

For Immediate Release**Continental Gold Ltd****TSX:CNL****Continental Gold's Soil Geochemical Anomalies Add Significantly to the Exploration Upside of its Buriticá Gold Project, Colombia**

- Geochemical results significantly expand Buritica's gold mineralization system footprint
- Gold anomalies of up to 9730 ppb (9.7 g/t) in indicate subcropping mineralization in areas as yet undrilled
- Additional surface sampling planned on area to the south east of the Yaragua Mine

Toronto, Ontario, August 9, 2010 – Continental Gold Ltd. (“Continental” or the “Company”) (TSX:CNL) is pleased to announce the results of soil geochemical studies on the Company's 100%-owned Buriticá Gold Project, Antioquia Province, Colombia.

Highlights

- Gold and pathfinder element anomalies in Buriticá soils significantly expand the footprints of gold mineralized systems in the Company's tenements
- High level gold (up to 9.73 g/t)-base metal soil anomalies indicate sub-cropping mineralization in largely undrilled areas
 - to the north and east of vein & breccia- hosted gold deposits in the Yaragua Mine area
 - southwest of this in the vicinity of the partially delineated Veta Sur vein system
 - in the La Estrera area, further to the south and southwest
- These anomalies indicate excellent potential for the discovery of new areas of vein, breccia and disseminated gold mineralization and will be tested during the 2010 drill campaign
- The southeast quarter of the Buriticá grid (from which there was extensive Spanish colonial gold production from colluvial deposits) will also be surface-sampled in 2010 and this, along with further tightening of soil geochemistry elsewhere, is expected to provide additional drill targets.

“The anomalies illustrated in these soil geochemical results will be the basis of near-future drill programs and represent significant advances in our technical knowledge of this complex, but highly prospective, carbonate base metal gold vein system,” commented Ari Sussman, CEO.

Details

Continental's surface and underground mapping and drilling at Buriticá have outlined a base metal-carbonate type vein system with gold mineralization in sets of high grade veins and also in breccias bodies. This work (2007-2009) has focused on the Yaragua Mine area where 17,600 metres of diamond drilling plus underground sampling have partially delineated the high grade auriferous vein sets through horizontal and vertical extents respectively of around 500 metres and 350 metres. Five drills are currently operating in the Yaragua Mine area, targeting the vein sets

and breccias as well as the Veta Sur vein system along about 400 metre strike length to the southwest of Yaragua, as part of the 2010 Buriticá exploration program. Stream and rock chip sampling and remnants of historical colluvial and underground Spanish colonial operations, however, suggest that gold mineralization gold is more widespread in the 18,000 hectare Buriticá property, hosted by the Tertiary-age Buriticá intrusive complex and also Cretaceous metasediments around its margins.

To clarify the distribution of near-surface mineralization Continental undertook a soil geochemical program over a 2.5 x 1.5 kilometer area of the Buriticá property. 1460 soil samples were collected (100 metre line x 20 metre sample spacing) and assayed for gold, silver, lead and zinc plus broad suite of additional elements, the base metals as pathfinders. Gold values range from 0.02 g/t to 9.73 g/t, 8% of all samples returning in excess of 0.5 g/t. Gold, silver, lead (which reaches percent levels) and zinc are generally strongly correlated, as in the Yaragua mineralization, the base metals exhibiting broader more continuous patterns than the precious metals. Plots of the soil anomalies for these metals are available on the company's website (http://www.continentalgold.com/projects/buritica/work_to_date/) and these also show the soil grid, surface traces of 2008-2009 drilling and the location of underground workings.

The main multi-element geochemical anomaly area is about 1500x 700 metres and trends northeasterly. Within this area high-level gold & base metal anomalies indicate subcropping mineralization in three largely undrilled subareas:

- to the north and east of vein and breccia-hosted gold deposits in the Yaragua Mine area. The eastern anomalies appear to represent surface expressions along strike extensions of the Yaragua vein system whereas as those to the north may represent newly discovered vein and/or breccias systems
- southwest of Yaragua in the vicinity of the Veta Sur system. These anomalies are open to the east and may represent the extensions of the Veta Sur as well as new vein systems.
- up to a kilometer southwest of Yaragua over large area underlain largely by Cretaceous metasediments and basalts. The broad base metal-gold anomalies may be indicative of more disseminated styles of mineralization but encompass the La Estrera auriferous vein system which was subject to some historical development. The southern soil anomalies are also open to the east into an area not yet soil sampled.

Overall the soil geochemical anomalies significantly expand the footprints of gold mineralized systems in Continental's Buriticá tenements. The Company considers that there is excellent potential for the discovery of new vein, breccia-hosted and disseminated gold mineralization in the anomalous areas. Following on more closely spaced soil sampling and trenching Continental will drill the resulting priority targets during 2010.

The southeast quarter of the Buriticá grid, which exhibits extensive colluvial workings and some underground developments dating to the Spanish colonial period, will also be soil-sampled during 2010. This work, together with surface geological mapping may be expected to yield additional drill targets.

Technical Information

Soil samples were a composite of the well developed B soil horizon and were taken from pits averaging 1.5 metres in depth. Samples were prepared in Colombia by ACME analytical laboratory and analyzed at their Vancouver laboratory. Multi-element analysis including gold was done by ICP methods. ACME is an industry leader in the analysis of gold by ICP. A sequence of standards and blank samples was inserted into the soil sample stream with every batch submitted and all data reported in this release meet Continentals rigorous QA/QC standards.

Stuart Moller, P. Geo., is the Qualified Person for the information contained in this press release and is a Qualified Person within the meaning of National Instrument 43-101.

About Continental Gold Limited

Continental Gold Limited is an advanced-stage exploration company with eight gold projects covering 200,000 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 its flagship high-grade gold project, Buriticá and its drill-ready program, Berlin. Additional details on the Buriticá project and the rest of Continental Gold's suite of gold exploration properties is available at www.ContinentalGold.com

Forward-Looking Statements

"This press release contains or refers to forward-looking information, 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. 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. 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. 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 law."

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