)	To (m)	Interval* (m)	Gold (g/t)	Silver (g/t)	Zinc (ppm)	RL (m)
BUSY164	12.00	15.00	3.00	0.01	517.0	1128	1860
	17.00	19.50	2.50	<0.005	119.0	761	1855
	22.50	24.45	1.95	<0.005	196.0	757	1850
	216.60	218.10	1.50	3.12	55.0	3016	1670
	256.50	261.30	5.80	1.86	22.5	11980	1630
BUSY165	132.08	133.1	1.02	6.86	320.0	72400	1655
	142.7	143.8	1.10	3.90	1424.0	168400	1645
	147.00	148.4	1.40	1.34	306.0	12000	1634
	189.3	190.1	0.80	13.00	60.0	2800	1600
	232.15	233.10	0.95	3.00	5.7	1190	1558
	305.50	307.00	1.50	18.94	108.2	1939	1487
	342.00	375.00	32.00	3.87	23.1	430	1428
<i>incl.</i>	361.50	372.00	10.50	7.26	32.9	274	1409
	409.00	412.00	3.00	17.11	15.0	3457	1388
	421.00	428.50	7.50	4.15	3.2	577	1373
	454.50	454.95	0.45	15.00	100.0	18800	1344
BUSY167	143.35	143.75	0.40	11.00	350.0	2020	1593
	185.10	186.70	1.60	3.44	9.6	846	1553
	297.20	300.00	2.80	2.29	93.8	690	1446
	319.70	345.15	25.45	12.02	57.4	3840	1430
<i>incl.</i>	324.80	327.05	2.25	43.76	113.0	5883	1418
	335.00	340.44	5.44	23.04	73.6	1440	1406
	400.31	400.85	0.54	13.32	8.5	236	1347
	426.00	427.00	1.00	5.30	40.0	467	1322
BUSY180	117.20	120.00	2.80	11.90	11.4	2082	1628
	141.05	182.75	41.70	4.12	16.0	1221	1606
<i>incl.</i>	141.05	143.05	2.10	21.31	31.1	1106	
	164.00	165.50	1.50	14.21	43.0	915	1588
	169.00	173.50	4.50	4.70	14.0	2167	1577
	349.10	351.00	1.90	1.45	50.3	21187	1430

BUSY181	121.84	123.50	1.66	2.67	79.7	63953	1657
	168.35	172.50	4.15	2.43	244.1	2866	1627
<i>incl.</i>	169.00	170.00	1.00	6.51	340.0	3305	
	172.00	172.50	0.50	1.72	756.0	8927	1617
	192.90	200.15	7.25	2.48	16.9	265	1597
<i>incl.</i>	192.90	193.30	0.40	16.15	17.0	87	
	292.93	294.00	1.07	7.90	24.0	1388	1503
	328.50	337.44	8.94	6.47	21.6	810	1464
<i>incl.</i>	336.25	337.44	1.19	18.47	56.5	391	
	342.00	343.70	1.70	8.64	20.4	1317	1546
	365.40	372.20	6.80	2.05	5.4	989	1431
	413.10	414.60	1.50	5.15	4.4	1994	1390
	428.20	429.00	0.80	7.95	7.4	5760	1376
	509.50	512.60	3.10	3.97	3.1	639	1299
	531.80	532.20	0.40	44.33	25.0	191	1279
	536.00	538.90	2.90	13.20	16.3	249	1273
	546.65	548.65	2.00	5.57	20.7	1638	1264
BUSY184	376.40	377.00	0.60	3.31	51.0	>10000	1504
BUSY185	69.80	70.10	0.30	4.20	334.0	25700	1714
	131.45	133.00	1.55	22.47	56.0	35355	1653
	192.37	195.00	2.63	2.95	30.9	1493	1593
	228.00	228.70	0.70	1.38	473.0	933	1559
	283.50	284.00	0.50	142.10	96.0	499	1505
	320.75	323.77	3.02	7.36	22.7	527	1468
	360.80	363.60	2.80	5.05	12.3	609	1428
	390.13	392.00	1.87	4.55	5.8	2517	1400
	393.00	396.90	3.90	3.17	8.4	531	1393
	433.00	435.00	2.00	7.65	5.2	353	1358
	444.50	446.00	1.50	6.24	8.5	1300	1345
	489.30	491.50	2.20	4.57	2.1	322	1302
BUSY186	112.10	112.80	0.70	21.01	549.0	66600	1618
	268.10	269.45	1.35	7.07	36.3	963	1462
	401.65	412.00	10.35	18.15	25.2	885	1330
<i>incl.</i>	402.10	404.75	2.65	42.59	42.0	1697	
	414.00	421.80	7.80	7.02	28.2	1187	1314
	446.30	450.00	3.70	2.70	14.1	506	1284

	453.00	454.00	1.00	12.36	60.0	210	1280
	477.30	494.90	17.60	4.15	9.7	174	1249
<i>incl.</i>	484.25	487.60	3.35	12.63	11.5	518	
	499.75	501.20	1.45	18.50	24.5	1267	1234
	516.25	517.15	0.90	17.04	37.6	490	1221
EOH	518.65	519.00	0.35	5.20	21.0	154	1215
BUSY192	212.00	214.50	2.50	3.99	5.7	808	1577
	282.00	283.22	1.22	18.67	3.9	1433	1512
	291.65	295.00	3.35	2.89	12.4	1411	1501
	301.00	311.70	10.70	11.22	146.2	937	1489
<i>incl.</i>	305.08	308.32	3.24	32.70	350.6	2006	
	408.00	410.10	2.10	4.21	24.9	407	1396
	417.60	421.10	3.50	6.17	5.9	196	1387
	427.75	432.00	4.25	24.12	57.9	301	1378
	457.30	458.30	1.00	5.35	22.0	167	1352
	492.56	493.70	1.14	6.13	29.7	685	1322
	499.10	503.43	4.33	3.57	10.7	238	1314

**Intercepts calculated at 1g/t gold-equivalent cut-off grade. True widths unknown, but mostly between 60 and 30% of the down-hole interval*

Drilling at Veta Sur has focused on and been successful at

- extending the system to the southwest
- extending and better defining the central high grade part of the system
- evaluating the deep extensions in the northeast and southwest

Two drill-holes (BUSY167 and BUSY180) were drilled in the gap between central and western Veta Sur (**Figure 1**). Both intersected multiple high grade auriferous veins (for example, BUSY167 2.25 m @ 43.76 g/t gold, 113 g/t silver and BUSY180 2.10 m @ 21.31 g/t gold and 31 g/t silver) within broader intervals (for example, BUSY167 25.45 m @ 12.02 g/t gold, 57.4 g/t silver) of medium grade gold exhibiting moderate base metal contents.

Four drill-holes (BUSY186, BUSY181, BUSY165 and BUSY185: **Figures 1 and 2**) targeted the central part of Veta Sur. Each intersected multiple high grade auriferous veins (some with high silver contents) commonly within broader mineralized intervals. These intercepts (**Table 1**) demonstrate strong grade continuity of vein sets along strike and dip. BUSY186 extended high grade gold mineralization down to elevations below 1250m RL in central Veta Sur (**Figure 2**). Each hole also displayed several intersections with Stage II overprints, significantly extending the area of influence of this high grade mineralization.

BUSY192 was drilled to clarify the extensions of the Veta Sur system to the northeast, under the Diatreme Fault system. Mineralised intercepts in this drill-hole occur over a substantial depth range down to 1300m RL (**Figure 2**). High grade vein sets (from 305.08m down-hole, 3.24 m @ 32.70 g/t gold, 350.6 g/t silver and from 427.75 m, 4.25 m @ 24.12

g/t, 57.9 g/t silver) correlate well with those in BUSY150, BUSY90 and BUSY82 also drilled in northeast Veta Sur, extending these veins both laterally & vertically.

BUSY164 expanded the Veta Sur system to the southwest (**Figure 1**), encountering several auriferous base metal-rich veins (**Table 1**) in this area.

Several drill-holes added significantly to the emerging silver story in the Veta Sur system. BUSY 164 intersected a set of veins with high Ag/Au in southern Veta Sur, including 3.0 m @ 517 g/t silver. BUSY167 (0.4 m @ 11 g/t gold, 350 g/t silver) and BUSY186 (0.7 m @ 21.01 g/t gold, 549 g/t silver) intersected good silver grades on the southern side of Veta Sur (Figure 1) confirming a high silver vein set through this area. BUSY181 (1 m @ 6.51 g/t Au, 340 g/t **silver**), BUSY165 (1.10 m @ 3.90 g/t gold, 1424 g/t silver) and BUSY185 (0.70 m @ 1.38 g/t gold, 473 g/t silver) all encountered multiple intervals of high grade silver on the northern side of Veta Sur, adding to extents of silver-rich veins in this area.

Yaragua (**Figure 1**)

Significant new drill intercepts in the Yaragua system are tabulated below

Drillhole	From (m)	To(m)	Interval (m)	Gold (g/t)	Silver (g/t)	Zinc (ppm)	Vein Name
BUUY59	10.20	22.40	12.20	3.59	19.0	22693	Breccia
<i>incl.</i>	14.90	19.40	4.50	6.20	22.3	25567	Murcielagos
	31.50	35.90	4.40	2.26	25.2	16586	Murcielagos
	67.10	71.50	4.40	3.93	4.2	278	Murcielagos
	76.90	80.40	3.50	5.93	9.0	7019	Murcielagos
	81.90	85.10	3.20	2.98	3.2	3513	Murcielagos
	240.00	241.00	1.00	5.44	46.0	4035	Vein B
	364.90	365.30	0.40	15.85	6.5	1717	Vein C
BUUY58	10.00	20.00	10.00	2.28	15.10	21788	Murcielagos
	22.00	35.50	13.50	2.74	6.6	7927	Murcielagos
	169.00	170.50	1.50	3.21	3.1	655	Vein B
	188.50	202.00	13.50	11.24	9.9	3526	Vein B
<i>incl</i>	199.80	202.00	2.20	55.12	30.6	5987	Vein B
	207.60	208.60	1.00	14.44	9.4	1143	Vein B
	209.90	211.00	1.10	8.11	14.0	2455	Vein B
	296.00	296.70	0.70	7.44	70.0	10500	Vein C
	320.00	321.50	1.50	3.19	30.0	4381	Vein C
	400.80	402.60	1.80	2.80	10.8	1977	Sofia
BUSY178	131.00	131.55	0.55	22.80	38.0	1009	Vein A
	144.50	146.00	1.50	5.44	26.0	527	FW Vein

	161.40	168.00	6.60	6.01	35.2	4318	San A
<i>incl.</i>	164.59	168.00	1.53	19.29	72.0	5881	San A
	265.00	267.20	2.20	3.60	7.8	1551	Vein C
	335.50	336.00	0.50	5.03	5.1	6650	Vein B
BUSY182	138.35	140.00	1.65	2.18	9.2	604	Vein A
	143.10	144.85	1.75	2.01	38.0	2589	San A
	222.63	237.65	15.02	2.70	3.2	102	Vein C
	291.80	293.30	1.50	3.06	55.0	2896	Vein B
	327.85	342.95	15.10	3.83	4.9	8308	Murcielagos
<i>incl.</i>	329.35	333.85	4.50	9.68	7.4	5977	Murcielagos
BUUS004			None				
BUUS006	4.50	7.50	3.00	2.96	2.10	1872	FW Vein
BUUS007	4.50	6.00	1.50	3.52	4.9	2107	FW Vein

**Intercepts calculated at 1g/t gold-equivalent cut-off grade. True widths unknown, but mostly between 60 and 30% of the down-hole interval*

BUUY- and BUUS- drill-holes collared in underground openings.

Drilling in the Yaragua area has focused on and been successful in

- extending the vein system to the west of previous drilling
- defining the main vein sets below other drilling in west-central Yaragua

BUSY178 and BUSY182 (**Figure 1**) both intersected multiple auriferous veins (see Table 2 for vein correlations) within broader mineralized intervals that correlate well between holes. The drill intercepts are up to 100metres west of those encountered in previous drilling and demonstrate the continuity of the Yaragua system at relatively high elevations and also deep below the Diatrema Fault.

BUUY58 and BUUY59 (**Figure 1**) drilled to north in west-central Yaragua also intersected multiple vein sets (see Table 2 for vein correlations) and broader intervals of breccias-hosted mineralization, some intercepts being deeper than previous drilling in this area. These drill holes further demonstrate the lateral and vertical continuity of the southerly and central vein sets in west-central Yaragua.

BUUS006 and BUS007, short holes drilled to clarify the distribution of mineralization in the walls of underground openings, both intersected veins north of and footwall to the San Antonio vein.

Yaragua South (Figure 1)

Significant new intercepts from drill-holes collared in the Yaragua South area are tabulated below

Drillhole	From (m)	To(m)	Interval (m)	Gold (g/t)	Silver (g/t)	Zinc (ppm)	Vein Name
BUSY168			none				
BUSY176	240.50	242.50	2.00	20.44	4.2	491	Yaragua South
	276.50	279.75	3.25	6.55	11.0	1871	Yaragua South
	336.00	341.00	5.00	3.05	13.0	5988	Yaragua South
	343.80	344.30	0.50	6.87	93.0	80300	Yaragua South
	367.40	368.00	0.60	22.34	23.0	66800	Murcielagos
	457.60	459.00	1.40	4.03	11.0	8854	Murcielagos
	473.65	474.15	0.50	7.81	112.0	24800	Murcielagos
	516.50	518.10	1.60	4.68	1.6	1289	Vein B
	521.10	522.60	1.50	5.65	8.6	10200	Vein B
	529.30	530.50	1.20	4.11	19.0	59300	Vein B
BUSY179	24.60	25.50	0.90	7.17	55.0	26	Murcielagos
BUSY183	75.70	78.00	2.30	3.09	16.2	2625	Yaragua South
	119.60	120.55	0.95	4.33	18.0	147	Yaragua South
	282.80	284.45	1.65	5.63	31.7	4041	Murcielagos
	326.50	327.00	0.50	5.89	36.0	1715	Murcielagos
	492.55	502.55	9.95	4.60	2.9	472	Vein B
<i>incl.</i>	498.50	500.00	1.50	10.50	5.7	930	Vein B
	501.10	502.50	1.40	14.16	8.3	441	Vein B
BUSY187	74.50	77.40	2.90	4.53	588.0	25784	Murcielagos
<i>incl.</i>	74.50	75.90	1.40	5.99	1210.0	47250	Murcielagos
	88.90	90.40	1.50	2.49	74.0	8202	Murcielagos
	103.35	104.40	1.05	6.60	9.4	6347	Murcielagos
	308.60	310.10	1.50	4.13	3.2	845	Yaragua South
BUSY188			None				

*Intercepts calculated at 1g/t gold-equivalent cut-off grade. True widths unknown, but mostly between 60 and 30% of the down-hole interval

Drilling from the Yaragua South area has focused on and been successful in

- evaluating the easterly and depth extensions of the southern Yaragua vein sets
- clarifying the distribution of auriferous and silver-rich veins south of the main Yaragua system

BUSY183 and BUSY176 each intersected multiple vein sets (**Table 3**) of the southern Yaragua system extending these veins to depths substantially below underground openings in eastern Yaragua (**Figure 1**).

Both drill-holes, at shallower depths, resulted in the discovery of several new auriferous vein sets in the Yaragua South area. The distribution of these intercepts and surface geochemical anomalies may indicate that these vein sets have substantial strike and depth extents.

BUSY187 intersected high grade silver veins (including 1.40 m @ 5.99 g/t gold, 1210 g/t silver) south of the main Murcielagos veins, confirming substantial strike and depth extents of this silver-rich southerly system.

Technical Information

The results of the Company's drilling program have been reviewed, verified and compiled by Vic Wall, PhD, a qualified person for the purpose of NI 43-101. Dr. Wall is a geologist with 35 years in the minerals mining, consulting, exploration and research industries. Following a career in Australian and North American academes, he held senior positions in a number of multinational major and junior minerals companies. A Fellow of the Australian Institute of Geoscientists, Dr. Wall is Principal of Taylor Wall & Associates, a Brisbane-based consultancy that provides geoscientific services to mineral companies and government agencies, worldwide.

The company utilizes an industry-standard QA/QC program. HQ and NQ diamond drill-core is sawn in half with one half shipped to a sample preparation lab in Medellín run by SGS Colombia. 100% of BQ diameter drill samples are shipped. Samples are then shipped for analysis to SGS 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 ACME laboratories in Vancouver and/or Inspectorate Labs in Reno.

About Continental Gold Limited

Continental Gold Limited (TSX:CNL) is an advanced-stage exploration company with nine gold projects covering over 197,000 hectares in Colombia. Spearheaded by a management team with over 40 years of exploration and mining experience in South America, the Company has begun an aggressive exploration program on its extensive portfolio of properties with a focus on Buriticá, its flagship high-grade gold project. Additional details on the Buriticá project and the rest of Continental's suite of gold exploration properties is 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 the estimation of mineral resources, exploration results, potential mineralization, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions, and is based on current expectations that involve a number of business risks and uncertainties. Forward-looking statements are subject to significant risks and uncertainties, and 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, 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, as well as those factors discussed in the section entitled "Risks of the Business" in the Company's most recent Annual Information Form and other regulatory filings which are posted on SEDAR at www.sedar.com. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by applicable securities law.

Figure 1. Plan View of New Drilling

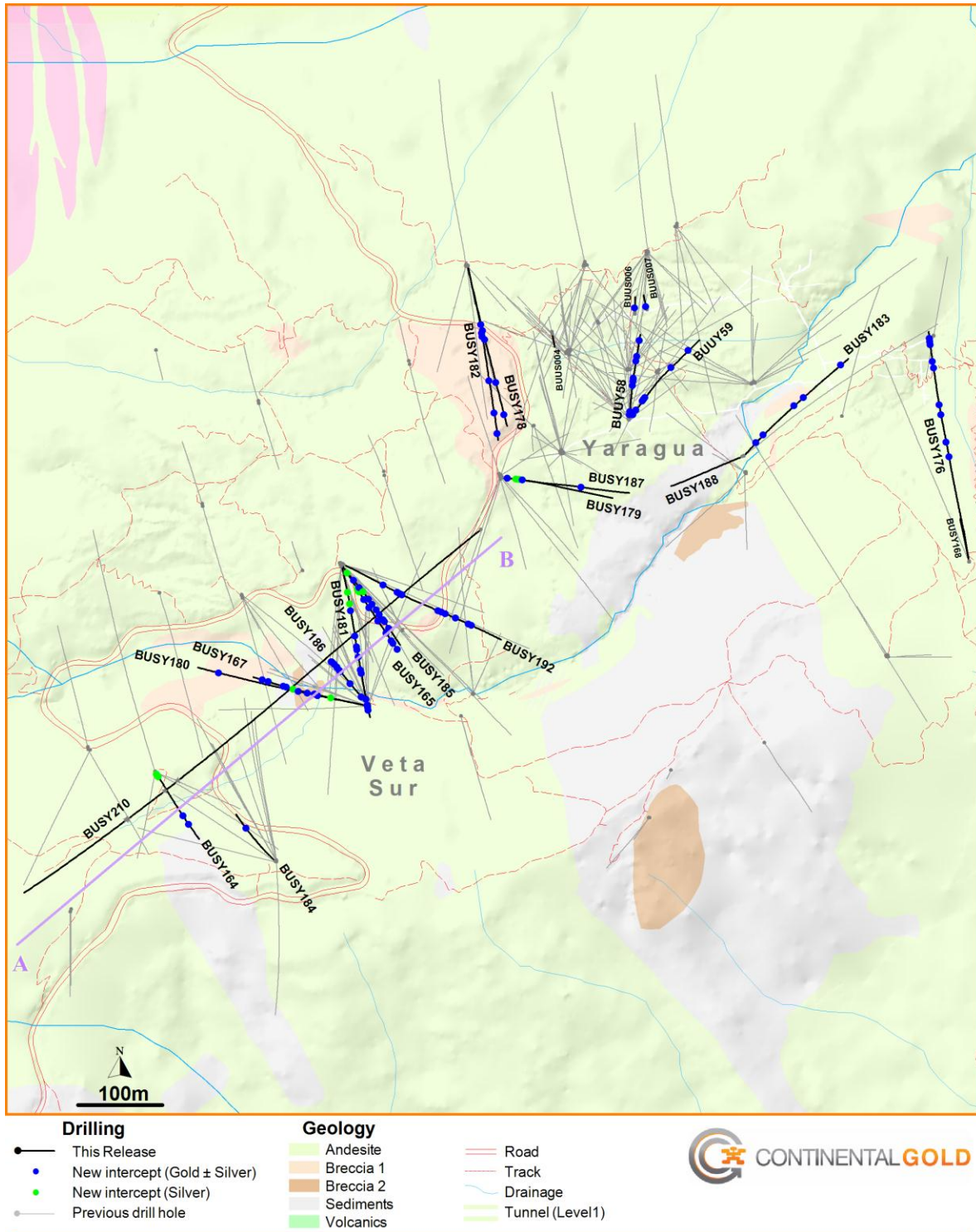


Figure 2. Longitudinal Section of Veta Sur

