NOTICE OF ANNUAL GENERAL MEETING AND MANAGEMENT INFORMATION CIRCULAR

with respect to an Annual General Meeting of Shareholders of Continental Gold Limited to be held on June 4, 2015 to consider various corporate actions, including an Internal Reorganization by way of a Scheme of Arrangement

CONTINENTALGOLD
TSX:CNL OTCQX:CGOOF

Continental Gold Limited
April 30, 2015

The Board of Directors Unanimously Recommends that Shareholders Vote FOR the Scheme Resolution

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LETTER TO CONTINENTAL GOLD LIMITED SHAREHOLDERS

Dear Shareholders,

We are pleased to invite you to the annual general meeting of shareholders of Continental Gold Limited ("Continental Gold" or the "Company") to be held at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada on Thursday, June 4, 2015 at 10:00 a.m. (EDT).

At this meeting, in addition to the other items of business discussed in the accompanying meeting materials, the board of directors of Continental Gold will ask you to consider and approve an internal reorganization of Continental Gold by way of a Bermuda scheme of arrangement (the "Scheme") to reorganize Continental Gold into: (a) a separate, publicly-listed holding corporation; and (b) a directly held, wholly-owned operating subsidiary. Such holding corporation structures are common for publicly-listed companies in Canada and management of Continental Gold believes that a holding corporation structure will provide management with strategic, operational and financing flexibility, and position the assets of Continental Gold for future development and increasing shareholder value. The new holding company and its subsidiaries will conduct all of the operations that Continental Gold currently conducts.

The Scheme is subject to customary conditions for transactions of this nature, which include: (a) Bermuda court approval; and (b) shareholder approval, being the approval of a majority (in number) of those shareholders present, either in person or by proxy, at the annual general meeting, who together represent at least 75% of the votes cast. Once approved, it is expected that the Scheme will become effective on or about June 10, 2015. Full details of the Scheme are set out in the accompanying management information circular.

The board of directors of Continental Gold believes that the Scheme is in the best interests of the Company and unanimously recommends that you vote in favour of the resolution authorizing and approving the Scheme.

We encourage you to read the enclosed management information circular in order to become better acquainted with the proposed Scheme as well as the other matters to be considered at the annual general meeting. Please give this material your careful consideration and do not hesitate to consult with your financial, tax or other professional advisors. Your participation in the affairs of Continental Gold is important to us, and your vote is important regardless of the number of Continental Gold common shares you own. If you are unable to attend the annual general meeting in person, please complete and deliver the enclosed form of proxy in order to ensure your representation at the annual general meeting.

On behalf of the board of directors of Continental Gold, I would like to express our gratitude for your ongoing support as a shareholder of the Company.

Yours very truly,

/s/ *Ari Sussman*

Ari Sussman
Director, President and Chief Executive Officer

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CONTINENTAL GOLD LIMITED
Cumberland House, 9th Floor
1 Victoria Street
Hamilton HM11 Bermuda

NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of Continental Gold Limited (the "Company") will be held at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada on Thursday, June 4, 2015 at 10:00 a.m. (EDT), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2014, together with the auditor's report thereon;
2. to elect directors of the Company for the ensuing year;
3. in accordance with bye-law 60 of the Company's bye-laws, to set the number of directors on the board of directors (the "Board") of the Company at a maximum of eight and, in accordance with bye-law 61 of the Company's bye-laws, to authorize the Board to appoint additional director(s) to the Board to fill any vacancies;
4. to reappoint PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Company for the ensuing year and to authorize the Board to fix their remuneration;
5. to consider, and if thought advisable, ratify, confirm and approve the amended deferred share unit plan of the Company;
6. to consider, and if thought advisable, ratify, confirm and approve a restricted share unit plan of the Company;
7. to consider, and if thought advisable, approve all unallocated stock options under the Company's stock option plan; and
8. to consider, and if thought advisable, approve a scheme of arrangement under Section 99 of the Companies Act 1981 of Bermuda to effect an internal reorganization of the Company, as a result of which, among other things: (a) the Company's securities will be exchanged on a one-for-one basis for securities of newly-formed Continental Gold Inc. ("Continental Holdco"); (b) the Company will become a wholly-owned subsidiary of Continental Holdco; and (c) the Company's shareholders will become shareholders of Continental Holdco, all as described in the accompanying management information circular.

This notice is accompanied by a management information circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders, a letter of transmittal, a supplemental mailing list and consent for electronic delivery return card, and a copy of the Company's 2014 Annual Report containing the audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2014. Copies of the audited consolidated financial statements are also available upon request to the Company and can also be found on SEDAR at www.sedar.com or on the Company's website at www.continentalgold.com.

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy or voting instruction form so that as large a representation as possible may be had at the Meeting.

The Board has, by resolution, fixed the close of business on April 30, 2015 as the record date, being the date for the determination of the registered holders of common shares entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

The Board has by resolution fixed 48 hours (excluding Saturdays, Sundays and statutory or civic holidays in the City of Toronto, Ontario) prior to the time set for the Meeting, or any adjournments or postponements thereof, as the time by which proxies to be used or acted upon at the Meeting, or any adjournments or postponements thereof, shall be deposited with the Company's transfer agent, Computershare Investor Services Inc., in accordance with the instructions set forth in the accompanying management information circular and in the form of proxy. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

DATED the 30th day of April, 2015.

By Order of the Board of Directors

/s/ *Ari Sussman*

Ari Sussman
Director, President and Chief Executive Officer

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GLOSSARY OF TERMS

In this management information circular, unless otherwise indicated, the following terms shall have the respective meanings set out below, and words importing the singular number shall include the plural and vice versa.

"Bermuda Act" means the Companies Act 1981 of Bermuda, as amended, superseded or replaced from time to time, including the regulations promulgated thereunder.

"Board" means the board of directors of Continental Gold.

"Business Day" means a day which is not a Saturday, Sunday or a day when commercial banks are not open for business in Toronto, Ontario.

"Circular" means, collectively, the Notice of Meeting and this management information circular of Continental Gold, including all appendices hereto and documents incorporated by reference herein, sent to Shareholders in connection with the Meeting.

"Common Shares" means the common shares in the capital of Continental Gold.

"Company" or "Continental Gold" means Continental Gold Limited, a corporation existing under the laws of Bermuda.

"Continental Gold Optionholders" means holders of Continental Gold Options.

"Continental Gold Options" means the issued and outstanding options to acquire Common Shares.

"Continental Gold Securities" means, collectively, the Common Shares and the Continental Gold Options.

"Continental Holdco" means Continental Gold Inc., a corporation existing under the laws of the Province of Ontario.

"Court" means the Supreme Court of Bermuda.

"CRA" means the Canada Revenue Agency.

"Depositary" means Computershare Investor Services Inc. at its offices set out in the Letter of Transmittal.

"Effective Date" means the date on which the Scheme becomes effective.

"Effective Time" means the time on the Effective Date when the Sanction Order is filed with the ROC.

"Holdco Board" means the board of directors of Continental Holdco.

"Holdco Shares" means the common shares in the capital of Continental Holdco.

"Letter of Transmittal" means the letter of transmittal enclosed with this Circular pursuant to which Shareholders are required to deliver to the Depositary certificates representing such Common Shares (unless held in DRS (as defined herein)) in order to receive DRS Advices (as defined herein) representing the Holdco Shares issuable to them pursuant to the Scheme.

"Meeting" means the annual general meeting of the Shareholders (including any adjournment or postponement thereof) to be held on June 4, 2015 in accordance with the Order for Directions to consider, among other things, the Scheme Resolution.

"Notice of Meeting" means the notice of annual general meeting of the Company which accompanies this Circular.

"OBCA" means the *Business Corporations Act* (Ontario), as amended, superseded or replaced from time to time, including the regulations promulgated thereunder.

"Order for Directions" means the order for directions made by the Court under Section 99(1) of the Bermuda Act which, among other things, orders that the Meeting be convened to consider the Scheme, as such order may be amended, varied or supplemented by the Court at any time prior to the Meeting.

"Record Date" means April 30, 2015, the record date to receive notice of and to vote at the Meeting.

"Replacement Options" means the options to purchase Holdco Shares to be granted to Continental Gold Optionholders in exchange for the Continental Gold Options pursuant to the Scheme.

“Replacement Securities” means the Replacement Shares and Replacement Options.

“Replacement Shares” means the Holdco Shares to be issued to Shareholders in exchange for the Common Shares pursuant to the Scheme.

“ROC” means the Registrar of Companies located in Hamilton, Bermuda.

“Sanction Order” means the order made by the Court under Section 99(2) of the Bermuda Act sanctioning the Scheme, as such order may be amended, varied or supplemented by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

“Scheme” means a scheme of arrangement under Section 99 of the Bermuda Act on the terms and conditions set forth in the Scheme Implementation Agreement and the Scheme of Arrangement and any amendment or variation thereto made in accordance with the terms of the Scheme Implementation Agreement, the Scheme of Arrangement or made at the direction of the Court in the Sanction Order.

“Scheme Implementation Agreement” means the scheme implementation agreement dated as of April 27, 2015, between Continental Holdco and Continental Gold, as it may be amended from time to time.

“Scheme of Arrangement” means the scheme of arrangement in substantially the form attached at Appendix G to this Circular, as amended, modified or supplemented from time to time in accordance with the terms thereof.

“Scheme Resolution” means the resolution of the Shareholders to approve the Scheme, substantially in the form and content as set out in Appendix E attached to the Circular.

“SEC” means the United States Securities and Exchange Commission.

“Section 3(a)(10) Exemption” means the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.

“Shareholder” means a registered holder of Common Shares, from time to time.

“Tax Act” means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder.

“TSX” means the Toronto Stock Exchange and any successor stock exchange thereto.

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

“U.S. Securities Laws” means all applicable securities legislation in the United States, including without limitation, the U.S. Securities Act and the U.S. Exchange Act, and the rules and regulations promulgated thereunder, including judicial and administrative interpretations thereof, and the securities laws of the states of the United States.

“United States” or “U.S.” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

SUMMARY OF THE MANAGEMENT INFORMATION CIRCULAR

The following is a summary of certain information contained elsewhere in the Circular, including the appendices hereto and documents incorporated by reference herein, and should be read together with the more detailed information and statements contained or referred to elsewhere in the Circular, the appendices hereto, and the documents incorporated by reference herein.

The Meeting

The Meeting will be held at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada on Thursday, June 4, 2015 at 10:00 a.m. (EDT). The business to be transacted at the Meeting will be: (a) to receive and consider the audited consolidated financial statements of the Company; (b) elect directors of the Company; (c) set the maximum number of directors on the Board at eight and authorize the Board to appoint additional director(s) to the Board to fill any vacancies; (d) reappoint the auditor of the Company and authorize the Board to fix their remuneration; (e) consider and approve the amendment to the deferred share unit plan of the Company (the "DSU Plan"); (f) consider and approve a restricted share unit plan of the Company (the "RSU Plan"); (g) consider and approve all unallocated stock options under the Company's stock option plan (the "Stock Option Plan"); and (h) consider and approve the Scheme.

Shareholders of record as of April 30, 2015 will be entitled to vote at the Meeting or any adjournment thereof.

Matters to be Considered at the Meeting

Audited Consolidated Financial Statements

The audited annual consolidated financial statements of the Company for the financial year ended December 31, 2014 and the report of the auditor thereon will be presented to the Meeting. No formal action will be taken at the Meeting to approve the financial statements. See "Particulars of Matters to be Acted Upon – Audited Consolidated Financial Statements".

Election of Directors

Shareholders will be asked to elect the director nominees to hold office for a term expiring at the close of the next annual general meeting of the Company or until a successor is elected or appointed, or until his or her office is earlier vacated. If elected, and if the Scheme is completed, the nominees will become the directors of Continental Holdco following completion of the Scheme. The director nominees are Leon Teicher, Ari B. Sussman, Dr. Claudia Jiménez, Gustavo J. Koch, Paul J. Murphy, Dr. Kenneth G. Thomas and Timothy A. Warman. See "Particulars of Matters to be Acted Upon – Election of Directors".

Set Number of Directors and Authorize Board to Fill Vacancies

Shareholders will be asked to set the maximum number of directors on the Board at eight and authorize the Board to appoint additional director(s) to the Board to fill any vacancies. If the Scheme is completed, the Holdco Board will be identical to the Board immediately prior to the Effective Time. See "Particulars of Matters to be Acted Upon – Setting Number of Directors and Authorization of Board to Fill Vacancies".

Reappointment of Auditor

Shareholders will be asked to reappoint PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of the Company and to authorize the Board to fix their remuneration. If the Scheme is completed, the auditor of the Company will become the auditor of Continental Holdco. See "Particulars of Matters to be Acted Upon – Reappointment of Auditor".

Approve the Amendment to Deferred Share Unit Plan

Shareholders will be asked to approve an amendment to the DSU Plan to set the maximum number of Common Shares to be reserved for issuance under the DSU Plan to 250,000, rather than (together with all other security-based compensation arrangements of the Company) that number that is equal to 10% of the issued and outstanding Common Shares from time to time. The amendment to the DSU Plan requires Shareholder approval pursuant to the rules of the TSX. See "Particulars of Matters to be Acted Upon – Ratification, Confirmation and Approval of Amendment to the Deferred Share Unit Plan".

Approve a Restricted Share Unit Plan

Shareholders will be asked to approve the RSU Plan. The RSU Plan requires Shareholder approval pursuant to the rules of the TSX, as it is a security-based compensation arrangement. See "Particulars of Matters to be Acted Upon – Ratification, Confirmation and Approval of the Restricted Share Unit Plan".

Approve all Unallocated Stock Options

Shareholders will be asked to approve all unallocated stock options under the Stock Option Plan. The unallocated stock options under the Stock Option Plan require Shareholder approval every three years pursuant to the rules of the TSX, as the Stock Option Plan is a security-based compensation arrangement which does not have a fixed maximum aggregate number of securities issuable. See "Particulars of Matters to be Acted Upon – Approval of Unallocated Stock Options".

Approve the Scheme

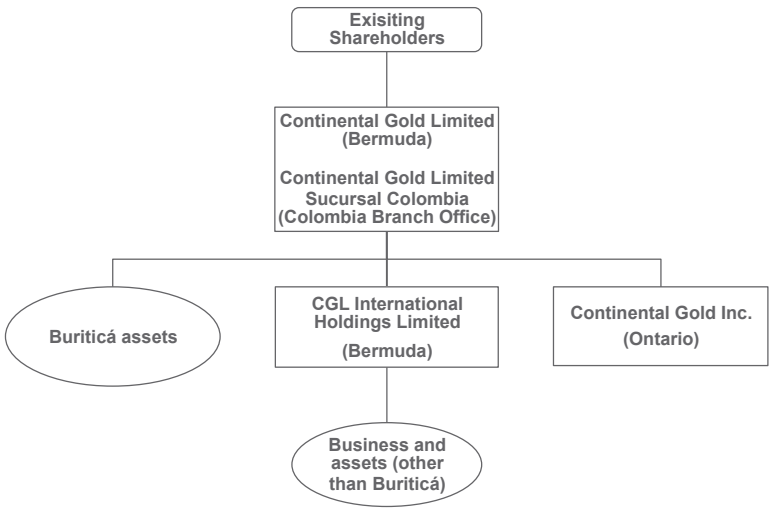
Pursuant to the Scheme, all of the outstanding Continental Gold Securities will be exchanged for equivalent securities of Continental Holdco on a one-for-one basis. Each Common Share will be exchanged for one Replacement Share, and each Continental Gold Option will be exchanged for one Replacement Option. Completion of the Scheme will result in Continental Gold becoming a wholly-owned subsidiary of Continental Holdco, and Continental Holdco will be a publicly-traded holding company with Continental Gold as its wholly-owned subsidiary. The Scheme is not intended to impact a securityholder's ultimate economic interest. Holders of Continental Gold Securities should be aware that the Scheme, the receipt of Replacement Securities pursuant thereto, and the ownership of such securities may have material tax consequences in both Canada and the United States. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain Canadian Federal Income Tax Considerations for Shareholders", "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain Canadian Federal Income Tax Considerations for Continental Gold Optionholders" and "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain United States Federal Income Tax Considerations". The Holdco Shares will have the same voting rights and rights to dividends and distributions and will be the same as the Common Shares in all other material respects.

Other than as disclosed herein, the Scheme will not change the rights of the holders of the Continental Gold Securities. The Scheme will affect the holders of Continental Gold Securities uniformly and will not affect any Shareholder's percentage ownership interest in Continental Gold or proportionate voting power. The Replacement Shares issued pursuant to the Scheme will be fully paid and non-assessable.

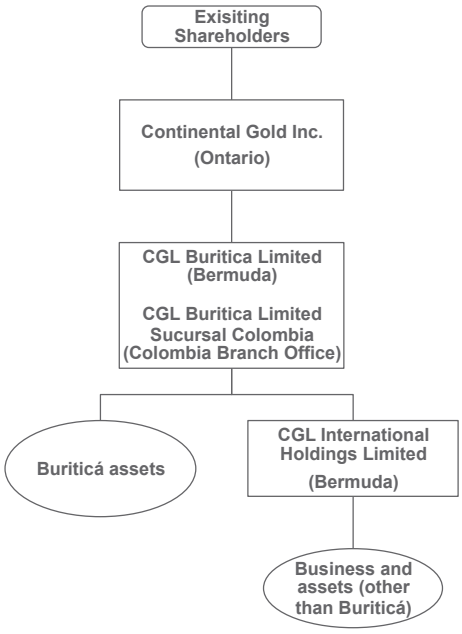
In connection with the Scheme, Continental Gold will change its name to "CGL Buritica Limited". In addition, the Colombian branch office, Continental Gold Limited Sucursal Colombia, will change its name to "CGL Buritica Limited Sucursal Colombia".

The following diagrams illustrate the corporate structure prior to the Scheme and following completion of the Scheme:

Current structure (prior to the Scheme)



Proposed structure (upon completion of the Scheme)



Following the Effective Date of the Scheme, Continental Gold may complete a corporate continuance out of Bermuda and into Colombia.

Background to the Scheme

Through the Scheme, management intends to position the assets of Continental Gold for future development and increasing Shareholder value by moving the Company's material operating asset out of the public corporation and into an operating subsidiary.

Management believes that separating the operating assets from the public corporation will result in Continental Gold being better positioned to develop its properties and pursue strategic objectives and financing initiatives. Since Continental Gold holds all of the certifications and permits required by it to operate in the mining industry and these approvals and permits are difficult and costly to transfer, management determined that the Scheme was the best way to accomplish this objective.

On April 27, 2015, Continental Holdco was incorporated for the sole purpose of completing the Scheme, and on the same date, Continental Gold and Continental Holdco entered into the Scheme Implementation Agreement pursuant to which the parties agreed to complete the Scheme, in accordance with the Scheme of Arrangement.

Benefits of the Scheme and Approval and Recommendation of the Board

Benefits of the Scheme

The Board believes that Shareholders will benefit from completion of the Scheme as the separation of the operating business (and related regulatory certifications and permits) from the public holding corporation will facilitate the Company's strategic objectives and financing initiatives without the need to transfer such regulatory certifications or permits.

Approval and Recommendation of the Board

The Board has determined that the Scheme is fair to Continental Gold, Shareholders and Continental Gold Optionholders, and unanimously recommends that Shareholders vote in favour of the Scheme Resolution at the Meeting.

Mechanics of the Scheme

The Scheme will result in the exchange of Continental Gold Securities for Replacement Securities. The Scheme will be undertaken in accordance with the Bermuda Act and the Scheme of Arrangement.

Upon the Scheme becoming effective, the following events and transactions will occur and be deemed to occur, unless otherwise provided, in the order set out below, without further act or formality, and with each event or transaction occurring and being deemed to occur immediately after the occurrence of the immediately preceding event or transaction:

(a) each Common Share will be exchanged for one Replacement Share;

(b) each Continental Gold Option held by a Continental Gold Optionholder, to the extent it has not been validly exercised as of the Effective Date, will be exchanged for a Replacement Option issued by Continental Holdco entitling the holder to purchase that same number of Holdco Shares for the same exercise price per Holdco Share;

(c) Continental Gold will surrender to Continental Holdco for cancellation the initial Holdco Shares that were issued to Continental Gold upon incorporation of Continental Holdco;

(d) the name of Continental Gold will be changed from "Continental Gold Limited" to "CGL Buritica Limited";

(e) the directors and officers of Continental Gold will become the directors and officers of Continental Holdco, the committees of the Board shall become the committees of the Holdco Board, PricewaterhouseCoopers LLP, Chartered Accountants, the auditor of Continental Gold, will become the auditor of Continental Holdco and the directors of Continental Holdco will be authorized to fix the remuneration of the auditor of Continental Holdco; and

(f) the corporate policies and board and committee charters of Continental Gold will be assumed by and become the corporate policies and board and committee charters of Continental Holdco, and the mandates of the Board and its committees will each be assumed by and become the mandates of the Holdco Board and its committees.

Contemporaneously with the completion of the Scheme, the Holdco Shares will be listed on the TSX (subject to certain conditions typical for a transaction of this nature, as well as the condition that the Scheme Resolution is approved by the requisite majority of Shareholders voting thereon at the Meeting), and following completion of the Scheme, Continental Holdco will become a "reporting issuer" in each jurisdiction in which Continental Gold is currently a reporting issuer.

Procedure for Exchange

Computershare is acting as Depositary under the Scheme. The Depositary must receive deposits of certificates representing Common Shares (unless held in DRS) and a completed Letter of Transmittal in accordance with the instructions set forth in the enclosed Letter of Transmittal. The Depositary will be responsible for delivering DRS advices ("**DRS Advices**") representing Replacement Shares to which Shareholders are entitled under the Scheme. Instructions are provided upon receipt of the DRS Advice for registered Shareholders that would like to request a share certificate representing Replacement Shares. Only registered Shareholders will receive a DRS Advice. Non-Registered Shareholders (as defined herein) must contact their Intermediary (as defined herein) to deposit their Common Shares. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – Procedure for Exchange".

From and after the Effective Time, any certificates formerly representing Common Shares exchanged pursuant to the Scheme of Arrangement shall represent only the right to receive DRS Advices representing Replacement Shares to which the holders are entitled pursuant to the Scheme.

Any certificate formerly representing Common Shares that is not deposited with all other documents as required pursuant to the Scheme of Arrangement on or prior to the sixth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature including the right of the holder to receive DRS Advices representing Replacement Shares or any dividends or other distributions which may have been declared thereon. At the expiry of such period, all remaining DRS Advices representing Replacement Shares will be returned to Continental Holdco or a successor thereof for cancellation and, subject to the requirements of law with respect to unclaimed property, if applicable, any certificate which prior to the Effective Date represented issued and outstanding Common Shares which has not been surrendered will cease to represent any claim or interest of any kind or nature against Continental Gold, Continental Holdco or the Depositary.

Required Shareholder Approvals

In order to implement the Scheme, the Scheme Resolution must be approved by a majority (in number) of those Shareholders present, either in person or by proxy, at the Meeting, who together represent at least 75% of the votes cast.

About Continental Holdco

Continental Holdco was incorporated pursuant to the OBCA on April 27, 2015. Continental Holdco has not carried on any active business since incorporation other than to participate in the Scheme. As of the date hereof, the sole shareholder of Continental Holdco is the Company. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – Information Concerning Continental Holdco".

TSX Listing

On April 27, 2015 Continental Gold received conditional approval of the listing of the Holdco Shares on the TSX in substitution of the Common Shares, subject to certain conditions typical for a transaction of this nature, as well as the condition that the Scheme Resolution is approved by the requisite majority of Shareholders voting thereon at the Meeting. If the Scheme is completed, it is expected that the Holdco Shares will be listed on the TSX at the time the Replacement Shares are issued in

exchange for Common Shares upon completion of the Scheme, and will commence trading at the opening of business on or about the second Business Day after completion of the Scheme. The Holdco Shares will continue to trade on the TSX under the existing Common Share symbol, "CNL".

Required Court Approvals

The Scheme requires approval by the Court under Section 99 of the Bermuda Act. Prior to the mailing of the Circular, Continental Gold obtained the Order for Directions providing for the convening of the Meeting and other procedural matters related to the Meeting. Following approval of the Scheme Resolution by Shareholders at the Meeting, Continental Gold will apply to the Court for the Sanction Order at 9:30 a.m. (ADT) on June 9, 2015. Continental Gold's Bermuda counsel has advised that, in deciding whether to grant the Sanction Order, the Court will consider, among other things, the fairness of the Scheme to the Shareholders. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – Required Court Approvals".

Certain Canadian Federal Income Tax Considerations

The Circular contains a summary of the principal Canadian federal income tax considerations relevant to residents and non-residents of Canada and which relate to the Scheme. Certain Shareholders may, depending on the circumstances, make a joint tax election with Continental Holdco to obtain a full or partial tax-deferred rollover for Canadian federal income tax purposes. Securityholders should consult with their own tax advisors for advice regarding the income tax consequences to them of the Scheme and should carefully read the information under "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain Canadian Federal Income Tax Considerations for Shareholders" and "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain Canadian Federal Income Tax Considerations for Continental Gold Optionholders".

United States Federal Income Tax Considerations

Holders of Continental Gold securities should be aware that the exchange of Continental Gold Securities for Replacement Securities as described in this Circular may have material tax consequences in the United States. Such Shareholders should consult with their own tax advisors for advice regarding the income tax consequences to them of the Scheme and should carefully read the information under "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain United States Federal Income Tax Considerations".

Canadian Securities Law Considerations

The Replacement Shares to be issued to the Shareholders and who participate in the Scheme will be issued under exemptions from the requirements to provide a prospectus under applicable Canadian securities laws. The Replacement Shares may be resold in each of the provinces and territories of Canada without significant restriction, subject to certain conditions.

Continental Holdco is not, as at the date hereof, a reporting issuer in any province or territory of Canada; however, upon completion of the Scheme, Continental Holdco will be a reporting issuer in Ontario, British Columbia, Alberta and New Brunswick. Continental Gold received conditional approval of the listing of the Holdco Shares on the TSX in substitution of the Common Shares, subject to certain conditions typical for a transaction of this nature, as well as the condition that the Scheme Resolution is approved by the requisite majority of Shareholders voting thereon at the Meeting.

See "Particulars of Matters to be Acted Upon – Approval of the Scheme – Canadian Securities Law Considerations".

U.S. Securities Law Considerations

The Replacement Shares to be issued to Shareholders in exchange for their Common Shares and the Replacement Options to be issued to Continental Gold Optionholders in exchange for their Continental Gold Options pursuant to the Scheme have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. Such securities will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) under the U.S. Securities Act. Except with respect to resales of Replacement Shares issued to Shareholders under the Scheme who were affiliates (as such term is understood under U.S. Securities Act) of Continental Holdco or Continental Gold, at the time of such resale, or within the 90 days immediately before such resale, the securities to be issued or distributed pursuant to the Scheme will not be subject to resale restrictions under the U.S. Securities Act. The Replacement Options are not transferrable except pursuant to a will or by the laws of descent and distribution. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – U.S. Securities Law Considerations".

Risk Factors

Risk factors related to the business of Continental Gold as contained in the Company's annual information form dated March 6, 2015 (the "AIF") will generally continue to apply to Continental Holdco after the Effective Date and will not be affected by the Scheme. If the Scheme is completed, the business and operations of, and an investment in, securities of Continental Holdco will be subject to these risk factors. Securityholders should carefully consider those risk factors as well as the additional risk factors relating to the Scheme disclosed in this Circular. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – Risk Factors".

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MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON JUNE 4, 2015

This Circular is furnished in connection with the solicitation of proxies by the management of Continental Gold for use at the Meeting to be held on Thursday, June 4, 2015 at 10:00 a.m. (EDT) at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada and any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Meeting. This Circular and the enclosed form of proxy have been mailed to the registered Shareholders of record at the close of business on the Record Date. Except to the extent otherwise stated herein, all information set forth herein is given as of the Record Date, and all dollar amounts set forth herein are stated in U.S. dollars. Information set forth herein as to shareholdings is based upon publicly available information filed by the respective persons holding such Common Shares.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The Company will bear the cost of soliciting proxies on behalf of management. The Company will reimburse brokers, custodians, nominees and other fiduciaries for their reasonable charges and expenses incurred in forwarding this proxy material to beneficial owners of Common Shares. The solicitation will be primarily by mail. However, proxies may be solicited by telephone or in writing by directors, officers or designated agents of the Company.

Voting by Non-Registered Shareholders

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("Non-Registered Shareholders") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "Intermediary") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, this Circular, the form of proxy, the supplemental mailing list and consent for electronic delivery return card, and the audited consolidated financial statements, including the report of the auditor thereon, and management's discussion and analysis of the Company for the financial year ended December 31, 2014 (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete, sign, date and return the enclosed form of proxy to the Company's Registrar and Transfer Agent, Computershare Investor Services Inc., Attention: Proxy Department, by mail at: 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by fax at 1-866-249-7775 within North America or 416-263-9524 outside of North America, no later than 48 hours (excluding Saturdays, Sundays and statutory or civic holidays in the City of Toronto, Ontario, Canada) prior to the time set for the Meeting or any adjournments or postponements thereof.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder's or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form, proxy or waiver of the right to receive Meeting Materials and to vote at any time by written notice to the Intermediary, provided that an Intermediary is not required to act on a revocation of a voting instruction form, proxy or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

Manner in which Proxies will be Voted

To be voted, the accompanying form of proxy must be properly completed, signed, dated and returned to the offices of the Company's Registrar and Transfer Agent, Computershare Investor Services Inc., Attention: Proxy Department, by mail at: 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by fax at 1-866-249-7775 within North America or 416-263-9524 outside of North America, no later than 48 hours (excluding Saturdays, Sundays and statutory or civic holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. On any ballot that may be called for at the Meeting, the Common Shares represented by such form of proxy will be voted for or against the relevant resolution or will abstain from voting, as applicable, in accordance with the instructions of the Shareholder appearing on such form of proxy, and, if a choice is specified therein in respect of any matter to be acted upon, will be voted in accordance with the specification made. In the absence of such specification, such Common Shares will be voted for such matter. If you are a registered Shareholder and abstain from voting on a matter, your vote will not count as a vote cast, but the abstention will be represented at the Meeting and will count toward establishing a quorum.

Appointment of Proxies

Each Shareholder has the right to appoint a person other than the persons named in the accompanying form of proxy, who need not be a Shareholder, to attend and act on the Shareholder's behalf at the Meeting. Any Shareholder wishing to exercise such right may do so by striking out the names of the management nominees and inserting in the blank space provided in the accompanying form of proxy the name of the person whom such Shareholder wishes to appoint as proxy. A Shareholder wishing to be represented by proxy at the Meeting, or any adjournments or postponements thereof, must in all cases deposit the properly completed, signed and dated proxy with the Company's Registrar and Transfer Agent, Computershare Investor Services Inc. ("Computershare"), at the address or facsimile number and by the time specified under the heading "Manner in which Proxies will be Voted" above.

Revocability of Proxy

A Shareholder giving a proxy has the power to revoke it. Such revocation may be effected by written instrument revoking such proxy executed by the Shareholder or by his, her or its attorney authorized in writing or where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation and deposited at the office of the Company's Registrar and Transfer Agent, Computershare, at any time up to and including the last business day preceding the date of the Meeting or any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof. If such written instrument is deposited with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Voting Securities and Principal Holders of Voting Securities

The Company has an authorized capital of $60,000 and may issue up to 50,000,000,000 Common Shares with a par value of $0.000001 per share, and up to 100,000,000 preferred shares with a par value of $0.0001 per share, issuable in one or more series. As at the Record Date, there were 129,299,628 Common Shares and no preferred shares issued and outstanding. Each Common Share carries the right to one vote on any matter properly coming before the Meeting. A quorum for the annual general meeting consists of two persons present in person or by proxy. The Company has no other classes of voting securities.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owned or controlled or directed, directly or indirectly, 10% or more of the Common Shares except as follows:

Name of Shareholder and Municipality of Residence	Type of Ownership	Number of Common Shares owned, controlled or directed	Percentage of class of outstanding voting securities of the Company[1]
Robert W. Allen Medellín, Colombia	Indirect	17,142,145[2]	13.3%

(1) Based on 129,299,628 Common Shares issued and outstanding as at the Record Date.

(2) The 17,142,145 Common Shares noted above are held by the following companies controlled by Robert W. Allen: Bullet Holding Corporation (8,204,456 Common Shares); Coastal Financing Corp. (5,086,271 Common Shares); Reindeer Capital Limited (3,668,490 Common Shares); and Grupo de Bullet S.A. (182,928 Common Shares). Based on the system for electronic disclosure by insiders ("SEDI") reports filed pursuant to National Instrument 55-102 – *System for Electronic Disclosure by Insiders (SEDI)* ("NI 55-102") by the Shareholder, as at the Record Date.

Only holders of record of Common Shares at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or at any adjournment or postponement thereof (subject in the case of voting by proxy to the timely deposit of a properly completed, signed and dated proxy with Computershare, as specified herein and in the Notice of Meeting).

Notice to Registered Shareholders Regarding Direct Registration System (DRS)

Direct Registration System

Continental Gold has adopted a Direct Registration System ("DRS") as an alternative method for registered Shareholders to hold their unrestricted Common Shares. DRS is a system that allows registered Shareholders to hold unrestricted Common Shares in "book-based'' form without having a physical security certificate issued as evidence of ownership. The DRS system is not available to holders of Common Shares with a restrictive legend.

The unrestricted Common Shares are held in the registered Shareholder's name and registered electronically on the Company's records maintained by its Registrar and Transfer Agent, Computershare.

Benefits of DRS include eliminating the need for Shareholders to safeguard and store physical certificates, as well as potentially avoiding the significant cost of a surety bond for the replacement of, and effort involved in replacing, physical certificates that might be lost, stolen or destroyed.

Conversion of Physical Certificates to Book-Based Form

If a registered Shareholder currently holds unrestricted Common Shares in certificated form, the Shareholder may, at any time, convert all or some of those shares to DRS (book-based form). To do so, the certificate(s) must be sent to Computershare at the address below, along with written instructions to have them moved to DRS. Do not endorse the back of the certificate(s).

Computershare Investor Services Inc.
100 University Avenue, 8th Floor, North Tower
Toronto, ON M5J 2Y1

Since the method of delivery of the certificate(s) is at the Shareholder's risk, the Company recommends that the registered Shareholder send the certificate(s) via courier or by registered mail. Note that security certificates cannot be converted to DRS without receipt of the actual certificates. The DRS is optional and registered Shareholders remain entitled to keep their physical share certificates. For more information on DRS, please contact Computershare at 1-800-564-6253 (North America only) or 514-982-7555.

Exchange Rate Information

Unless otherwise noted, all references herein to "$" means United States dollars ("U.S. dollars" or "US$"). Certain financial information relating to the Company contained in this Circular is expressed in Canadian dollars ("C$"). The following table sets out the rates of exchange for the U.S. dollar in terms of Canadian dollars in effect at the end of the periods indicated and the average rates of exchange during such periods based on the noon spot rate quoted by the Bank of Canada:

	12 months ended December 31	
(US$:C$)	2014	2013
Rate at end of period	1.1601	1.0636
Average rate for period	1.1045	1.0299

Forward-Looking Information

Except for statements of historical fact relating to the Company, certain information contained in this Circular and in the documents incorporated by reference herein constitutes "forward-looking information" within the meaning of applicable Canadian securities legislation and applicable U.S. securities laws. Forward-looking information includes, but is not limited to: statements with respect to the potential of the Company's properties; the estimation of mineral resources; exploration results; potential mineralization; exploration and mine development plans; results of the Company's independent preliminary economic assessment (the "PEA"); timing of the commencement of operations; the future price of gold and other mineral commodities; the realization of mineral resource estimates; success of exploration activities; cost and timing of future exploration and development; conclusion of economic evaluations; requirements for additional capital; other statements relating to the financial and business prospects of the Company; other future events and information as to the Company's strategy, plans or future financial or operating performance; the benefits of the Scheme; the timing of the Sanction Order; the occurrence of the Effective Date; the satisfaction of conditions for listing of the Holdco Shares on the TSX; the treatment of Shareholders under applicable tax laws; and the business to be carried on by Continental Holdco following the Scheme.

Generally, forward-looking statements are characterized by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "is projected", "anticipates" or "does not anticipate", "believes", "targets", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "should", "would", "might", "will be taken", "occur" or "be achieved".

Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management considered reasonable at the date the statements are made in light of management's experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that it believes to be relevant and reasonable in the circumstances at the date that such statements are made. Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-

looking information, including but not limited to: the actual results of exploration activities; the inherent risks involved in the exploration and development of mineral properties; changes in project parameters as plans continue to be refined; delays in obtaining government approvals; the risk that the conclusion of pre-production studies may not be accurate; uncertainties inherent in conducting operations in a foreign country; no assurance of titles or boundaries; reliance on the PEA to determine the potential economic viability of the mineral resources comprising the Buriticá project; uncertainties of project cost, construction and operating cost overruns or unanticipated costs and expenses; the presence of informal miners; uncertainties relating to the process of formalization of informal miners and the closure of illegal mines; title risks related to the ownership of the Company's projects and the related surface rights and to the boundaries of the Company's projects; cyber-attacks; the Company's limited operating history; uncertainties related to the availability and costs of financing needed in the future; fluctuations in mineral prices; uninsurable risks related to exploration, development and production; unexpected adverse changes that may result in failure to comply with environmental and other regulatory requirements; inability to resolve alleged environmental infractions; differing interpretations of tax regimes in foreign jurisdictions; the loss of Canadian tax resident status; uncertainties inherent in competition with other exploration companies; non-governmental organization intervention and the creation of adverse sentiment among the inhabitants of areas of mineral development; uncertainties related to conflicts of interest of directors and officers of the Company; dependence on key management employees; ability to recruit and retain employees with special skill and knowledge; reliance on outside contractors in certain mining operations; use of explosives; labour and employment matters; the reliability of mineral resource estimates; the ability to fund operations through foreign subsidiaries; reliance on a single property; the residency of directors, officers and others; property interests; environmentally-protected areas/forest reserves; foreign currency fluctuations; liquidity and credit risk; uncertainties related to global economic conditions; unreliable historical data for projects; reliance on adequate infrastructure for mining activities; compliance with government regulation; health and safety risks; the market price of shares of the Company; the payment of future dividends; future sales of shares of the Company; accounting policies and internal controls; litigation risk; uncertainties related to holding minority interests in, or acquiring and integrating, other companies; compliance with anti-corruption laws; opposition by indigenous peoples on the Company's operations; impairment of mineral properties; Bermuda legal matters; and to those set out below and those detailed elsewhere in this Circular (and in documents incorporated by reference herein):

- the perceived benefits of the Scheme are based upon the financial and operating attributes of Continental Gold as at the date hereof, anticipated operating and financial results from the date hereof to the Effective Date, the views of management and the Board respecting the key reasons for the Scheme and current and anticipated market conditions. See "Particulars of Matters to be Acted Upon – Approval of the Scheme";

- the attributes of Continental Holdco following completion of the Scheme are based upon the existing attributes of Continental Gold (including financial and operating attributes) and the opinions of management concerning perceived key reasons for the Scheme. See "Particulars of Matters to be Acted Upon – Approval of the Scheme";

- the structure and effect of the Scheme are based upon the terms of the Scheme Implementation Agreement and the transactions contemplated thereby, and the assumption that all conditions in the Scheme Implementation Agreement will be met. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – The Scheme Implementation Agreement";

- certain steps in, and timing of, the Scheme are based upon the terms of the Scheme Implementation Agreement and advice received from counsel to Continental Gold relating to timing expectations;

- inability of Continental Holdco to meet the listing requirements of the TSX;

- inability of the parties to obtain required consents, permits or approvals, including Court approval of the Scheme and the approval by Shareholders of the Scheme Resolution or to satisfy the other conditions set out therein; and

- the other risks and factors discussed under "Particulars of Matters to be Acted Upon – Approval of the Scheme – Risk Factors" in this Circular and "Risks and Uncertainties" in the Company's management's discussion and analysis for the financial year ended December 31, 2014.

Although management of the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. The forward-looking information contained herein and incorporated by reference herein is presented for the purpose of assisting shareholders in understanding the Company's expected financial and operational performance and the Company's plans and objectives and may not be appropriate for other purposes. The forward-looking statements are made as of the date of this Circular, and should not be relied upon as representing the Company's views as of any date subsequent to the date of this Circular. The Company does not undertake to update any forward-looking statements contained herein or incorporated by reference herein, except in accordance with applicable securities laws. The PEA is preliminary in nature, includes inferred mineral resources that are considered to be too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Further, mineral resources that are not mineral reserves do not have demonstrated economic viability.

Notice to United States Securityholders

THE REPLACEMENT SECURITIES ISSUABLE IN CONNECTION WITH THE SCHEME HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Replacement Shares to be issued to Shareholders in exchange for their Common Shares and the Replacement Options to be issued to the Continental Gold Optionholders for their Continental Gold Options pursuant to the Scheme have not been and will not be registered under the U.S. Securities Act and are being issued in reliance on the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Court, which will consider, among other things, the fairness of the terms and conditions of the Scheme to the Shareholders and Continental Gold Optionholders. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – Required Court Approvals". The Section 3(a)(10) Exemption exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Scheme will be considered. The Court issued the Order for Directions on April 29, 2015 and, subject to the approval of the Scheme by the Shareholders, a hearing on the Scheme will be held at 9:30 a.m. (ADT) on June 9, 2015, or as soon thereafter as Bermuda counsel for Continental Gold may be heard, at the Supreme Court of Bermuda, 2nd Floor, Government Administration Building, 30 Parliament Street, Hamilton HM12. All Shareholders and Continental Gold Optionholders are entitled to appear and be heard at this hearing. The Sanction Order will constitute a basis for the Section 3(a)(10) Exemption with respect to the Replacement Shares to be issued to Shareholders in exchange for their Common Shares and the Replacement Options to be issued to the Continental Gold Optionholders for their Continental Gold Options pursuant to the Scheme. Prior to the hearing on the Sanction Order, the Court will be informed of this effect of the Sanction Order.

The Replacement Shares to be issued to Shareholders under the Scheme will be freely transferable under U.S. federal securities laws, except that the U.S. Securities Act imposes restrictions on the resale of securities received pursuant to the Scheme by persons who are, or within the 90 days immediately before such resale were, "affiliates" (as such term is understood under U.S. Securities Act) of Continental Holdco or Continental Gold. Persons who may be deemed to be "affiliates'" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such Replacement Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. The Replacement Options are not transferrable except pursuant to a will or by the laws of descent and distribution. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – U.S. Securities Law Considerations".

The Holdco Shares issuable upon exercise of the Replacement Options have not been registered under the U.S. Securities Act or under applicable securities laws of any state of the United States. As a result, the Replacement Options may not be exercised by persons in the United States unless an exemption from the registration requirements of the U.S. Securities Act and all applicable securities laws of any state of United States is available. Any Holdco Shares issued upon exercise of the Replacement Options in the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act will be "restricted securities" as defined in Rule 144 under the U.S. Securities Act and will be subject to restrictions on resales imposed by the U.S. Securities Act.

Holders of Continental Gold Securities should be aware that the acquisition of the Replacement Shares or Replacement Options pursuant to the Scheme described herein may have tax consequences both in the United States and in Canada. See "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain United States Federal Income Tax Considerations", "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain Canadian Federal Income Tax Considerations for Shareholders" and "Particulars of Matters to be Acted Upon – Approval of the Scheme – Certain Canadian Federal Income Tax Considerations for Continental Gold Optionholders". Holders of Continental Gold Securities that are resident in, or citizens of, the United States are advised to consult their tax advisors regarding the United States tax consequences to them of the transactions to be effected in connection with the Scheme, in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

Continental Gold is a "foreign private issuer" within the meaning of Rule 405 under the U.S. Securities Act and Rule 3b-4 under the U.S. Exchange Act. The solicitation of proxies from Shareholders is not subject to the proxy requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption for foreign private issuers. Accordingly, the solicitation contemplated herein is being made to Shareholders in the U.S. only in accordance with Canadian corporate and securities laws, and this Circular has been prepared in accordance with the disclosure requirements of Canadian securities laws. Holders of Continental Gold Securities in the U.S. should be aware that, in general, such Canadian disclosure requirements are different from those applicable to proxy statements, prospectuses or registration statements prepared in accordance with U.S. laws. Certain of the financial information referred to in this Circular or the financial statements of Continental Gold incorporated by reference herein have been prepared in U.S. dollars, and in accordance with IFRS and are subject to Canadian auditing and auditor independence standards, which may differ in material ways from United States generally accepted accounting principles and United States auditing and auditor independence standards in certain material respects and thus may not be comparable to financial information of United States corporations.

The enforcement by investors of civil liabilities under the U.S. Securities Laws may be affected adversely by the fact that Continental Gold is organized under the laws of a jurisdiction other than the U.S., that most of its respective officers and directors are residents of countries other than the U.S., that some or all of the experts named in this Circular and the documents incorporated by reference herein may be residents of countries other than the U.S., and that all of the assets of Continental Gold and most of the assets of such persons are located outside the U.S. As a result, it may be difficult or impossible for holders of Continental Gold Securities resident in the U.S. to effect service of process within the U.S. upon Continental Gold, its officers and directors or the experts named in this Circular and any documents incorporated by reference herein, or to realize, against them, upon judgments of courts in the U.S. predicated upon civil liabilities under the securities laws of the U.S. In addition, holders of Continental Gold Securities resident in the U.S. should not assume that Canadian courts: (a) would enforce judgments of U.S. courts obtained in actions against such persons predicated upon civil liabilities under the securities laws of the U.S. or the state-specific "blue sky" securities laws of any state within the U.S.; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the securities laws of the U.S. or "blue sky" laws of any state within the U.S.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, to the best of management's knowledge, no director or executive officer of the Company, or any person who has held such a position since January 1, 2014, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Audited Consolidated Financial Statements

The audited annual consolidated financial statements of the Company for the financial year ended December 31, 2014 and the report of the auditor thereon will be presented before the Meeting. No formal action will be taken at the Meeting to approve the financial statements. The Board approved the financial statements upon the recommendation of the audit committee of the Board (the "Audit Committee") prior to their delivery to Shareholders. The audited annual consolidated financial statements for the financial year ended December 31, 2014, the report of the auditor thereon and related management's discussion and analysis, were mailed to Shareholders of the Company with this Circular.

B. Election of Directors

Seven directors are to be elected at the Meeting to serve until the next annual general meeting of the Company or until their respective successors are duly elected or appointed, or until their office is vacated, if earlier. All of the following persons whose names are set out below have been nominated by the Board for election as directors at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve.

The nominees for election as directors of the Company are listed below, all of whom are currently serving as directors or officers of the Company. The persons proposed for election are, in the opinion of the Board and management, well qualified to act as directors for the forthcoming year.

Pursuant to the Bermuda Act, Shareholders must be permitted to vote against any resolution proposed for consideration at a general meeting. At the Meeting, Shareholders may vote for or against or abstain from voting with respect to the director nominees listed below. If the number of votes against a particular director nominee is greater than the number of votes in favour of such nominee, such director nominee will not have been elected at the Meeting.

In accordance with Bermuda law, the Board has adopted a director voting policy stipulating that Shareholders shall be entitled to vote annually in favour of or against each individual director nominee at a general meeting. The policy does not stipulate a resignation process for director nominees who receive a majority of "abstain" (withheld) votes, as Bermuda law provides that Shareholders may vote for or against (or abstain from voting in respect of) any resolution proposed for consideration at a general meeting. A vote to "abstain" is not a vote in law and will not be counted in the calculation of the votes cast for and against the resolution. If the number of votes against a particular director nominee is greater than the number of votes in favour, such director nominee will not be elected at the applicable general meeting. As such, a majority voting policy is not required for Continental Gold. If the Scheme is completed, it is expected that the director voting policy will be amended to reflect the majority voting requirements of the TSX.

Management recommends a vote FOR all nominees for election as directors of the Company. Unless otherwise instructed, the persons named in the accompanying form of proxy intend to vote FOR the election of each of the nominees. The proposal requires the approval of a majority of the votes cast at the Meeting.

The Company's bye-laws (the "Bye-Laws") include an advance notice requirement for nominations of directors by Shareholders in certain circumstances. As at the date hereof, the Company has not received notice of any director nominations by Shareholders in connection with the Meeting.

The following table sets forth the name, province or state and country of residence, period or periods during which each director nominee has served as a director of the Company, present principal occupation, business or employment, and number of Common Shares beneficially owned by each nominee for election as a director of the Company. The number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominees for election as

directors hereinafter named is, in each instance, based upon SEDI reports filed pursuant to NI 55-102 by the persons concerned, as at the Record Date.

Name, Province/State and Country of Residence	Period of Service as a Director	Position with the Company and Current Principal Occupation	Number of Common Shares Held (%)[6]
Leon Teicher[3][4] British Columbia, Canada	April 2013 - present	Executive Chairman and Director of the Company.	15,200 (0.0%)
Ari B. Sussman[4] Ontario, Canada	March 2010 - present	President, Chief Executive Officer and Director of the Company.	1,347,984 (1.0%)
Dr. Claudia Jiménez[3][4] Medellín, Colombia	July 2014 - present	Director of the Company. Chief Executive Officer, Jiménez & Asociados S.A.S.	8,000 (0.0%)
Gustavo J. Koch[4] Santa Fe, Argentina	April 2014 - present	Executive Vice-President and Director of the Company	2,345,379[5] (1.8%)
Paul J. Murphy[1] Ontario, Canada	May 2010 - present	Director of the Company. Executive Vice President, Finance and Chief Financial Officer, Guyana Goldfields Inc., and Chief Financial Officer, GPM Metals Inc.	3,000 (0.0%)
Dr. Kenneth G. Thomas[1][2][3] Ontario, Canada	June 2012 - present	Director of the Company. President, Ken Thomas & Associates Inc.	3,200 (0.0%)
Timothy A. Warman[1][2][3] Ontario, Canada	March 2010 - present	Director of the Company. President, Dalradian Resources Inc.	10,531 (0.0%)

(1) Member of the Audit Committee. Paul J. Murphy is the Chair of the Audit Committee.
(2) Member of the Corporate Governance, Nominating and Compensation Committee; Timothy A. Warman is the Chair of the Corporate Governance, Nominating and Compensation Committee.
(3) Member of the Health, Safety and Environment Committee. Kenneth G. Thomas is the Chair of the Health, Safety and Environment Committee.
(4) Member of the Community and Government Relations Committee; Leon Teicher is the Chair of the Community and Government Relations Committee.
(5) The 2,345,379 Common Shares noted above are held as follows: direct ownership – 68,454 Common Shares; Expert Funding Corporation, a company controlled by Mr. Koch – 2,276,925 Common Shares.
(6) Based on 129,299,628 Common Shares issued and outstanding as at the Record Date.

Additional information regarding the nominees can be found in the "Compensation Discussion and Analysis – Directors Compensation" section and in the "Statement of Corporate Governance Practices – Board of Directors" section of this Circular.

The principal occupations, businesses or employments of each of the director nominees within the past five years are disclosed in the brief biographies set out below.

Leon Teicher, Executive Chairman and Director

Mr. Teicher joined the Board in April 2013, and was appointed non-executive Chairman in April 2014 and Executive Chairman on April 1, 2015. He was formerly President and Chief Executive Officer of Cerrejón Coal Ltd., Colombia's largest private coal producer and exporter and one of the largest integrated mining companies in the world, with mine-railway-port and marketing operations. Throughout his career, Mr. Teicher has held leadership roles in both the mining and high-tech industries, including as Vice-President, Marketing and Sales, and later as a member of the board, of Carbocol S.A. (a state-owned Colombian coal company), and general manager of various regional and country operations for Unisys Corporation (a global information technology company). He founded and was Chief Executive Officer of Xeon Technology Corp., a software business development company. Currently a member of the Board of Governors of Universidad de los Andes in Bogotá, Mr. Teicher is also a member of the board of directors of Fedesarrollo, Colombia's leading economic think-tank, and Cementos Argos (Medellín, Colombia), the fourth largest cement producer in Latin America and second largest in the Southeast United States. Mr. Teicher holds an MBA from Stanford University and a Bachelor's Degree in Industrial Economics from Universidad de los Andes. Among other distinctions, he has been a Fulbright Scholar (1976-1978) and has received various recognition awards from the Colombian government. Mr. Teicher is a dual citizen of Colombia and Canada.

Ari B. Sussman, President, Chief Executive Officer and Director

Mr. Sussman has been Chief Executive Officer and a director of the Company since completion of the amalgamation (the "Amalgamation") between Continental Gold Limited and Cronus Resources Ltd. ("Cronus") effective March 30, 2010. He was appointed President of the Company on April 1, 2015. Prior to the Amalgamation, Mr. Sussman was President of Cronus from July 2005 until the Amalgamation. Mr. Sussman was formerly Chief Executive Officer and then Executive Chairman of Colossus Minerals Inc. until 2012. He is Chairman of the Board of Cordoba Minerals Corp. Mr. Sussman has over 15 years of experience in both the natural resources and investment markets sectors. Having dedicated the majority of his career to the natural resources industry, Mr. Sussman has been instrumental in sourcing, funding and developing high-quality mineral assets.

Dr. Claudia Jiménez, Director

Dr. Jiménez is a Colombian-based lawyer with extensive experience in economics and mining in Colombia and internationally. She is currently CEO of Jiménez & Asociados S.A.S., a private company based in Medellín, Colombia specializing in fiscal, financial and economic advisory services. Formerly, Dr. Jiménez was the Executive Director of the Association for the Large-Scale Mining Sector (now the Mining Colombian Association). Dr. Jiménez's experience also includes serving as the Minister-

Counselor of the President of Colombia between 2009 and 2010, the Director of the Colombian Presidential Program for the Reform of the Public Administration at the National Planning Department between 2002 and 2005, and the Ambassador of Colombia in Switzerland and Liechtenstein between 2006 and 2009. Dr. Jiménez graduated with a degree in Law and Political Science from the Universidad Pontificia Bolivariana in Medellín, Colombia, and later pursued a Doctorate of Law at the Université of Paris II (Panthéon-Assas) in France.

Gustavo J. Koch, Executive Vice-President and Director

Mr. Koch has been Executive Vice-President of the Company since August 2010, and served as General Counsel and Corporate Secretary of the predecessor company from September 2007 to 2010. Mr. Koch was previously an associate with the International Law Institute in Washington and with the Latin American Mining Institute where he was responsible for editing *The South American Investment and Mining Guide* and *The Mexican and Central American Investment and Mining Guide*. Mr. Koch has over 20 years of legal experience. He was previously a solicitor with Koch & Arroyo in Santa Fe, Argentina and a staff attorney for the Argentina Department of Transportation. Mr. Koch serves as a director of Trident Gold Corporation Ltd. and as a director and legal representative of Grupo de Bullet S.A.S. He holds a law degree from the Colegio des Abogados in Santa Fe, Argentina, an L.L.M. in International Trade and Banking from the Washington College of Law and also attended the University Nacional Del Litoral, School of Law (J.D. equivalent) in Argentina.

Paul J. Murphy, Director

Paul Murphy is a retired partner of PricewaterhouseCoopers LLP (1981-2010), where he served as National Mining Leader in Canada. Throughout his career, Mr. Murphy has worked primarily in the resource sector and his clients have included major international oil and gas and mining companies. Mr. Murphy's professional experience includes financial reporting controls, operational effectiveness, IFRS and SEC reporting issues, and financing, valuation, and taxation as they pertain to the mining sector. Mr. Murphy has a Bachelor of Commerce degree from Queen's University and has been qualified as a chartered accountant since 1975. Mr. Murphy is the Executive Vice President of Finance and Chief Financial Officer of Guyana Goldfields Inc., and serves as Chief Financial Officer of GPM Metals Inc. He is also Chairman of the Board of Alamos Gold, Inc.

Dr. Kenneth G. Thomas, Director

Dr. Thomas was Senior Vice-President, Projects at Kinross Gold Corporation ("Kinross"). Prior to Kinross, Dr. Thomas was Global Managing Director and a director at Hatch, a multinational engineering company that provides process design, business strategies, technologies, and project and construction management to the metals, infrastructure and energy market sectors. From 2003 to 2005, he was Chief Operating Officer at Crystallex International and, earlier in his career, spent 14 years at Barrick Gold Corporation, including as Senior Vice-President, Technical Services. Dr. Thomas earned his Ph.D. from Delft University of Technology in The Netherlands, with a focus on technical services and project execution. He is a member of the Professional Engineers of Ontario, and a Fellow of The Canadian Institute of Mining, Metallurgy & Petroleum. In 2001, the Institute awarded Dr. Thomas the Selwyn G. Blaylock Medal for advancement in international mine design. Mr. Thomas is also a director of Candente Gold Corporation and Avalon Rare Metals Inc.

Timothy A. Warman, Director

Mr. Warman, President of Dalradian Resources Inc., is a professional geologist with over 20 years of experience in all phases of the mining industry, from grassroots exploration through feasibility and development. Previously, he was President and Chief Executive Officer of Malbex Resources Inc., which discovered the Del Carmen oxide gold deposit in Argentina. Prior to that, Mr. Warman was Vice President, Corporate Development of Aurelian Resources Inc. ("Aurelian"), where he supported the exploration team in Ecuador, initiated and managed early-stage development studies, marketed Aurelian to international investors and played a significant role in successfully negotiating the $1.2 billion acquisition of Aurelian by Kinross. Prior to Aurelian, Mr. Warman held senior positions in a number of mining and exploration companies in North America, Africa and Europe, and has worked extensively in Scandinavia, including projects in Norway and Finland. Mr. Warman is a graduate of the University of Manitoba (MSc) and McMaster University (BSc) and is a member of the Association of Professional Geoscientists of Ontario.

Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions

None of the proposed directors are, as at the date hereof, or have been, within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to a cease trade or similar order, or an order that denied the company access to any exemption under securities legislation, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, which order was in effect for a period of more than 30 consecutive days.

None of the proposed directors are, as of the date hereof, or have been within 10 years before the date hereof, either individually, or as a director or executive officer of any company (including the Company) that, while that person were acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his/her or its assets.

None of the proposed directors are, as at the date hereof, or have been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

C. Setting Number of Directors and Authorization of Board to Fill Vacancies

The bye-laws of the Company provide that shareholders may set the maximum number of directors on the Board and authorize the Board to fill any vacancies on the Board. The Board currently is comprised of seven directors; however, the Board is authorized to consist of up to eight directors. Accordingly, the Board proposes that Shareholders set the maximum number of directors on the Board at eight and authorize the Board to appoint additional director(s) to the Board to fill any vacancies. If the Scheme is completed, the Holdco Board will be identical to the Board immediately prior to the Effective Time.

Approval Requirements

The setting of the maximum number of directors on the Board at eight and authorizing of the Board to appoint additional director(s) to the Board to fill any vacancies must be confirmed by a simple majority of the votes cast by Shareholders voting in person or by proxy at the Meeting. **The Board unanimously recommends that Shareholders vote FOR the resolution setting the maximum number of directors on the Board at eight and authorizing the Board to appoint additional director(s) to the Board to fill any vacancies.**

Setting Number of Directors and Authorization of the Board to Fill Vacancies by Shareholders

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution setting the maximum number of directors at eight and authorizing the Board to fill any vacancies (the "Number of Directors and Board Vacancies Resolution"):

"BE IT RESOLVED THAT:

1. the maximum number of directors on the Board is hereby set at eight;

2. the directors are hereby authorized to appoint additional director(s) to the Board to fill any vacancies; and

3. notwithstanding that this resolution has been passed by the Shareholders of the Company, the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further notice or approval of the Shareholders, at any time if such revocation is considered necessary or desirable by the directors."

The Board has concluded that the approval of the Number of Directors and Board Vacancies Resolution is in the best interests of the Company and its Shareholders. **Accordingly, the Board unanimously recommends that Shareholders set the maximum number of directors on the Board at eight and authorize the Board to appoint additional director(s) to the Board to fill any vacancies by voting FOR the Number of Directors and Board Vacancies Resolution at the Meeting.**

Proxies received in favour of management will be voted in favour of the Number of Directors and Board Vacancies Resolution unless the Shareholder has specified in the proxy that his or her Common Shares are to be voted against such resolution.

D. Reappointment of Auditor

The Board proposes to reappoint PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of the Company. PricewaterhouseCoopers LLP was first appointed auditor of the Company on December 7, 2010.

Unless otherwise instructed, the persons named in the accompanying form of proxy intend to vote FOR the reappointment of PricewaterhouseCoopers LLP as the auditor of the Company until the close of the next annual general meeting of the Company and to authorize the Board to fix their remuneration.

E. Ratification, Confirmation and Approval of Amendment to the Deferred Share Unit Plan

On April 23, 2015, the Board approved an amendment to the Company's treasury-based DSU Plan to set the maximum number of Common Shares to be reserved for issuance under the DSU Plan to 250,000, rather than (together with all other security-based compensation arrangements of the Company) that number that is equal to 10% of the issued and outstanding Common Shares from time to time. A description of the DSU Plan is set out under "Compensation Discussion and Analysis – Incentive Plan Awards – Deferred Share Unit Plan" and a copy of the amended DSU Plan is attached hereto as Appendix B.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, ratify, confirm and approve the amendment to the DSU Plan.

Approval Requirements

The ratification, confirmation and approval of the amendment to the DSU Plan must be confirmed by a simple majority of the votes cast by Shareholders voting in person or by proxy at the Meeting. **The Board unanimously recommends that Shareholders vote FOR the resolution ratifying, confirming and approving the amendment to the DSU Plan.**

Ratification, Confirmation and Approval of the Amendment to the DSU Plan by Shareholders

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to approve the ratification, confirmation and adoption of the amendment to the DSU Plan (the "DSU Plan Resolution"):

"BE IT RESOLVED THAT:

1. subject to the approval of the TSX, the amendment to the DSU Plan to set the maximum number of Common Shares to be reserved for issuance under the DSU Plan to 250,000, as set out in the form of the amended DSU Plan attached as Appendix B to the Circular, be and the same is hereby ratified, confirmed and approved, and the Board is hereby authorized, without further approval of the Shareholders, to make any further amendments to the DSU Plan as may be required by the TSX;

2. the reservation for issuance under the amended DSU Plan of 250,000 Common Shares is hereby authorized and approved;

3. the Company be and is hereby authorized and directed to issue up to 250,000 Common Shares pursuant to the amended DSU Plan as fully paid and non-assessable shares of the Company;

4. any one officer or director of the Company be and is hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the Company, all such instruments, agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolutions; and

5. notwithstanding that this resolution has been passed by the Shareholders of the Company, the amendment to the DSU Plan is conditional upon receipt of final approval from the TSX, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the Shareholders, at any time if such revocation is considered necessary or desirable by the directors."

The Board has concluded that the approval of the amendment to the DSU Plan is in the best interests of the Company and its Shareholders. **Accordingly, the Board unanimously recommends that Shareholders ratify, confirm and approve the amendment to the DSU Plan by voting FOR the DSU Plan Resolution at the Meeting.**

Proxies received in favour of management will be voted in favour of the DSU Plan Resolution unless the Shareholder has specified in the proxy that his or her Common Shares are to be voted against such resolution.

F. Ratification, Confirmation and Approval of the Restricted Share Unit Plan

On April 23, 2015, the Board approved the adoption by the Company of a treasury-based restricted share unit plan (the "RSU Plan"). The RSU Plan was designed to attract, retain and encourage employees and consultants of the Company and its designated affiliates by offering them the opportunity to acquire Common Shares, and therefore a proprietary interest in the Company.

The Board, or such committee of the Board (the "Committee") as the Board may determine, is responsible for administering the RSU Plan.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, ratify, confirm and approve the adoption of the RSU Plan.

The following is a summary of the RSU Plan and is subject to the specific provisions of the RSU Plan. Capitalized terms used but not defined in this section of the Circular shall have the meaning ascribed thereto in the RSU Plan attached to this Circular as Appendix C.

The proposed RSU Plan provides that restricted share units ("RSUs") may be granted by the Board, or a Committee which administers the RSU Plan, to employees and consultants of the Company as a discretionary payment in consideration of past or future services to the Company.

The number of RSUs awarded will be credited to the participant's account effective on the grant date of the RSUs. An RSU represents a right to receive one Common Share issued from treasury on the later of: (i) the date which is the first day after a restricted period as determined by the Committee ("Restricted Period"); and (ii) a date determined by an eligible participant that is after the Restricted Period but is no later than the participant's retirement date or termination date (a "Deferred Payment Date"). The Committee may also make the vesting of RSUs subject to performance conditions to be achieved by the Company, the participant or a class of participants. Eligible employees, who are residents of Canada, seeking to set a Deferred Payment Date may do so by giving the Company at least 60 days' notice prior to the expiration of the Restricted Period.

The maximum number of Common Shares to be reserved for issuance under the RSU Plan shall be 750,000. The maximum number of Common Shares issuable to insiders, at any time, pursuant to the RSU Plan and any other security-based compensation arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issued to insiders, within any one year period, pursuant to the RSU Plan and any other security-based compensation arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issuable to any one person, within any one year period, pursuant to the RSU Plan and any other security-based compensation arrangements of the Company is, 5% of the total number of Common Shares then outstanding.

RSUs are not assignable. In the event of a participant's retirement or termination during a Restricted Period, any RSUs automatically terminate, unless otherwise determined by the Committee. If a participant's retirement or termination occurs after the Restricted Period and prior to any Deferred Payment Date, any RSUs shall be settled by the Company issuing the applicable Common Shares. In the event of death or disability, such RSUs shall be immediately settled and Common Shares issued.

The Committee shall have the discretion to credit to a participant who holds RSUs such additional number of RSUs equal to any cash dividends that would apply on Common Shares underlying RSUs, divided by the market value of the Common Shares.

In the event of a change of control of the Company (as defined in the RSU Plan), all RSUs shall be immediately settled with Common Shares notwithstanding the Restricted Period and any applicable Deferred Payment Date.

The Committee may from time to time in the absolute discretion of the Committee, without Shareholder approval, amend, modify and change the provisions of the RSU Plan, including, without limitation:

(i) amendments of a house-keeping nature; and

(ii) the change to the Restricted Period of any RSU.

However, other than as set out above, any amendment, modification or change to the provisions of the RSU Plan which would:

(a) materially increase the benefits of the holder under the RSU Plan to the detriment of the Company and its Shareholders;

(b) increase the number of Common Shares or maximum percentage, other than by virtue of the adjustment provisions and of the RSU Plan, which may be issued pursuant to the RSU Plan;

(c) reduce the range of amendments requiring Shareholder approval contemplated under the RSU Plan;

(d) change the insider participation limits which would result in Shareholder approval to be required on a disinterested basis;

(e) permit RSUs to be transferred other than for normal estate settlement purposes; or

(f) materially modify the requirements as to eligibility for participation in the RSU Plan;

shall only be effective upon such amendment, modification or change being approved by the Shareholders. Any amendment, modification or change of any provision of the RSU Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

Approval Requirements

The ratification, confirmation and approval of the RSU Plan must be confirmed by a simple majority of the votes cast by Shareholders voting in person or by proxy at the Meeting. **The Board unanimously recommends that Shareholders vote FOR the resolution ratifying, confirming and approving the RSU Plan.**

Ratification, Confirmation and Approval of the RSU Plan by Shareholders

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to approve the ratification, confirmation and adoption of the RSU Plan (the "RSU Plan Resolution"):

"BE IT RESOLVED THAT:

1. subject to the approval of the TSX, the RSU Plan, having a maximum of 750,000 Common Shares reserved for issuance thereunder, in the form attached as Appendix C to the Circular, be and the same is hereby ratified, confirmed and approved, and the Board is hereby authorized, without further approval of the Shareholders, to make any further amendments to the RSU Plan as may be required by the TSX;

2. subject to the approval of the TSX, the directors of the Company or the Committee are hereby authorized to grant RSUs pursuant to the RSU Plan to those eligible to receive RSUs thereunder;

3. the reservation for issuance under the RSU Plan of 750,000 Common Shares is hereby authorized and approved;

4. subject to the approval of the TSX, the directors of the Company or the Committee are hereby authorized and directed to issue up to 750,000 Common Shares pursuant to the RSU Plan as fully paid and non-assessable shares of the Company;

5. any one officer or director of the Company be and is hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the Company, all such instruments, agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolutions; and

6. notwithstanding that this resolution has been passed by the Shareholders, the adoption of the proposed RSU Plan is conditional upon receipt of final approval from the TSX, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the Shareholders, at any time if such revocation is considered necessary or desirable by the directors."

The Board has concluded that the adoption of the RSU Plan is in the best interests of the Company and its Shareholders. **Accordingly, the Board unanimously recommends that Shareholders ratify, confirm and approve the RSU Plan by voting FOR the RSU Plan Resolution at the Meeting.**

Proxies received in favour of management will be voted in favour of the RSU Plan Resolution unless the Shareholder has specified in the proxy that his or her Common Shares are to be voted against such resolution.

G. Approval of Unallocated Stock Options

The Company has established the Stock Option Plan under which directors, officers, consultants and employees of the Company may be granted stock options to acquire Common Shares. The purpose of the Stock Option Plan is to encourage ownership of Common Shares by the persons who are primarily responsible for the management and profitable growth of the Company's business, as well as provide additional incentive for superior performance by such persons and attract and retain valued personnel. A description of the Stock Option Plan is set out under "Compensation Discussion and Analysis – Incentive Plan Awards – Stock Option Plan" and a copy of the Stock Option Plan is attached hereto as Appendix D.

Pursuant to section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders every three years. The Stock Option Plan does not have a fixed number of Common Shares issuable thereunder but, together with all other security-based compensation arrangements of the Company, permits the issuance of up to an aggregate of 10% of the outstanding Common Shares from time to time. As such, the Company is required to seek Shareholder approval for all of the unallocated stock options issuable pursuant to the Stock Option Plan by no later than June 5, 2015, being the three-year anniversary of the last Shareholder approval of the Stock Option Plan. The Company has determined to submit this matter to the Shareholders at the Meeting.

As at the date of this Circular, the Company has 129,299,628 Common Shares issued and outstanding. Accordingly, a maximum of 12,929,962 Common Shares are available for issuance as at the date of this Circular pursuant to stock options granted under the Stock Option Plan or deferred share units ("DSUs") under the DSU Plan. There are 8,962,168 stock options outstanding under the Stock Option Plan and no DSUs outstanding under the DSU Plan as at the date of this Circular, leaving 3,967,794 Common Shares available for grant of further stock options or DSUs.

If approval is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated options under the Stock Option Plan until the Company's 2018 annual general meeting (provided that such meeting is held on or prior to June 4, 2018). If approval is not obtained at the Meeting, the Company must forthwith stop granting stock options under the Stock Option Plan; however all stock options that have been granted on or prior to June 4, 2018, but have not yet been exercised, will continue unaffected.

Approval Requirements

The approval of all unallocated stock options issuable pursuant to the Stock Option Plan must be confirmed by a simple majority of the votes cast by Shareholders voting in person or by proxy at the Meeting. **The Board unanimously recommends that Shareholders vote FOR the resolution approving all unallocated stock options issuable pursuant to the Stock Option Plan.**

Approval of all Unallocated Stock Options by Shareholders

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to approve all unallocated stock options issuable pursuant to the Stock Option Plan (the "Unallocated Options Resolution"):

"BE IT RESOLVED THAT:

1. all unallocated stock options issuable pursuant to the Stock Option Plan are hereby approved and authorized until the date of the Company's annual general meeting to be held in 2018 (provided that such meeting is held on or prior to June 4, 2018); and

2. any one officer or director of the Company be and is hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the Company, all such instruments, agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolutions."

The Board has concluded that the approval of all unallocated stock options issuable pursuant to the Stock Option Plan is in the best interests of the Company and its Shareholders. **Accordingly, the Board unanimously recommends that Shareholders approve all unallocated stock options issuable pursuant to the Stock Option Plan by voting FOR the Unallocated Options Resolution at the Meeting.**

Proxies received in favour of management will be voted in favour of the Unallocated Options Resolution unless the Shareholder has specified in the proxy that his or her Common Shares are to be voted against such resolution.

H. Approval of the Scheme

At the Meeting, Shareholders will be asked to consider and to approve the Scheme Resolution which, if approved, will, subject to the approval of the Court, give effect to the internal reorganization of Continental Gold by way of the exchange of Continental Gold Securities pursuant to the Scheme.

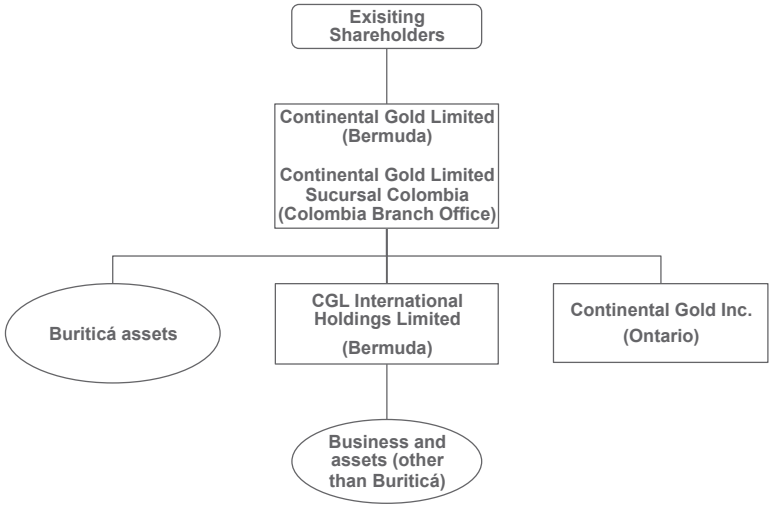
Pursuant to the Scheme, all of the outstanding Continental Gold Securities will be exchanged for equivalent securities of Continental Holdco on a one-for-one basis. Each Common Share will be exchanged for one Replacement Share, and each Continental Gold Option will be exchanged for one Replacement Option. Completion of the Scheme will result in Continental Gold becoming a wholly-owned subsidiary of Continental Holdco, and Continental Holdco will be a publicly-traded holding company with Continental Gold as its wholly-owned subsidiary. The Scheme is not intended to impact a securityholder's ultimate economic interest. Holders of Continental Gold Securities should be aware that the Scheme, the receipt of Replacement Securities pursuant thereto, and the ownership of such securities may have material tax consequences in both Canada and the United States. See "– Certain Canadian Federal Income Tax Considerations for Shareholders", "– Certain Canadian Federal Income Tax Considerations for Continental Gold Optionholders" and "– Certain United States Federal Income Tax Considerations". The Holdco Shares will have the same voting rights and rights to dividends and distributions and will be the same as the Common Shares in all other material respects.

Other than as disclosed herein, the Scheme will not change the rights of the holders of the Continental Gold Securities. The Scheme will affect the holders of Continental Gold Securities uniformly and will not affect any Shareholder's percentage ownership interest in Continental Gold or proportionate voting power. The Replacement Shares issued pursuant to the Scheme will be fully paid and non-assessable.

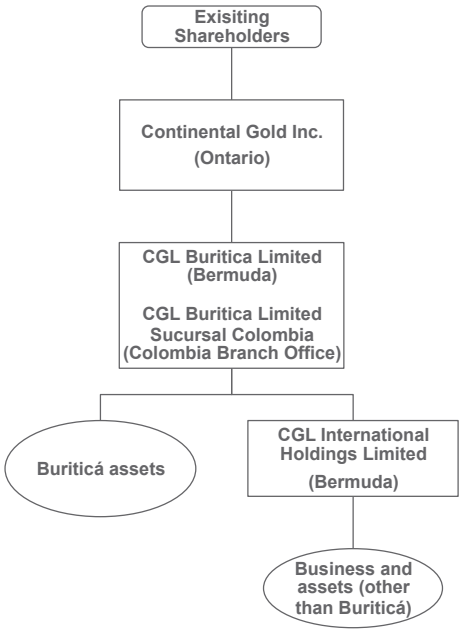
In connection with the Scheme, Continental Gold will change its name to "CGL Buritica Limited". In addition, the Colombian branch office, Continental Gold Limited Sucursal Colombia, will change its name to "CGL Buritica Limited Sucursal Colombia".

The following diagrams illustrate the corporate structure prior to the Scheme and following completion of the Scheme:

Current structure (prior to the Scheme)



Proposed structure (upon completion of the Scheme)



Following the Effective Date of the Scheme, Continental Gold may complete a corporate continuance out of Bermuda and into Colombia.

Background to the Scheme

Through the Scheme, management intends to position the assets of Continental Gold for future development and increasing Shareholder value by moving the Company's material operating asset out of the public corporation and into an operating subsidiary.

Management believes that separating the operating assets from the public corporation will result in Continental Gold being better positioned to develop its properties and pursue strategic objectives and financing initiatives. Since Continental Gold holds all of the certifications and permits required by it to operate in the mining industry and these approvals and permits are difficult and costly to transfer, management determined that the Scheme was the best way to accomplish this objective.

In March 2015, management of the Company approached the Board to explore the advantages and disadvantages of a transaction which would result in the separation of the operating business from the publicly-listed corporation. During this time, management consulted with the Company's legal, tax and financial advisers regarding structuring such a transaction. On April 14, 2015, management reported to the Board recommending that the Company proceed with the Scheme. The Board subsequently unanimously endorsed management's plan, approved the execution of the Scheme Implementation Agreement and authorized the Company to proceed with the Scheme, subject to the receipt of all requisite approvals.

On April 27, 2015, Continental Holdco was incorporated for the sole purpose of completing the Scheme, and on the same date, Continental Gold and Continental Holdco entered into the Scheme Implementation Agreement pursuant to which the parties agreed to complete the Scheme, in accordance with the Scheme of Arrangement.

The completion of the Scheme is conditional upon, among other things, Shareholder approval of the Scheme, Court approval and approval of the TSX for completion of the Scheme and the listing of the Holdco Shares (including those Holdco Shares underlying the Replacement Options) for trading on the TSX. On April 27, 2015, the TSX granted conditional approval of the Scheme. On April 29, 2015, the Company obtained the Order for Directions from the Court. Final approval is conditional, among other things, on approval of the Scheme Resolution by Shareholders at the Meeting and the granting of the Sanction Order.

Benefits of the Scheme and Approval and Recommendation of the Board

Benefits of the Scheme

The Board believes that Shareholders will benefit from completion of the Scheme as the separation of the operating business (and related regulatory certifications and permits) from the public holding corporation will facilitate the Company's strategic objectives and financing initiatives without the need to transfer such regulatory certifications or permits.

Approval and Recommendation of the Board

The Board has determined that the Scheme is fair to Continental Gold, Shareholders and Continental Gold Optionholders, and unanimously recommends that Shareholders vote in favour of the Scheme Resolution at the Meeting.

Mechanics of the Scheme

The Scheme will result in the exchange of Continental Gold Securities for Replacement Securities. The Scheme will be undertaken in accordance with the Bermuda Act and the Scheme of Arrangement.

The following description of the Scheme is qualified in its entirety by reference to the full text of the Scheme of Arrangement which is attached at Appendix G to this Circular.

Upon the Scheme becoming effective, the following events and transactions will occur and be deemed to occur, unless otherwise provided, in the order set out below, without further act or formality, and with each event or transaction occurring and being deemed to occur immediately after the occurrence of the immediately preceding event or transaction:

(a) each Common Share will be exchanged for one Replacement Share;

(b) each Continental Gold Option held by a Continental Gold Optionholder, to the extent it has not been validly exercised as of the Effective Date, will be exchanged for a Replacement Option issued by Continental Holdco entitling the holder to purchase that same number of Holdco Shares for the same exercise price per Holdco Share;

(c) Continental Gold will surrender to Continental Holdco for cancellation the initial Holdco Shares that were issued to Continental Gold upon incorporation of Continental Holdco;

(d) the name of Continental Gold will be changed from "Continental Gold Limited" to "CGL Buritica Limited";

(e) the directors and officers of Continental Gold will become the directors and officers of Continental Holdco, the committees of the Board shall become the committees of the Holdco Board, PricewaterhouseCoopers LLP, Chartered Accountants, the auditor of Continental Gold, will become the auditor of Continental Holdco and the directors of Continental Holdco will be authorized to fix the remuneration of the auditor of Continental Holdco; and

(f) the corporate policies and board and committee charters of Continental Gold will be assumed by and become the corporate policies and board and committee charters of Continental Holdco, and the mandates of the Board and its committees will each be assumed by and become the mandates of the Holdco Board and its committees.

Contemporaneously with the completion of the Scheme, the Holdco Shares will be listed on the TSX (subject to certain conditions typical for a transaction of this nature, as well as the condition that the Scheme Resolution is approved by the requisite majority of Shareholders voting thereon at the Meeting), and following completion of the Scheme, Continental Holdco will become a "reporting issuer" in each jurisdiction in which Continental Gold is currently a reporting issuer.

Procedure for Exchange

Computershare is acting as Depositary under the Scheme. The Depositary must receive deposits of certificates representing Common Shares (unless held in DRS) and a completed Letter of Transmittal in accordance with the instructions set forth in the enclosed Letter of Transmittal. The Depositary will be responsible for delivering DRS advices ("**DRS Advices**") representing Replacement Shares to which Shareholders are entitled under the Scheme. Instructions are provided upon receipt of the DRS Advice for registered Shareholders that would like to request a share certificate representing Replacement Shares. Only registered Shareholders will receive a DRS Advice. Non-Registered Shareholders must contact their Intermediary to deposit their Common Shares.

The use of mail to transmit any certificates representing Common Shares and the Letter of Transmittal is at the risk of each Shareholder. Continental Gold recommends that such certificates and documents be delivered by hand to the Depositary and a receipt thereof be obtained or that registered mail be used.

No signature guarantee is required on the Letter of Transmittal if the Letter of Transmittal is signed by the Shareholder of the Common Shares deposited therewith, unless that Shareholder has indicated that the DRS Advices representing Replacement Shares to be received are to be issued in the name of a person other than the Shareholder or if the DRS Advices representing Replacement Shares are to be sent to an address other than the address of the Shareholder as shown on the register of Common Shares maintained by the Depositary, as Registrar and Transfer Agent for the Common Shares.

In all other cases, all signatures on the Letter of Transmittal must be guaranteed by a Canadian Schedule I chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP).

From and after the Effective Time, any certificates formerly representing Common Shares exchanged pursuant to the Scheme of Arrangement shall represent only the right to receive DRS Advices representing Replacement Shares to which the holders are entitled pursuant to the Scheme.

Any certificate formerly representing Common Shares that is not deposited with all other documents as required pursuant to the Scheme of Arrangement on or prior to the sixth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature including the right of the holder to receive DRS Advices representing Replacement Shares or any dividends or other distributions which may have been declared thereon. At the expiry of such period, all remaining DRS Advices representing Replacement Shares will be returned to Continental Holdco or a successor thereof for cancellation and, subject to the requirements of law with respect to unclaimed property, if applicable, any certificate which prior to the Effective Date represented issued and outstanding Common Shares which has not been surrendered will cease to represent any claim or interest of any kind or nature against Continental Gold, Continental Holdco or the Depositary.

Distribution of Replacement Options

Continental Holdco shall, as soon as practicable following the Effective Date of the Scheme, forward or cause to be forwarded by first class mail (postage prepaid), to each Continental Gold Optionholder entitled to receive Replacement Options pursuant to the Scheme, and at the address for such holder on the records of Continental Gold, a document indicating the number of Holdco Shares that may be acquired upon the exercise of a Replacement Option, and the corresponding exercise price.

The Scheme Implementation Agreement

The following summarizes, among other things, the material terms of the Scheme Implementation Agreement, a copy of which is attached to this Circular at Appendix F. Shareholders are urged to read the Scheme Implementation Agreement in its entirety for a more complete description of the Scheme.

Agreement to Proceed with Scheme

Continental Gold agrees to propose and implement the Scheme upon and subject to the terms and conditions of the Scheme Implementation Agreement and Continental Holdco agrees to assist Continental Gold to implement the Scheme upon and subject to the terms and conditions of the Scheme Implementation Agreement.

Conditions Precedent

The Scheme Implementation Agreement provides that the obligations of Continental Gold to implement the Scheme and Continental Holdco's obligation to issue the Replacement Securities are subject to the satisfaction (or waiver in accordance with clause 3.2 of the Scheme Implementation Agreement) of each of the following conditions precedent (the "Conditions Precedent"):

(a) Regulatory Approvals

i. before 8:00 a.m. (ADT) on June 9, 2015, all regulatory approvals required to implement the Scheme are granted or obtained and those regulatory approvals are not withdrawn, cancelled or revoked; and

ii. the TSX will have conditionally approved the listing thereon, in substitution for the listing thereon of the Common Shares, of the Holdco Shares (including the Replacement Shares to be issued pursuant to the Scheme) prior to the Effective Date, subject only to compliance with the usual requirements of the TSX;

(b) Shareholder Approval - the Scheme Resolution is approved by the requisite majorities of Shareholders under the Bermuda Act;

(c) No Injunction - no preliminary or permanent injunction, temporary restraining order, or other order have been issued by any court of competent jurisdiction which would prevent implementation of the Scheme;

(d) Exemption from Registration - the Replacement Securities to be issued pursuant to the Scheme shall be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption; and

(e) Court Sanction of the Scheme - the Scheme is sanctioned by the Court in accordance with Section 99(2) of the Bermuda Act.

Steps for Implementation

Subject to the provisions of the Scheme Implementation Agreement, Continental Gold must take all steps reasonably necessary to propose and implement the Scheme and, in particular, must:

(a) discuss and engage with regulators in relation to any regulatory approvals which are required to implement the Scheme;

(b) prepare all documents necessary for the Court proceedings (including any appeals) relating to the Scheme in accordance with all applicable laws;

(c) comply with the orders of the Court; provided that, if the Scheme Implementation Agreement is terminated in accordance with the Scheme Implementation Agreement, it will take all steps reasonably required to ensure that the Scheme is not proposed to Shareholders at the Meeting;

(d) if the Scheme Resolution is passed by the requisite majorities of Shareholders under the Bermuda Act, apply to the Court for orders sanctioning the Scheme; and

(e) if the Court sanctions the Scheme, do all things necessary to give effect to the Scheme and the orders of the Court sanctioning the Scheme and to transfer the Common Shares to Continental Holdco, including delivering the Sanction Order to the ROC for registration.

Continental Holdco must take all steps reasonably necessary to assist Continental Gold with the steps described above.

Sole Discretion of Continental Gold

Notwithstanding any other provision of the Scheme Implementation Agreement, or the adoption of the Scheme Resolution by Shareholders, the obligations of Continental Gold under the Scheme Implementation Agreement are subject to:

(a) Continental Gold's sole and absolute right to determine whether to proceed with the Scheme and to determine the timing of the completion of the Scheme, or any prior condition thereto;

(b) Continental Gold's sole and absolute right to terminate the Scheme Implementation Agreement in accordance therewith; and

(c) Continental Gold's sole and absolute right to amend the Scheme Implementation Agreement or the Scheme of Arrangement, as applicable, in accordance with the Scheme Implementation Agreement.

The Board will have the authority to revoke the Scheme Resolution at any time prior to the scheduled time for implementation of the Scheme on the Effective Date without notice to or the further approval of the Shareholders or Continental Holdco, and without any liability to any of them.

Termination

The Scheme Implementation Agreement may be terminated unilaterally by Continental Gold, in its sole and absolute discretion, at any time before the scheduled time for implementation of the Scheme on the Effective Date, without notice to or approval of Continental Holdco or the Shareholders, and without liability to any of them. Nothing expressed or implied in the Scheme Implementation Agreement or in the Scheme of Arrangement will be construed as fettering the absolute discretion of the Board to terminate the Scheme Implementation Agreement and discontinue efforts to effect the Scheme for whatever reason it may consider appropriate.

Conditions Precedent under the Scheme of Arrangement

In addition to the Conditions Precedent set out in the Scheme Implementation Agreement, the Scheme of Arrangement provides that the Scheme is conditional on the satisfaction of the following conditions precedent: (i) as at 8:00 a.m. (ADT) on June 9, 2015, the Scheme Implementation Agreement has not been terminated; and (ii) such other conditions imposed by the Court (as are acceptable to Continental Gold) have been satisfied.

Required Shareholder Approvals

In order to implement the Scheme, the Scheme Resolution must be approved by a majority (in number) of those Shareholders present, either in person or by proxy, at the Meeting, who together represent at least 75% of the votes cast.

Information Concerning Continental Holdco

General

Continental Holdco is a wholly-owned subsidiary of Continental Gold and was incorporated on April 27, 2015, pursuant to the provisions of the OBCA in order to facilitate and participate in the Scheme. Continental Holdco currently has no subsidiaries and no assets. Since incorporation, it has carried on no business other than in connection with the Scheme and as otherwise described in this Circular. Continental Gold's corporate matters are currently governed by the Bermuda Act. Following completion of the Scheme, Continental Holdco's corporate matters will be governed by the OBCA. For a comparison of Bermuda corporate law and Ontario corporate law, please see Appendix H of this Circular.

As of the closing of the Scheme, (a) the Holdco Shares owned by the Company will be surrendered for cancellation, (b) securityholders of Continental Gold will exchange their Continental Gold Securities for Replacement Securities, and (c) the Shareholders will become the shareholders of Continental Holdco. As a result, Continental Gold will become the wholly-owned subsidiary of Continental Holdco. Continental Holdco will not, as of the closing of the Scheme, own securities of any other issuer. In connection with the Scheme, Continental Gold will transfer its listing on the TSX to Continental Holdco. The financial year end of Continental Holdco is the same as the Company, being December 31st.

The registered and corporate office of Continental Holdco is the same as the corporate office of Continental Gold and is located at 155 Wellington Street West, Suite 2920, Toronto, Ontario, Canada M5V 3H1.

Business of Continental Holdco

From and after the Effective Date, Continental Holdco will act as a public holding corporation and will be a reporting issuer in the same jurisdictions in which the Company currently is a reporting issuer. Continental Holdco may issue equity and debt securities to the public to provide capital to its subsidiaries and to finance new investments. Continental Gold will continue its current business.

Share Capital of Continental Holdco

The authorized share capital of Continental Holdco consists of an unlimited number of common shares. Based upon the number of Common Shares outstanding on April 30, 2015, it is expected that there will be approximately 129,299,628 Holdco Shares outstanding on the Effective Date.

Holdco Shares

The rights, privileges, restrictions and conditions attaching to the Holdco Shares are generally the same as the rights, privileges, restrictions and conditions attaching to the Common Shares. The holders of Holdco Shares are entitled to: (a) receive notice of and to attend and vote at all meetings of the shareholders of Continental Holdco and each Holdco Share confers the right to one vote in person or by proxy at all meetings of shareholders of Continental Holdco; (b) receive such dividends in any financial year as the board of directors of Continental Holdco may be resolution determine; and (c) in the event of the liquidation, dissolution or winding-up of Continental Holdco, whether voluntary or involuntary, receive the remaining property and assets of Continental Holdco subject to the rights of holders of any preferred shares.

Securities Based Compensation Plans

Prior to the Effective Time, Continental Holdco will adopt a stock option plan and a deferred share unit plan substantially in the form of the Stock Option Plan and DSU Plan (and if the RSU Plan is approved at the Meeting, a restricted share unit plan substantially in the form of the RSU Plan).

Financial Statements of Continental Holdco

After the Effective Date, the consolidated financial statements of Continental Holdco will be, in all material respects, the same as the financial statements of Continental Gold immediately before the Scheme, on a consolidated basis. The audited annual comparative financial statements of the Company for the year ended December 31, 2014 and the related annual management's discussion and analysis are incorporated by reference into this Circular.

Directors and Officers of Continental Holdco

The initial director and sole executive officer of Continental Holdco is currently Paul Begin, Chief Financial Officer of the Company. Upon the completion of the Scheme, the Holdco Board will be identical to the Board immediately prior to the Effective Time, and each director of Continental Holdco will hold office until the close of the next annual meeting of shareholders of Continental Holdco or until their successors are elected or appointed. The Holdco Board will have the same committees with the same responsibilities as the Board immediately prior to the Effective Time. Following completion of the Scheme, Continental Gold's director voting policy will be amended to reflect the majority voting requirements of the TSX. In addition, upon completion of the Scheme, the management team of Continental Holdco will be comprised of those individuals who are the management team of Continental Gold immediately prior to the Effective Time.

Beneficial Ownership of Securities of Continental Holdco

To the knowledge of management of the Company, the persons who will own beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the Holdco Shares upon completion of the Scheme will be the same persons, with the same approximate number and percentages, as set out under the section entitled "General Proxy Information – Voting Securities and Principal Holders of Voting Securities".

Auditor, Registrar and Transfer Agent

The auditor of Continental Holdco will be PricewaterhouseCoopers LLP, Chartered Accountants. It is expected that the Registrar and Transfer Agent of the Holdco Shares will be Computershare Investor Services Inc., at its offices in Toronto.

Material Contracts

Following the Scheme, the material contracts of Continental Gold will (indirectly) be the material contracts of Continental Holdco. See the section entitled "Material Contracts" in the AIF, which section is incorporated by reference in this Circular.

TSX Listing

On April 27, 2015 Continental Gold received conditional approval of the listing of the Holdco Shares on the TSX in substitution of the Common Shares, subject to certain conditions typical for a transaction of this nature, as well as the condition that the

Scheme Resolution is approved by the requisite majority of Shareholders voting thereon at the Meeting. If the Scheme is completed, it is expected that the Holdco Shares will be listed on the TSX at the time the Replacement Shares are issued in exchange for Common Shares upon completion of the Scheme, and will commence trading at the opening of business on or about the second Business Day after completion of the Scheme. The Holdco Shares will continue to trade on the TSX under the existing Common Share symbol, "CNL".

Required Court Approvals

The Scheme requires approval by the Court under Section 99 of the Bermuda Act. Prior to the mailing of the Circular, Continental Gold obtained the Order for Directions providing for the convening of the Meeting and other procedural matters related to the Meeting. Following approval of the Scheme Resolution by Shareholders at the Meeting, Continental Gold will apply to the Court for the Sanction Order at 9:30 a.m. (ADT) on June 9, 2015. Continental Gold's Bermuda counsel has advised that, in deciding whether to grant the Sanction Order, the Court will consider, among other things, the fairness of the Scheme to the Shareholders.

The Court will be advised prior to the hearing of the application for the Sanction Order that if the terms and conditions of the Scheme are approved by the Court, the Replacement Securities to be issued pursuant to the Scheme will not be registered under the U.S. Securities Act and will be issued in reliance on the exemption from registration provided by Section 3(a)(10) thereunder and that the Sanction Order will constitute the basis for such exemption.

At the hearing for the Sanction Order, Shareholders or other interested persons are entitled to appear in person or by counsel and to make a submission regarding the Scheme, subject to filing and serving an appearance and satisfying any other applicable requirements.

At the hearing for the Sanction Order, the Court may approve the Scheme either as proposed, or make the Scheme subject to such terms and conditions as the Court considers appropriate, or may dismiss the application. Depending upon the nature of any required amendments, Continental Gold may determine not to proceed with the Scheme in the event that any amendment ordered by the Court is not satisfactory to it.

Certain Canadian Federal Income Tax Considerations for Shareholders

The following summary describes the principal Canadian federal income tax considerations relating to the Scheme under the Tax Act generally applicable to beneficial owners of Common Shares who, for purposes of the Tax Act, and at all relevant times, (1) hold their Common Shares, and will hold any Replacement Shares received pursuant to the Scheme, as capital property, (2) deal at arm's length with the Company and Continental Holdco, and (3) are not affiliated with the Company or Continental Holdco (a "Holder"). Generally, the Common Shares and Replacement Shares will be capital property to a Holder provided the Holder does not acquire or hold those shares in the course of carrying on a business of trading or dealing in securities or as part of an adventure or concern in the nature of trade. **Shareholders who do not hold their Common Shares as capital property should consult their own tax advisors regarding their particular circumstances.**

This summary is not applicable to a Holder: (i) that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market property" rules; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) that is exempt from tax under Part I of the Tax Act; (iv) that has an interest in a "tax shelter investment" as defined in the Tax Act; (v) that has made a functional currency reporting election under the Tax Act; or (vi) that has entered into or will enter into with respect to their Common Shares or Replacement Shares a "synthetic disposition arrangement" or a "derivative forward agreement" as those terms are defined in the Tax Act. In addition, this summary does not address all issues relevant to Holders who acquired shares on the exercise of an employee stock option. Such Holders should consult their own tax advisors.

This summary is based on the facts as set out in the Circular, the current provisions of the Tax Act, and the current administrative policies and assessing practices and policies of the CRA published in writing by it prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and assumes that all Tax Proposals will be enacted in the form proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ materially from those discussed herein.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal, business or tax advice to any particular Holder and no representations are made with respect to the tax consequences to any particular Holder. Accordingly all Holders should consult their own tax advisors regarding the Canadian federal income tax consequences of the Scheme applicable to their particular circumstances.

Although the Company is a Bermuda company, the Company has taken the position that it is resident in Canada for purposes of the Tax Act because, under the common law test of corporate residency, its central management and control are located in Canada. If the CRA took the position that the Company was not resident in Canada for purposes of the Tax Act, the tax consequences to a Holder of the Common Shares could be materially different.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times for purposes of the Tax Act and any applicable income tax convention, is, or is deemed to be, resident in Canada (a "Resident Holder"). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, so that the Common Shares (and all other "Canadian securities", as defined in the Tax Act) owned by such Resident Holder are deemed to be capital property in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders whose Common Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

Non-Rollover Transaction

This portion of the summary is generally applicable to a Resident Holder who does not make a Section 85 Election (as defined herein) in respect of the disposition of Common Shares under the Scheme.

A Resident Holder will be considered to have disposed of his, her or its Common Shares under the Scheme and will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Common Shares to the Resident Holder immediately before the disposition. For this purpose the proceeds of disposition will equal the fair market value at the Effective Time of any Replacement Shares acquired by such Resident Holder on the exchange. See "Taxation of Capital Gains and Capital Losses".

The cost to a Resident Holder of any Replacement Shares acquired on the exchange will be equal to the fair market value of the Common Shares held by the Resident Shareholder at the Effective Time. For the purpose of determining the adjusted cost base at any time to a Resident Holder of Replacement Shares acquired under the Scheme, the adjusted cost base of such shares will generally be determined by averaging the cost of such Replacement Shares with the adjusted cost base of all other Holdco Shares held by the Resident Holder as capital property at that time.

Rollover Transaction

The following applies to a Resident Holder who is an "Eligible Holder". An Eligible Holder is a Holder who is (a) a Resident Holder that holds the Common Shares as capital property, and is not exempt from tax under the Tax Act, or (b) a non-resident of Canada for the purposes of the Tax Act and any applicable tax treaty or convention who is not exempt from Canadian tax in respect of any gain realized on a disposition of the Common Shares by reason of an exemption contained in the Tax Act or an applicable income tax treaty or convention, or (c) a partnership if one or more members of the partnership is described in (a) or (b). An Eligible Holder may obtain a full or partial tax deferral in respect of the disposition of Common Shares by filing with the CRA (and, where applicable, with a provincial tax authority) an election (the "Section 85 Election") under subsection 85(1) of the Tax Act or, in the case of a partnership, under subsection 85(2) of the Tax Act (and the corresponding provisions of any applicable provincial tax legislation) provided all members of the partnership jointly elect with Continental Holdco.

The Eligible Holder may select an elected amount (the "Elected Amount") so as to fully or partially defer realizing a capital gain for the purposes of the Tax Act as a result of the Scheme. The Elected Amount means the amount selected by the Eligible Holder, subject to the limitations described below, in the Section 85 Election, to be treated as the proceeds of disposition of the Common Shares. In general, the Elected Amount cannot be less than the lesser of the adjusted cost base to the Eligible Holder of such Common Shares determined at the Effective Time and the fair market value of such Common Shares at that time. In addition, the Elected Amount may not be greater than the fair market value of such Common Shares at such time.

An Elected Amount which does not comply with these limitations will automatically be adjusted under the Tax Act so that it is in compliance.

Where a valid Section 85 Election is filed:

i. Common Shares that are the subject of the Section 85 Election will be deemed to be disposed of for proceeds of disposition equal to the Elected Amount. Subject to the limitations set out in subsections 85(1) or 85(2) of the Tax Act regarding the Elected Amount, if the Elected Amount is equal to the aggregate of the adjusted cost base of such Common Shares immediately before the disposition and any reasonable costs of disposition, no capital gain or capital loss will be realized by the Eligible Holder. Subject to such limitations, to the extent that the Elected Amount in respect of such Common Shares exceeds (or is less than) the aggregate of the adjusted cost base and any reasonable costs of disposition, such Eligible Holder will realize a capital gain (or a capital loss). See "Taxation of Capital Gains and Capital Losses" below.

ii. The adjusted cost base to the Eligible Holder of the Replacement Shares received will be equal to the Elected Amount. The adjusted cost base of such Replacement Shares received will be determined by averaging the adjusted cost base of such Replacement Shares with the adjusted cost base of any other Holdco Shares held by the holder at that time as capital property.

Procedure for Making a Section 85 Election

To make a Section 85 Election, Eligible Holders must access instructions on how to complete the applicable tax election forms at www.continentalgold.com. Eligible Holders will be asked to provide (i) the required information concerning the Eligible Holder, (ii) the details of the number of Common Shares transferred in respect of which the Eligible Holder is making a Section 85 Election, and (iii) the applicable Elected Amount for such Common Shares. An Eligible Holder interested in making the

Section 85 Election in respect of the Common Shares it receives in the Scheme should so indicate on the Letter of Transmittal. The relevant federal election form is form T2057 (or, in the event that the Common Shares are held by an Eligible Holder that is a "Canadian partnership" within the meaning of the Tax Act, form T2058).

Joint Ownership

Where the Common Shares are held in joint ownership and two or more of the co-owners wish to make a Section 85 Election, a co-owner designated for such purpose should file a copy of the federal election form T2057 (and any other relevant provincial or territorial forms) for each co-owner. Such election forms must be accompanied by a list of the names, addresses and social insurance numbers or tax account numbers of each of the co-owners, along with documentation authorizing the designated co-owner to complete, sign and file the forms on behalf of each co-owner.

Partnerships

Where the Common Shares are held by an Eligible Holder that is a "Canadian partnership" within the meaning of the Tax Act and the partnership wishes to make a Section 85 Election, a partner designated by the partnership must file a copy of the federal election form T2058 (and any other relevant provincial or territorial forms) on behalf of all members of the partnership. Such election forms must be accompanied by a list of the names, addresses, social insurance numbers or tax account numbers of each of the partners, along with documentation authorizing the designated partner to complete, sign and file the forms on behalf of each partner.

Additional Provincial or Territorial Election Forms

Certain provinces or territories may require that a separate election similar to the Section 85 Election be filed for provincial or territorial income tax purposes. Continental Holdco will also make a Section 85 Election with an Eligible Holder under the provisions of any relevant provincial or territorial income tax law having similar effect to section 85 of the Tax Act, subject to the same limitations as described herein. Eligible Holders should consult their own tax advisors to determine whether separate election forms must be filed with any provincial or territorial taxing authority and to determine the procedure for filing any such separate election form. **It will be the sole responsibility of each Eligible Holder who wishes to make such an election to obtain the appropriate provincial or territorial election forms and to duly complete and submit such forms to Continental Holdco for its execution at the same time as the federal election forms.**

Execution by Continental Holdco of Election Form

Subject to the election forms being correct and complete and complying with the provisions of the applicable income tax law and the Scheme, Continental Holdco will sign duly completed tax election forms received from an Eligible Holder within 90 days following the Effective Date and return them to the Eligible Holder within 90 days of receipt thereof.

Continental Holdco will not be responsible for the proper or accurate completion of the tax election forms or to check or verify the content of any election form and, except for Continental Holdco's obligation to return duly completed tax election forms (which are received by it within 90 days after the Effective Date) within 90 days after the receipt thereof, Continental Holdco will not be responsible for any taxes, interest or penalties or any other costs or damages resulting from the failure by an Eligible Holder to properly and accurately complete or file the necessary election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Continental Holdco may choose to sign and return tax election forms received more than 90 days following the Effective Date, but Continental Holdco will have no obligation to do so.

Filing of Election Forms

For the CRA to accept a tax election form without a late filing penalty being paid by an Eligible Holder, the election form, duly completed and executed by both the Eligible Holder and Continental Holdco must be received by the CRA on or before the earliest due date for the filing of either Continental Holdco's or the Eligible Holder's income tax return for the taxation year in which the exchange takes place.

In the absence of a transaction subsequent to the Effective Date but prior to December 31 that results in a taxation year-end for Continental Holdco, the taxation year of Continental Holdco is expected to end on December 31. In such circumstances, the Section 85 Election generally must, in the case of an Eligible Holder who is an individual (other than a trust), be received by the CRA by April 30, 2016 (being generally the deadline when such individuals are required to file tax returns for the 2015 taxation year).

Eligible Holders are strongly advised to consult their own tax advisors as soon as possible respecting the deadlines applicable to their own particular circumstances, including any similar deadlines required under any provincial or territorial tax legislation for provincial or territorial tax elections. However, regardless of such deadlines, properly completed tax election forms must be received by Continental Holdco in accordance with the instructions as set out on the Company's website at www.continentalgold.com within 90 days following the Effective Date of the Scheme.

Any Eligible Holder who does not ensure that information necessary to make a Section 85 Election has been received in accordance with the procedures set out in the Letter of Transmittal and the Company's website at www.continentalgold.com will not be able to benefit from the tax deferral provisions of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation) and therefore may realize a capital gain. Accordingly, all Eligible Holders who wish to enter into a Section 85 Election with Continental Holdco should give

their immediate attention to this matter. Eligible Holders are referred to Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 issued by the CRA for further information respecting the election. Eligible Holders wishing to make the Section 85 Election should consult their own tax advisors.

Dividends on Replacement Shares

A Resident Holder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on the Replacement Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by Continental Holdco as an eligible dividend in accordance with the provisions of the Tax Act.

A dividend received (or deemed to be received) by a Resident Holder that is a corporation will generally be deductible in computing the corporation's taxable income. To the extent that such a deduction is available, private corporations (as defined in the Tax Act) and certain other corporations may be liable to pay refundable tax under Part IV of the Tax Act at a rate of 33 1/3% on the amount of the dividend (or deemed dividend). Corporate Resident Holders should consult their own tax advisors with respect to the application of Part IV tax.

Disposition of Replacement Shares

A disposition or deemed disposition of Replacement Shares by a Resident Holder will generally result in a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of the disposition, exceed (or are less than) the adjusted cost base to the holder of the Replacement Shares immediately before the disposition. See "Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

One-half of any capital gain (a "taxable capital gain") realized by a Resident Holder in a taxation year will be included in the holder's income for the year. One-half of any capital loss (an "allowable capital loss") realized by the Resident Holder in a year may be deducted against taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back up to three taxation years or carried forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the Tax Act.

If the Resident Holder is a corporation, the amount of any capital loss arising from a disposition or deemed disposition of a Common Share or Replacement Share may be reduced by the amount of certain dividends received or deemed to be received by the corporate Resident Holdco on such share, to the extent and under circumstances specified by the Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns shares, or where a partnership or trust of which a corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns any such shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Alternative Minimum Tax

A Resident Holder who is an individual (other than certain trusts) that receives taxable dividends or who realizes a taxable capital gain may be subject to alternative minimum tax under the Tax Act. Such Holders should consult their own tax advisors in this regard.

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on certain investment income, including amounts in respect of net taxable capital gains and dividends or deemed dividends not deductible in computing taxable income.

Eligibility for Investment – Replacement Shares

Provided that, at the Effective Time, the Replacement Shares are listed on a designated stock exchange or Continental Holdco otherwise qualifies as a "public corporation" for purposes of the Tax Act, the Holdco shares will be "qualified investments" under the Tax Act for trusts governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered education savings plan, deferred profit sharing plan, registered disability savings plan and tax-free savings account ("TFSA").

Notwithstanding the foregoing, if the Replacement Shares held by a TFSA, RRSP, or RRIF are a "prohibited investment" under the Tax Act, the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. Generally, the Replacement Shares would be considered as a "prohibited investment" if the holder of a TFSA or the annuitant of a RRSP or RRIF, as the case may be: (i) does not deal at arm's length with Continental Holdco for the purposes of the Tax Act; or (ii) has a "significant interest" as defined in the Tax Act, in Continental Holdco. Resident Holders who hold their Common Shares, or who will hold their Replacement Shares, in a RRSP, RRIF, or TFSA should consult their own tax advisors.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for the purposes of the Tax Act, is not, and is not deemed to be, resident in Canada and does not use or hold Common Shares or Replacement Shares received pursuant to the Scheme in connection with a business carried on in Canada or deemed to be carried on in Canada (a "Non-Resident Holder"). Special rules, which are not discussed in this summary, may apply to a non-Canadian holder that is an insurer that carries on an insurance business in Canada and elsewhere or an authorized foreign bank.

Disposition of Common Shares

A Non-Resident Holder who participates in the Scheme will not be subject to tax under the Tax Act on the disposition of Common Shares, unless the Common Shares are "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. See "Taxable Canadian Property" below for a description of the circumstances in which Common Shares generally will constitute taxable Canadian property to a Non-Resident Holder.

Dividends on Replacement Shares

Dividends paid or credited on the Replacement Shares or deemed to be paid or credited on the Replacement Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention.

Disposition of Replacement Shares

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of Replacement Shares, unless the Replacement Shares are "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. See "Taxable Canadian Property" for a description of the circumstances in which Replacement Shares generally will constitute taxable Canadian property to a Non-Resident Holder.

Taxable Canadian Property

Generally, the Common Shares or Replacement Shares will not constitute taxable Canadian property to a Non-Resident Holder at a particular time provided that the Common Shares or Replacement Shares, respectively, are listed at that time on a designated stock exchange (which currently includes the TSX), unless at any particular time during the 60-month period that ends at that time (1) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length, or the Non-Resident Holder together with all such persons, has owned 25% or more of the issued shares of any class or series of the capital stock of the Company or Continental Holdco, respectively, and (2) more than 50% of the fair market value of the Common Shares or Replacement Shares, respectively, was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property described in any of (i) to (iii) whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares or Replacement Shares could be deemed to be taxable Canadian property.

Non-Resident Holders whose Common Shares or Replacement Shares received pursuant to the Scheme may constitute taxable Canadian property should consult their own tax advisors.

Even if the Common Shares or Replacement Shares are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition or deemed disposition of such shares will not be included in computing the Non-Resident Holder's taxable income earned in Canada for purposes of the Tax Act if, at the time of the disposition or deemed disposition, the Common Shares or Replacement Shares, as the case may be, constitute "treaty-protected property" of the Non-Resident Holder for purposes of the Tax Act. Common Shares or Replacement Shares will generally be considered "treaty-protected property" of a Non-Resident Holder for purposes of the Tax Act at the time of the disposition or deemed disposition if the gain from their disposition or deemed disposition would, because of an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident for purposes of such convention, be exempt from tax under the Tax Act.

Certain Canadian Federal Income Tax Considerations for Continental Gold Optionholders

The following is, as of the date hereof, a summary of certain Canadian federal income tax considerations generally applicable under the Tax Act in respect of the Scheme that will generally apply to a Continental Gold Optionholder who (i) at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act, (ii) exchanges Continental Gold Options pursuant to the Scheme for Replacement Options, (iii) is a current or former employee or director of Continental Gold, (iv) received the Continental Gold Options in respect of, in the course of, or by virtue of, such employment or in consideration for the services performed as a director of Continental Gold, and (v) at the time the Continental Gold Options were granted, dealt at arm's length with the Company.

This summary does not describe the tax consequences of an exercise or other disposition of the Continental Gold Options by Continental Gold Optionholders, prior to the Effective Time, and holders who have, or wish to, exercise or dispose of their Continental Gold Options prior to the Effective Time should consult their own tax advisors. The Continental Gold Optionholders

to whom this summary does not apply should consult their own advisors with respect to the consequences of transactions contemplated herein.

Exchange of the Company Options for Replacement Options

The terms of the Scheme provide that each Continental Gold Option that is outstanding immediately prior to the Effective Time, whether or not vested, will be exchanged for a Replacement Option. Provided that (i) the amount by which the fair market value of the Replacement Share immediately after the exchange exceeds the exercise price to acquire such share under the Replacement Option is not greater than (ii) the amount by which the fair market value of the Continental Gold Share immediately before the exchange exceeded the exercise price to acquire such share under the Continental Gold Option exchanged, a Continental Gold Optionholder that exchanges a Company Option for a Replacement Option will not be considered to have disposed of their Continental Gold Option and the Replacement Option will be deemed to be a continuation of the Continental Gold Option so exchanged.

Certain United States Federal Income Tax Considerations

The following is a general summary of the material U.S. federal income tax consequences that may be relevant to a U.S. Holder (as defined below) that participates in the Scheme and that holds or disposes of Replacement Shares acquired in the Scheme. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated thereunder, judicial authorities, published positions of the U.S. Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). This summary does not discuss all of the tax consequences that may be relevant to a particular U.S. Holder based on such holder's particular circumstances or to certain holders that are subject to special treatment under U.S. federal income tax laws such as former U.S. citizens or long term residents subject to Code section 877 or section 877A; tax-exempt organizations; subchapter S corporations; U.S. Holders whose functional currency is not the U.S. dollar; financial institutions and insurance companies; broker-dealers; regulated investment companies; trusts and estates; persons holding the Replacement Shares as part of a "straddle", "hedge", "conversion transaction", "synthetic security", or other integrated investment; and persons subject to the alternative minimum tax. This summary is limited to U.S. Holders who acquire Replacement Shares in the Scheme and who hold the Replacement Shares as capital assets and does not address the U.S. tax treatment of the Continental Gold Optionholders. No rulings have been or will be sought from the IRS regarding any matter discussed in this Circular, and counsel to the Company has not rendered any legal opinion regarding any of the tax consequences discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below. This discussion also does not address U.S. state or local taxation.

Prospective investors are urged to consult their tax advisers to determine the U.S. federal, state, local and non-U.S. income and other tax consequences of participating in the Scheme and holding and disposing of the Replacement Shares.

For purposes of the following discussion, a "U.S. Holder" is a beneficial owner of Common Shares or Replacement Shares that is (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust (a) the administration over which is subject to primary supervision by a court within the United States and as to which one or more U.S. persons have the authority to control all substantial decisions or (b) which has properly elected to be treated as a "United States person" for U.S. federal income tax purposes.

If a partnership, including for this purpose any entity or arrangement treated as a partnership for U.S. federal income tax purposes, participates in the Scheme and becomes a holder of the Replacement Shares, the U.S. federal income tax treatment of a partner in such partnership will generally depend upon the status of such partner and the activities of the partnership.

Prospective investors that are partnerships and partners in such partnerships are urged to consult their tax advisers to determine the U.S. federal income tax consequences of the Scheme and holding and disposing of the Replacement Shares.

A. U.S. Tax Treatment of the Scheme

The Company is treated as a corporation for U.S. federal income tax purposes. Continental Holdco will be formed as an Ontario corporation and therefore will be treated as a corporation for U.S. federal income tax purposes. The Company intends for all of the Common Shares to be exchanged for Replacement Shares and for Continental Holdco to have control of the Company immediately after the exchange. Similarly, because substantially all holders of Common Shares are expected to participate in the Scheme, the former holders of Common Shares are expected to be in control of Continental Holdco. Control for this purpose means ownership of stock possessing at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock of the corporation.

If all Common Shares are exchanged for Replacement Shares and no other consideration is paid for the Common Shares and certain other requirements are met, the Scheme would be a transaction described in Code section 368(a)(1)(B) (a "B reorganization"), Code section 351 (a "351 contribution"), or both. Although a B reorganization or a 351 contribution is generally a tax-free exchange for U.S. tax purposes, several exceptions to tax-free treatment may be applicable in this case. Two important exceptions, regarding exchanges of shares in a passive foreign investment company (a "PFIC") and exchanges of shares by U.S. persons that would own 5% or more of Continental Holdco following the exchange, are described below.

1. Participation by U.S. Holders that Are Considered to Own Shares in a PFIC

Generally, a non-U.S. corporation, such as the Company or Continental Holdco, will be classified as a PFIC during a given year if either (i) 75 percent or more of its gross income for the taxable year constitutes "passive income" (the "income test") or (ii) 50 percent or more of the value of its assets (determined on the basis of a quarterly average) during such year produces or is held for the production of "passive income" (the "asset test"). For these purposes, "passive income" generally includes interest, dividends, certain rents and royalties and gain from the sale or exchange of property that produces such income. Based on the Company's income, assets and activities, the Company considered itself a PFIC in 2013 and prior years. Although the Company believes that it ceased to meet the PFIC income test and asset test in 2014, the Company can provide no assurances that it will not meet the PFIC income test or asset test and therefore be a PFIC in 2015 or a later year.

Because Continental was treated as a PFIC in 2013 and earlier taxable years, any U.S. Holder who participates in the Scheme and who held Common Shares while Continental was a PFIC may be subject to U.S. tax, under the PFIC rules, on the Scheme. This is because the tax-free exchange treatment that would otherwise be available under a B reorganization or 351 exchange is generally not eligible upon exchange of PFIC shares due to the "once a PFIC, always a PFIC" rule of Code section 1298(b)(1). Under the "once a PFIC, always a PFIC" rule, a PFIC shareholder continues to be subject to the PFIC rules (described below in "U.S. Taxation of the Holding and Disposition of Replacement Shares – Consequences of PFIC Status") even when Continental ceases to meet the PFIC income test or asset test, unless the shareholder has made one of the following three elections described in this paragraph. The first election is to treat the PFIC as a Qualified Electing Fund ("QEF") (discussed below in "U.S. Taxation of the Holding and Disposition of Replacement Shares – Consequences of PFIC Status") effective for the first taxable year in which the shareholder holds the PFIC shares. Because the Company has not been providing to shareholders the information needed to make QEF elections, we doubt that any U.S. Holders will qualify for this exception. The second exception is if a shareholder has made a mark-to-market election (described below in "U.S. Taxation of the Holding and Disposition of Replacement Shares – Consequences of PFIC Status"), in which case there is authority for the "once a PFIC, always a PFIC rule" not to apply to the Scheme as long as the mark-to-market election continues to apply to PFIC. Finally, if a foreign corporation ceases to meet the definition of a PFIC, the shareholder can make a PFIC "purging" election in which the shareholder recognizes gain on a deemed sale of the shares as of the last day of the last taxable year for which the corporation was a PFIC and recognizes the resulting U.S. tax consequences of that election. Unless one of these three elections have been made by the shareholder, a shareholder that held Common Shares while it was a PFIC will be treated as exchanging shares in a PFIC for Replacement Shares.

If a U.S. Holder acquired its Common Shares while Continental was a PFIC and has not made any of the elections described in the preceding paragraph, then the U.S. Holder participating in the Scheme is treated as transferring shares in a PFIC for the Replacement Shares. In such case, if Continental Holdco is not also a PFIC, then the U.S. Holder will not be eligible for tax-free exchange treatment even if the Scheme otherwise qualifies as a B reorganization or a 351 transfer. Instead, the U.S. Holder is generally subject to the same US tax treatment as if it disposed of the Common Shares subject to the PFIC rules described below in "U.S. Taxation of the Holding and Disposition of Replacement Shares – Consequences of PFIC Status". Accordingly, for these shareholders, non-recognition treatment will turn in part on whether Continental Holdco meets the definition of a PFIC.

While we do not expect Continental Holdco to become a PFIC in its first taxable year, the determination of whether it will be or become a PFIC will depend on the composition of its income and assets, and those of its subsidiaries. For purposes of the PFIC rules, Continental Holdco generally will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which it owns, directly or indirectly, at least 25 percent (by value) of the stock. In addition, whether or not Continental Holdco is a PFIC depends also upon the value of its goodwill and other unbooked intangibles (which will depend upon the market value of Common Shares from time-to-time, which may be volatile). Among other matters, if its market capitalization is less than anticipated or subsequently declines, it may be or become classified as a PFIC for the current or future taxable years. It is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in Continental Holdco being, or becoming classified as, a PFIC for the current or one or more future taxable years.

2. Participation by Shareholders that Would Own 5% or More of Continental Holdco Following the Scheme

Even if the Scheme qualifies as a B reorganization or 351 transfer, a U.S. Holder that would own 5% or more of Continental Holdco following the Scheme must recognize gain (although not loss) on the exchange of Common Shares unless the U.S. Holder enters into a five-year gain recognition agreement with respect to the transferred stock. If the U.S. Holder enters into such a gain recognition agreement and disposes of the Replacement Shares before the 5-year period ends, the U.S. Holder may be required to recognize, with retroactive effect, the gain that was otherwise deferred on the Scheme. The rules regarding gain recognition agreements are complex, and any U.S. Holder that may be subject to these rules is urged to discuss the consequences of such an agreement with its tax advisors.

3. Availability of Non-Recognition Treatment

Although the Company intends to structure the Scheme so that it is a B reorganization, 351 contribution, or other type of tax-free reorganization for those U.S. Holders otherwise eligible for non-recognition treatment, it can provide no assurances that it will be able to do so. In particular, the implementation of future reorganizations and internal transfers may affect the non-recognition treatment of the Scheme.

If a U.S. Holder is eligible for one of the exceptions described above and the Scheme qualifies as a B reorganization, 351 contribution, or other type of tax-free reorganization then the U.S. Holder will not recognize gain or loss on the Scheme. The U.S. Holder's tax basis in its Replacement Shares will be the same as its tax basis in its Common Shares.

If non-recognition treatment does not apply because the U.S. Holder is treated as exchanging shares in a PFIC for shares in a company that is not a PFIC, then the U.S. Holder will be subject to tax as described below in "U.S. Taxation of the Holding and Disposition of Replacement Shares – Consequences of PFIC Status" and " – Sale or Other Disposition of the Shares if a PFIC or CFC", and will have basis in its Replacement Shares equal to their fair market value at the time of the Scheme.

If a U.S. Holder is not considered to own shares in a PFIC because the holder made one of the three elections described above or acquired its Common Shares in 2015, but the Scheme does not qualify as B reorganization, 351 transfer, or other type of tax-free reorganization, then the U.S. Holder would recognize gain or loss on the Scheme. The amount of gain or loss would be equal to the difference between the fair market value of the Replacement Shares received and the U.S. Holder's tax basis in the Common Shares exchanged. The gain or loss would generally be as described in Dispositions of Replacement Shares below in "U.S. Taxation of the Holding and Disposition of Replacement Shares – Sale or Other Disposition Generally".

B. U.S. Taxation of the Holding and Disposition of Replacement Shares

1. Distributions Generally

Subject to the discussion below in Consequences of PFIC Status, the gross amount of any distribution that is actually or constructively received by a U.S. Holder with respect to Replacement Shares will be a dividend includible in gross income of the U.S. Holder as ordinary income to the extent the amount of such distribution is paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. To the extent that the amount of such distribution exceeds Continental Holdco's current and accumulated earnings and profits as so computed, it will be treated first as a non-taxable return of capital to the extent of such U.S. Holder's adjusted tax basis in its Replacement Shares, and to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of the Replacement Shares. If you are a non-corporate U.S. Holder, dividends paid to you that constitute qualified dividend income will be taxable to you at a reduced maximum U.S. federal income rate of 20% (rather than the higher rates of tax generally applicable to items of ordinary income, the maximum of which is 39.6%) provided that you hold the Replacement Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. If Continental Holdco is a PFIC (as discussed below under "Consequences of PFIC Status"), distributions paid by Continental Holdco with respect to its Replacement Shares will not be eligible for the preferential income tax rate. Prospective investors should consult their own tax advisors regarding the taxation of distributions under these rules.

You must include any Canadian tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The gross amount of the dividend is taxable to you when you receive the dividend, actually or constructively. Dividends paid on Replacement Shares generally will constitute income from sources outside the United States and will generally not be eligible for the dividends-received deduction generally available to corporate U.S. Holders. The gross amount of any dividend paid in non-U.S. currency will be included in the gross income of a U.S. Holder in an amount equal to the U.S. dollar value of the non-U.S. currency calculated by reference to the exchange rate in effect on the date the dividend distribution is includable in the U.S. Holder's income, regardless of whether the payment is in fact converted into U.S. dollars. If the non-U.S. currency is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize non-U.S. currency gain or loss in respect of the dividend. If the non-U.S. currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the non-U.S. currency equal to its U.S. dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the non-U.S. currency will be treated as ordinary income or loss, and will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution, less the sum of any encumbrance assumed by the U.S. Holder.

Subject to applicable limitations, a U.S. Holder will be entitled to a credit against its U.S. federal income tax liability for any Canadian withholding taxes withheld in respect of our dividend distributions not in excess of the applicable rate under the treaty. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income, such as "passive" or "general" income. In addition, the amount of the qualified dividend income, if any, paid to a U.S. Holder that is subject to the reduced dividend income tax rate and that is taken into account for purposes of calculating the U.S. Holder's U.S. foreign tax credit limitation must be reduced by the rate differential portion of the dividend. The rules governing foreign tax credits are complex. Prospective investors should consult their own tax advisors regarding the availability of foreign tax credits in their particular situation. In lieu of claiming a foreign tax credit, U.S. Holders may elect to deduct all non-U.S. taxes paid or accrued in a taxable year in computing their taxable income, subject to generally applicable limitations under U.S. federal income tax law.

2. Sale or Other Disposition Generally

A U.S. Holder will generally recognize gain or loss for U.S. federal income tax purposes upon the sale or other disposition of Replacement Shares in an amount equal to the difference between the U.S. dollar value of the amount realized from such sale or other disposition and the U.S. Holder's tax basis in such Replacement Shares. Subject to the discussion below under "Consequences of PFIC Status", such gain or loss generally will be capital gain or loss. Capital gain of a non-corporate U.S. Holder recognized on the sale or other disposition of Replacement Shares held for more than one year is generally eligible for a reduced maximum U.S. federal income tax rate of 20%. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

A U.S. Holder that receives non-U.S. currency on the sale or other disposition of Replacement Shares will realize an amount equal to the U.S. dollar value of the non-U.S. currency on the date of sale (or, in the case of cash basis and electing accrual basis taxpayers, the U.S. dollar value of the non-U.S. currency on the settlement date) provided that the Replacement Shares are treated as being "traded on an established securities market." If a U.S. Holder receives non-U.S. currency upon a sale or exchange of Replacement Shares, gain or loss, if any, recognized on the subsequent sale, conversion or disposition of such non-U.S. currency will be ordinary income or loss, and will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. However, if such non-U.S. currency is converted into U.S. dollars on the date received by the U.S. Holder, a cash basis or electing accrual U.S. Holder should not recognize any gain or loss on such conversion.

3. Consequences of PFIC Status

Generally, if Continental Holdco is classified as a PFIC in any taxable year, a U.S. Holder will be subject to special tax rules on the receipt of any "excess distribution" in respect of the Replacement Shares and gain from the direct or indirect disposition of the Replacement Shares, whether or not Continental Holdco ceases to be a PFIC in a subsequent tax year (unless the U.S. Holder makes a PFIC "purging" election). A U.S. Holder that is eligible to make a "QEF election" or a "mark-to-market election" (each as described below) with respect to the Replacement Shares may avoid the excess distribution regime by making such an election with respect to the Replacement Shares. An excess distribution generally is any distribution to the extent such distribution exceeds 125 percent of the average annual distributions with respect to the Replacement Shares received by a U.S. Holder during the preceding three taxable years or, if shorter, the period during which the U.S. Holder held the Replacement Shares. For purposes of the PFIC rules, a distribution includes any actual or constructive transfer of money or property by the Company with respect to the Replacement Shares, including a redemption of the Replacement Shares if such redemption is treated as a distribution for U.S. federal income tax purposes. A disposition includes any transaction or event that constitutes an actual or deemed transfer of the Replacement Shares, including a redemption of the Replacement Shares if such redemption is treated as an exchange for U.S. federal income tax purposes or, in certain circumstances, a pledge of the Replacement Shares as security for a loan.

Under the PFIC rules, a U.S. Holder is required to allocate any excess distribution received or gain recognized from disposition of the Replacement Shares ratably over the U.S. Holder's entire holding period for the Replacement Shares. The amount allocated to the taxable year in which the excess distribution is made or the gain is recognized will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest income tax rate in effect for that year, regardless of the rate otherwise applicable to the U.S. Holder. The U.S. Holder will also be liable for an additional tax equal to an interest charge on such tax liability attributable to income allocated to prior years. In computing such tax liability, amounts allocated to prior tax years may not be offset by any net operating losses of the U.S. Holder.

In addition, under the PFIC rules, a U.S. Holder will be required to file an annual return on IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) regarding distributions received in respect of, and gain recognized on the dispositions of, the Replacement Shares.

To the extent the Replacement Shares are treated as "marketable stock" for purposes of the PFIC rules, a U.S. Holder may make an election to mark the Replacement Shares to market annually (a "mark-to-market election"). In order for a mark-to-market election to be timely and valid, the U.S. Holder must make such election on Form 8621 with its timely filed U.S. federal income tax return for the first year in the U.S. Holder's holding period of Replacement Shares during which Continental Holdco qualified as a PFIC. If a U.S. Holder makes a timely and valid mark-to-market election, the U.S. Holder will be required for each taxable year that the Replacement Shares are held, and upon the disposition of the Replacement Shares, to recognize as ordinary income or ordinary loss (but only to the extent of the net amount of previously included income as a result of the mark-to-market election) an amount equal to the difference between the U.S. Holder's tax basis in the Replacement Shares and the fair market value of the Replacement Shares. Such amounts must be reported annually by the U.S. Holder on Form 8621. The U.S. Holder's tax basis in the Replacement Shares will be increased by any income recognized by the U.S. Holder as a result of the mark-to-market election and will be decreased by any losses allowable under the mark-to-market rules.

If a timely mark-to-market election has been made, distributions made by Continental Holdco to a U.S. Holder will be taxable as ordinary income to the extent of any current and accumulated earnings and profits of Continental Holdco. Such distributions made to a non-corporate U.S. Holder will not be eligible for taxation at reduced tax rates applicable to dividends payable by certain United States corporations and qualified foreign corporations (which are generally subject to a top U.S. federal income tax rate on dividends of 20 percent) and such distributions generally will not be eligible for the dividends-received-deduction with respect to distributions made to corporate U.S. Holders. Any distributions in excess of the current and accumulated earnings and profits of Continental Holdco will be treated first as a non-taxable return of capital, which reduces the tax basis in the Replacement Shares to the extent thereof, and then as capital gain.

The mark-to-market election is made on a shareholder-by-shareholder basis. Thus, any U.S. Holder of the Replacement Shares must make its own decision regarding whether to make a mark-to-market election. In addition, a mark-to-market election is revocable (except to the extent that the Replacement Shares are no longer considered marketable stock) only with the consent of the IRS, and will continue to apply even if Continental Holdco is no longer classified as a PFIC.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in greater than de minimis quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. A mark-to-market election with respect to the Replacement Shares would not apply to any equity interests in lower-tier PFICs Continental Holdco owns. Accordingly, a U.S. Holder that makes a mark-to-market election with respect to the Replacement Shares generally would continue to be subject to the PFIC rules with respect to its indirect interest in any lower-tier PFICs. Continental Holdco cannot provide any assurances that the Replacement Shares will be listed or

traded on a qualified exchange or other market in other than de minimis quantities on at least 15 days during each calendar quarter.

A U.S. Holder may in certain circumstances also mitigate adverse tax consequences of the PFIC rules by filing an election to treat the PFIC as a qualified electing fund ("QEF"), if the PFIC complies with certain reporting requirements. However, in the event that we are or become a PFIC, we do not intend to comply with such reporting requirements necessary to permit U.S. Holders to elect to treat us as a QEF.

Prospective investors are urged to consult their tax adviser about the PFIC rules, including the possibility and advisability of and the procedure and timing for making a mark-to-market election in connection with the Replacement Shares.

4. Controlled Foreign Corporation

Generally, a non-U.S. corporation, such as Continental Holdco, will be classified as a controlled foreign corporation (a "CFC") if more than 50 percent of the shares of the corporation, measured by reference to combined voting power or value of all classes of stock of the corporation, are held, directly, indirectly, or constructively, by "U.S. Shareholders". A U.S. Shareholder, for this purpose, is generally any U.S. Holder that possesses, directly, indirectly or constructively, 10 percent or more of the combined voting power of all classes of shares of the corporation. Depending on future changes in ownership of the Replacement Shares, it is possible that Continental Holdco may be treated as a CFC. If Continental Holdco is classified as both a PFIC and a CFC, Continental Holdco generally will not be treated as a PFIC with respect to those U.S. Holders that meet the definition of a U.S. Shareholder.

If Continental Holdco were classified as a CFC, a U.S. Shareholder of Continental Holdco generally would be required to include in gross income (as ordinary income) at the end of each taxable year of Continental Holdco an amount equal to the U.S. Shareholder's pro rata share of the Company's "subpart F income". Subpart F income generally includes dividends, interest, rents and royalties, gains from the sale of securities, and income from certain transactions with related parties. Distributions should be allocated first to amounts previously taxed pursuant to the CFC rules. Amounts so allocable would not be taxable again to U.S. Holders.

5. Sale or Other Disposition of the Shares if a PFIC or CFC

A U.S. Holder that has made a mark-to-market election will generally recognize gain or loss upon the sale or other disposition of the Replacement Shares equal to the difference between the amount realized and the holder's adjusted tax basis in the Replacement Shares. The tax basis of a U.S. Holder in the Replacement Shares will generally be the amount paid for such Replacement Shares, increased by amounts taxable to such holder by virtue of a mark-to-market election, and decreased by (i) actual distributions from Continental Holdco that are deemed to consist of previously taxed amounts or are treated as a non-taxable reduction in the tax basis of the Replacement Shares and (ii) any losses previously allowed under the mark-to-market rules. In the case of a U.S. Holder that has made a valid mark-to-market election, any gain recognized will be ordinary income and any loss recognized will be ordinary loss to the extent of the net gains previously recognized under the mark-to-market election, and capital loss thereafter. The ability of U.S. Holders to offset capital losses against ordinary income, however, is limited.

If a U.S. Holder does not make a timely mark-to-market election, any gain realized from the sale or other disposition of the Replacement Shares or any gain deemed to accrue prior to the time a mark-to-market election is made will generally be treated as an excess distribution and subject to an additional tax reflecting an interest charge under the PFIC rules described above.

If Continental Holdco were treated as a CFC and a U.S. Holder were treated as a U.S. Shareholder thereof at any time within the five year period ending on the date of disposition, then subject to a special limitation for individual U.S. Shareholders that have held the Replacement Shares for more than one year, any gain realized by such U.S. Holder upon disposition of the Replacement Shares would generally be treated as a dividend to the extent of the current and accumulated earnings and profits of Continental Holdco accumulated while Continental Holdco was treated as a CFC. In this respect, earnings and profits generally would not include any amounts previously taxed to the U.S. Holder pursuant to the CFC rules.

6. Tax on Net Investment Income

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally are subject to a 3.8 percent tax on net investment income, including dividends and capital gains from the sale or other taxable disposition of the Common Shares or Replacement Shares, subject to certain limitations and exceptions. U.S. Holders should consult their own tax advisers regarding the effect, if any, of such tax on their ownership and disposition of the Replacement Shares.

7. Information Reporting and Backup Withholding

U.S. Holders are generally subject to information reporting requirements with respect to dividends paid on the Replacement Shares and proceeds paid from the disposition of the Common Shares or Replacement Shares if the dividends or proceeds are paid within the United States or through certain U.S.-related financial intermediaries. Backup withholding at a current rate of 28 percent with respect to dividends and disposition proceeds paid within the United States or through certain U.S.-related financial intermediaries would generally apply unless the U.S. Holder provides a correct taxpayer identification number, certifies that it is not subject to backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. Certain persons are exempt from information reporting and backup withholding, including corporations and

financial institutions and may be required to certify such exempt status. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund provided that the required information is timely furnished to the IRS.

Certain U.S. Holders may be required to file IRS Form 5471 (Information Return of U.S. Persons With Respect to Certain Foreign Corporations) to report transfers to Continental Holdco and information relating to the U.S. Holder and Continental Holdco. Substantial penalties may be imposed upon a U.S. Holder that fails to comply. In addition, a U.S. Holder may be required to file a Treasury Form FinCEN Report 114 (Report of Foreign Bank and Financial Accounts) each year to report its interest in the Replacement Shares.

Certain specified individuals and, to the extent provided by future guidance, certain domestic entities, who, at any time during the taxable year, hold interests in specified foreign financial assets (including stock in a foreign corporation, such as Continental Holdco, that is not held in an account maintained by a financial institution) having an aggregate value in excess of applicable reporting thresholds (which depend on the individual's filing status and tax home, and begin at a low of more than $50,000 on the last day of the taxable year or more than $75,000 at any time during the taxable year) are required to attach a disclosure statement on Form 8938 (Statement of Specified Foreign Financial Assets) to their U.S. federal income tax return. A specified person who reports the Replacement Shares on a Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) does not have to report the Replacement Shares on the Form 8938 if the person identifies the Form 8621 which includes the Replacement Shares on the Form 8938. No Form 8938 is required to be filed by a specified person who is not required to file a U.S. federal income tax return for the taxable year. Investors are urged to consult their own tax adviser regarding these reporting requirements.

Canadian Securities Law Considerations

The Replacement Shares to be issued to the Shareholders and who participate in the Scheme will be issued under exemptions from the requirements to provide a prospectus under applicable Canadian securities laws. The Replacement Shares may be resold in each of the provinces and territories of Canada without significant restriction, provided that Continental Holdco is a "reporting issuer" under applicable securities legislation in a jurisdiction of Canada at the time of resale, the holder is not a "control person" as defined in the applicable securities legislation, no unusual effort is made to prepare the market or create a demand for the securities, no extraordinary commission or consideration is paid in respect of that sale and there is no order or injunction preventing such resale.

Pursuant to Multilateral Instrument 61-101 − *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), the Scheme is a "down stream transaction". In accordance with MI 61-101, if the transaction is a "business combination" or a "related party transaction", then a formal valuation and minority securityholder approval of the transaction in accordance with MI 61-101 would be required, unless an exemption is available to the issuer. Since the definition of "business combination" in MI 61-101 specifically excludes a "down stream transaction" and the provisions applying to "related party transactions" do not apply to "down stream transactions", the Company is not required to obtain a formal valuation or seek minority approval for the Scheme pursuant to MI 61-101. In addition, no "collateral benefit" (as such term is defined in MI 61-101) is being received by any related party to the Company in connection with the Scheme.

Continental Holdco is not, as at the date hereof, a reporting issuer in any province or territory of Canada; however, upon completion of the Scheme, Continental Holdco will be a reporting issuer in Ontario, British Columbia, Alberta and New Brunswick. Continental Gold received conditional approval of the listing of the Holdco Shares on the TSX in substitution of the Common Shares, subject to certain conditions typical for a transaction of this nature, as well as the condition that the Scheme Resolution is approved by the requisite majority of Shareholders voting thereon at the Meeting.

U.S. Securities Law Considerations

The Replacement Shares to be issued to Shareholders in exchange for their Common Shares and the Replacement Options to be issued to the Continental Gold Optionholders in exchange for their Continental Gold Options pursuant to the Scheme have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. Such securities will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act and exemptions or qualifications provided in respect of the securities laws of states of the U.S. in which U.S. securityholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities and other property where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. The Court is authorized to conduct such a hearing at which the fairness of the terms and conditions of the Scheme will be considered. The Court issued the Order for Directions on April 29, 2015 and, subject to the approval of the Scheme by the Shareholders, a hearing on the Scheme will be held at 9:30 a.m. (ADT), on June 9, 2015, or as soon thereafter as Bermuda counsel for Continental Gold may be heard, at the Supreme Court of Bermuda, 2nd Floor, Government Administration Building, 30 Parliament Street, Hamilton HM12. All Shareholders and Continental Gold Optionholders are entitled to appear and be heard at this hearing. The Sanction Order will constitute a basis for the Section 3(a)(10) Exemption with respect to the Replacement Shares to be issued to Shareholders in exchange for their Common Shares and the Replacement Options to be issued to the Continental Gold Optionholders for their Continental Gold Options pursuant to the Scheme. Prior to the hearing on the Sanction Order, the Court will be informed of this effect of the Sanction Order.

The Replacement Shares to be issued to Shareholders under the Scheme will be freely transferable under U.S. federal securities laws, except that the U.S. Securities Act imposes restrictions on the resale of securities received pursuant to the Scheme by persons who are, or within the 90 days immediately before such resale were, "affiliates" (as such term is

understood under the U.S. Securities Act) of Continental Holdco or Continental Gold. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such Replacement Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such Replacement Shares outside the U.S. without registration under the U.S. Securities Act pursuant to Regulation S promulgated under the U.S. Securities Act. If available, such affiliates (and former affiliates) may also resell such Replacement Shares in compliance with Rule 144 under the U.S. Securities Act, including the availability of current public information regarding Continental Holdco, and compliance with the volume and manner of sale limitations, aggregation rules and notice filing requirements of Rule 144 under the U.S. Securities Act.

The Replacement Options are not transferable except pursuant to a will or by the laws of descent and distribution.

The Holdco Shares issuable upon exercise of the Replacement Options have not been registered under the U.S. Securities Act or under applicable securities laws of any state of the United States. As a result, the Replacement Options may not be exercised by persons in the United States unless an exemption from the registration requirements of the U.S. Securities Act and all applicable securities laws of any state of United States is available. Any Holdco Shares issued upon exercise of the Replacement Options in the United States pursuant to an exemption from the registration requirements of the U.S. Securities Act will be "restricted securities" as defined in Rule 144 under the U.S. Securities Act and will be subject to restrictions on resales imposed by the U.S. Securities Act.

The foregoing discussion is only a general overview of the requirements under the U.S. Securities Act for the resale of the Replacement Shares and the Replacement Options, as well as the exercise of the Replacement Options, following the Effective Date. Holders of such securities are urged to seek legal advice prior to any resale or exercise, as applicable, of such securities to ensure that the resale or exercise, as applicable, is made in compliance with the requirements of applicable securities legislation.

Risk Factors

Certain risk factors relating to the activities of Continental Gold are contained in the AIF in the section entitled "General Development of the Business – Risks of the Business", which risk factors are incorporated by reference in this Circular. Risk factors related to the business of Continental Gold as contained in the AIF will generally continue to apply to Continental Holdco after the Effective Date and will not be affected by the Scheme. If the Scheme is completed, the business and operations of, and an investment in, securities of Continental Holdco will be subject to these risk factors. Securityholders should carefully consider those risk factors as well as the additional risk factors set forth below and consider all other information contained herein and in Continental Gold's other public filings before making an investment decision.

Transaction Risks

In evaluating the Scheme, you should carefully consider, in addition to the other information contained in this Circular, the risks and uncertainties described below before deciding to vote in favour of the Scheme. While this Circular has described risks and uncertainties that management believes to be material, it is possible that other risks and uncertainties affecting the business of Continental Holdco will arise or be material in the future.

If Continental Holdco is unable to effectively address these and other potential risks and uncertainties following a successful completion of the Scheme, the business, financial condition or results of operations of Continental Holdco could be materially and adversely affected.

The Scheme May Not Be Completed

The completion of the Scheme is subject to a number of conditions precedent, certain of which are outside the control of Continental Gold, including Shareholders approving the Scheme. There is no certainty, nor can Continental Gold provide any assurance, that these conditions will be satisfied.

Possible Failure to Realize Anticipated Benefits of the Scheme

Continental Gold proposed the Scheme in order to achieve the benefits set forth in "Benefits of the Scheme and Recommendation of the Board". There can be no assurance, however, that the anticipated benefits of the Scheme will materialize. It is possible that the risks and uncertainties described in this Circular will arise and become material to such an extent that some or all of the anticipated benefits of the Scheme never materialize or are nullified.

Approval Requirements

The approval of the Scheme must be confirmed by a majority (in number) of those Shareholders present, either in person or by proxy, at the Meeting, who together represent at least 75% of the votes cast. **The Board unanimously recommends that Shareholders vote FOR the Scheme Resolution.**

Approval of the Scheme

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the Scheme Resolution substantially in the form and content as set out in Appendix E.

The Board has concluded that the approval of the Scheme is in the best interests of the Company and its Shareholders. **Accordingly, the Board unanimously recommends that Shareholders approve the Scheme by voting FOR the Scheme Resolution at the Meeting.**

Proxies received in favour of management will be voted in favour of the Scheme Resolution unless the Shareholder has specified in the proxy that his or her Common Shares are to be voted against such resolution.

COMPENSATION DISCUSSION AND ANALYSIS

The Board has established a Corporate Governance, Nominating and Compensation Committee which has been given the authority to ensure that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company's executive officers. The Board ensures that total compensation paid to all Named Executive Officers ("NEOs") is fair and reasonable and is consistent with the Company's compensation philosophy.

The Corporate Governance, Nominating and Compensation Committee periodically reviews the compensation paid to the Company's directors and executive officers and ensures that the total compensation paid to all of the NEOs is fair, reasonable and competitive with the industry and is consistent with the Company's compensation philosophy.

The Corporate Governance, Nominating and Compensation Committee is responsible for the review and assessment of compensation arrangements for the Company's executive officers and is authorized to approve terms of employment, salaries, bonuses, stock option and DSU grants and other incentive arrangements for the Company's executive officers and, where appropriate, any severance arrangements. The Corporate Governance, Nominating and Compensation Committee works in conjunction with the Company's President and Chief Executive Officer ("CEO") and the Chief Operating Officer on the review and assessment of executive officers in accordance with the Company's compensation practices.

In 2014, the Corporate Governance, Nominating and Compensation Committee consisted of three directors, all of whom were independent. The Board believes that the members of the Corporate Governance, Nominating and Compensation Committee, collectively, have the knowledge, experience and background required to fulfill their mandate. Additional information regarding the members of the Corporate Governance, Nominating and Compensation Committee can be found in the "Particulars of Matters to be Acted Upon – Election of Directors" section of this Circular.

Executive Compensation Principles

Compensation plays an important role in achieving short-term and long-term business objectives that ultimately drive business success. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options and DSUs, representing a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long-term performance.

The Company's compensation philosophy is based on the following fundamental principles:

- *Compensation programs align with Shareholder interests* – the Company aligns the goals of executives with maximizing long-term Shareholder value through the following elements:
    - the grant of stock options and DSUs where, if the price of the Common Shares increases over time, both executives and Shareholders will benefit; and
    - staged vesting of stock option awards, which gives management an interest in increasing the price of the Common Shares over time, rather than focusing on short-term increases;
- *Performance sensitive* – compensation for NEOs should be linked to the NEO's performance and the operating and market performance of the Company, and should fluctuate with the performance of the Company; and
- *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre through the following elements:
    - competitive cash compensation program, consisting of base salary and bonus, which is generally consistent with similar opportunities; and
    - providing an opportunity to participate in the Company's growth through stock options and DSUs.

The objectives of the compensation program in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with Shareholders' interests and with the execution of the Company's business strategy;
- to evaluate executive performance on the basis of key measurements of exploration management and business plan implementation that correlate to long-term Shareholder value; and

- to tie compensation directly to those measurements and reward based on achieving and exceeding objectives.

Competitive Compensation

Aggregate compensation for each NEO is designed to be competitive. The Corporate Governance, Nominating and Compensation Committee reviews compensation practices of similarly-positioned companies in determining appropriate compensation. For 2014, the peer group included Premier Gold Mines Limited, Guyana Goldfields Inc., Torex Gold Resources Inc., Rubicon Minerals Corporation and Pretium Resources Inc. The composition of the peer group is reviewed periodically to ensure that it continues to reflect the Company's market for executive talent and includes publicly-traded organizations of similar size, scope and complexity. Although the Corporate Governance, Nominating and Compensation Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Company, it is primarily focused on remaining competitive in the market with respect to total compensation. Although no compensation consultant was engaged in 2014, the Corporate Governance, Nominating and Compensation Committee has the authority to engage, at the expense of the Company, independent counsel and other experts or advisors as considered advisable.

In order to retain a competent, strong and effective management group focused on the Company's growth strategy, corporate performance, risk management and the creation of Shareholder value, in a very tight and competitive market, the Corporate Governance, Nominating and Compensation Committee feels that it is important that the Company's executive compensation program provide executives with the proper incentives and is competitive with compensation paid to executives having comparable responsibilities and experience at other mining companies engaged in the same or similar lines of business as the Company. The Corporate Governance, Nominating and Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Company in assessing compensation levels.

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Corporate Governance, Nominating and Compensation Committee's approval.

Aligning the Interests of the NEOs with the Interests of Shareholders

The Company believes that transparent, objective and easily verifiable corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEO. In addition, in June 2013, the Board implemented a minimum share ownership policy for directors and executive officers, the purpose of which is to align the long-term interests of the Company's directors and executive officers with those of its Shareholders. See "– Share Ownership by Executives".

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. Fixed salary comprises a portion of the total cash-based compensation, however, annual incentives and securities-based compensation represent compensation that is "at risk" and, thus, may or may not be paid to the respective NEO. The Company's objective is to establish benchmarks and targets for its NEOs which, if achieved, will enhance Shareholder value. These benchmarks relate to completion of exploration and development programs on the basis of pre-established budgets and exploration success, as well as success in financing the Company and market performance of the Common Shares.

Base Salary

The Board approves the salary ranges for the NEOs after receiving recommendations for salary ranges from the Corporate Governance, Nominating and Compensation Committee. The base salary review for each NEO is based on an assessment of factors such as current competitive market conditions, compensation levels within the peer group discussed above and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Corporate Governance, Nominating and Compensation Committee accumulates comparative data for the Company's peer group from a number of external sources. The Company's policy for determining salary for NEOs is consistent with the administration of salaries for all other employees.

Annual Incentives

The Company may, in its discretion, award annual incentives by way of cash bonuses in order to motivate executives to achieve short-term corporate goals, and encourage continued high standards of performance. The contributions of NEOs to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Corporate Governance, Nominating and Compensation Committee makes awards, if any, by January or February of each year for the 12-month period from January 1 to December 31 of the prior year.

For 2014, the Board approved the payment of annual incentives, after assessment of each NEO's performance on the basis of efforts made, but not limited to, the completion of a preliminary economic assessment for its material mineral property, advancement of certain development initiatives, formalization of informal miners, progressing drilling at its material mineral property, and prospecting specific property within the Company's exploration portfolio.

Compensation and Measurements of Performance

Achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, trigger the award of a bonus payment to the NEO. The NEO receives a partial or full incentive payment depending on the number of pre-determined targets met and an assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the Corporate Governance, Nominating and Compensation Committee) and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long-Term Compensation

The Company currently has two long-term incentive plans: stock options granted from time to time by the Board under the Stock Option Plan (see "– Incentive Plan Awards – Stock Option Plan") and DSUs granted from time to time by the Board under the DSU Plan (see "– Incentive Plan Awards – Deferred Share Unit Plan"). The granting of stock options and DSUs is a variable component of compensation, intended to incentivize the NEOs to accretively grow the Company and increase the value of the Common Shares. Securities-based compensation represents compensation that is "at risk" and NEOs will not realize any benefit from the compensation unless the Common Share price increases above the Common Share price in effect at the time of grant. To date, no specific formula has been developed to assign a specific weighting to this component. Previous grants of security-based awards are taken into account when considering new grants.

If approved by Shareholders, the Company intends to provide additional long-term compensation to its executive officers in 2015 in the form of RSUs. See "Particulars of Matters to be Acted Upon – Ratification, Confirmation and Approval of the Restricted Share Unit Plan".

Other Compensation (Perquisites)

NEOs are not generally entitled to significant perquisites or other personal benefits not offered to other employees of the Company, such as medical health insurance, dental insurance and life insurance. The Company reviews the competitiveness of its benefit programs periodically.

Compensation Risk Considerations

The Corporate Governance, Nominating and Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company believes the programs are balanced and do not motivate unnecessary or excessive risk taking.

The Company has no formal risk mitigation practices in place in connection with compensation policies and practices. However, the Corporate Governance, Nominating and Compensation Committee does not believe that the current compensation policies and practices would specifically encourage an NEO or other employee to take inappropriate or excessive risks with the business or operations. In particular, salary review, annual incentives, stock options and DSUs have been considered in light of the ability of the individual to contribute towards progressing the Buriticá project into production. For instance, compensation and annual incentives are not based on corporate goals that would reward behaviours that would undermine the long-term sustainability of the business, such as compromising health, safety or the environment in favour of positive development.

Base salaries are fixed in amount and thus do not encourage risk-taking. While annual incentive awards focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Company's annual incentive award program represents a small percentage of employee's compensation opportunities. Annual incentive awards are based on various personal and company-wide achievements.

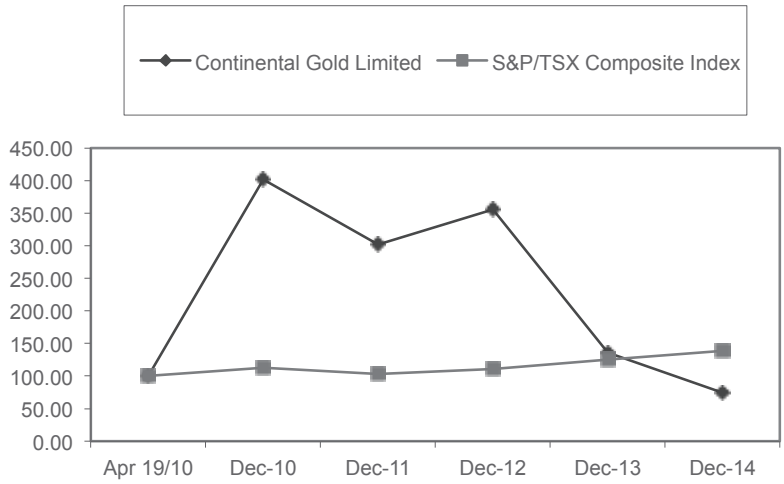
Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Corporate Governance, Nominating and Compensation Committee and the Board.

Stock option and DSU awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the Company's stock price and since awards are staggered and subject to long-term vesting schedules, they help ensure that NEOs have significant value tied to long-term stock price performance.

Directors and executive officers of the Company are required to meet specified equity ownership targets to further align their interests with those of Shareholders. The Company also believes that transactions that hedge, limit or otherwise change an insider's economic interest in and exposure to the full rewards and risks of ownership of the Company's securities would be contrary to this objective. Although the Company does not currently have a policy that expressly restricts directors or NEOs from purchasing financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity, under the Company's Corporate Disclosure and Insider Trading Policy, any trading in securities of the Company requires the prior approval of the CEO. As of the date hereof, the Company is not aware of and has not approved trading in these types of securities by any of the NEOs.

Performance Graph

The following graph illustrates, over the period from April 19, 2010 (the date on which the Company began trading its Common Shares on the TSX) to December 31, 2014, the cumulative Shareholder return of an investment in the Common Shares of the Company compared to the cumulative return of an investment in the S&P/TSX Composite Index, assuming that C$100 was invested on April 19, 2010.



	April 19 2010	Dec. 31 2010	Dec. 31 2011	Dec.31 2012	Dec. 31 2013	Dec. 31 2014
Continental Gold Limited	C$100.00	C$401.61	C$302.01	C$355.42	C$135.74	C$74.30
S&P/TSX Composite Index	C$100.00	C$113.30	C$103.43	C$110.87	C$125.27	C$138.49

As discussed above, compensation for the Company's executive officers is comprised of different elements. These include elements relating to factors that do not directly correlate to the market price of the Common Shares, such as base salary, as well as elements that more closely correlate to the Company's performance and changes in the market price of its Common Shares, such as annual incentive awards and awards of stock options and DSUs. The base salary of an executive officer is based on experience, responsibilities, position, performance, and market comparisons. In this regard, the pattern of compensation for the Company's executive officers over the measurement period has reflected a combination of the Company's performance relative to the market, increases in responsibility and competitive labour market conditions. Most recently, the Common Share price performance has not been strong and as a result NEO compensation has been below-target. The Corporate Governance, Nominating and Compensation Committee has confidence that the Company's President and CEO, along with the rest of the executive team, will successfully lead the Company to deliver on its long-term strategy and to generate sustainable value for the Company and its Shareholders.

Summary Compensation Table

Set out below are particulars of compensation paid to the following persons (NEOs):

(i) the Company's CEO;

(ii) the Company's Chief Financial Officer ("CFO");

(iii) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than C$150,000 for that financial year; and

(iv) each individual who would be a NEO under paragraph (iii) but for the fact that the individual was neither an executive officer nor acting in a similar capacity at the end of that financial year.

As at December 31, 2014, the end of the Company's most recently completed financial year, there were five NEOs, whose names and positions held with the Company are set out in the following summary compensation table. Mr. Teicher was appointed Executive Chairman on April 1, 2015 and is expected to be a NEO for fiscal 2015.

The following table sets forth information concerning the compensation paid, awarded or earned by each of the individuals that were considered to be NEOs for the fiscal year ended December 31, 2014, for services rendered in all capacities to the Company during the fiscal years ended December 31, 2014, 2013 and 2012.

Name of NEO and Principal Position	Year	Salary[2][3] ($)	Share-Based Awards ($)	Option-Based Awards[1] ($)	Non-Equity Incentive Plan Compensation		Pension Value ($)	All Other Compen-sation[7] ($)	Total Compen-sation ($)
					Annual Incentive Plans[2][3] ($)	Long-Term Incentive Plans ($)			
Ari Sussman President and Chief Executive Officer	2014 2013 2012	431,000 470,100 402,040	N/A N/A N/A	232,800 697,033 634,791	107,750[5] 188,040 201,020	N/A N/A N/A	N/A N/A N/A	- - -	771,550 1,355,173 1,237,851
Mark Moseley-Williams[4] Former President and Chief Operating Officer	2014 2013 2012	383,313 391,600 319,653	N/A N/A N/A	232,800 697,033 634,791	-[5] 143,066 140,174	N/A N/A N/A	N/A N/A N/A	- - -	616,113 1,231,699 1,094,618
Paul Begin Chief Financial Officer	2014 2013 2012	258,600 282,060 276,403	N/A N/A N/A	155,200 522,775 476,093	64,650[5] 112,824 138,201	N/A N/A N/A	N/A N/A N/A	- - -	478,450 917,659 890,697
Gustavo Koch Executive Vice-President	2014 2013 2012	249,724 250,323 210,779	N/A N/A N/A	62,080 174,258 317,395	25,000[5] 52,013 80,307	N/A N/A N/A	N/A N/A N/A	- - -	336,804 487,818 608,481
Mauricio Castañeda Vice-President, Exploration	2014 2013 2012	250,019 248,037 230,416	N/A N/A N/A	116,400 278,813 222,177	25,000[5] 52,013 50,972	N/A N/A N/A	N/A N/A N/A	- - -	391,419 579,663 503,565

(1) The fair value of option-based awards is calculated as at the date of grant using the Black-Scholes Option Pricing Model. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. The Company employed the Black-Scholes Option Pricing Model to calculate the grant date fair value as it is a widely used and relatively objective methodology. The principal assumptions employed were the Common Share price, converted to U.S. dollars, on the individual grant dates, an expected option term between 2.5 and 3.5 years, average volatility of 67% for 2014, 56% in 2013 and 58% in 2012, a dividend yield of 0% and an average risk-free rate of return of 1.1% in 2014, 1.2% in 2013 and 1.1% in 2012. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's option-based awards. The grant date fair value in the table for 2014, 2013 and 2012 is the same as the accounting fair value under International Financial Reporting Standards ("IFRS"), excluding an estimate for forfeitures.

(2) Compensation to Messrs. Sussman and Begin are paid in Canadian dollars and reported in U.S. dollars. The rate of exchange used to convert Canadian dollars to U.S. dollars is the closing rate reported by the Bank of Canada for the relevant year: December 31, 2014 – 0.8620; December 31, 2013 – 0.9402; and December 31, 2012 – 1.0051.

(3) Compensation to Messrs. Moseley-Williams, Koch and Castañeda are determined on an annual basis in U.S. dollars but are paid in Colombian pesos and/or U.S. dollars. The rate of exchange used to convert Colombian pesos to U.S. dollars is the average annual noon exchange rate reported by the Bank of Canada for the relevant year: December 31, 2014 - 2,000.73; December 31, 2013 – 1,869.91; and December 31, 2012 – 1,767.14.

(4) Mr. Moseley-Williams resigned from the Company on January 20, 2015.

(5) Represents a performance bonus payment for the year ended December 31, 2014 awarded in January 2015.

Incentive Plan Awards

Stock Option Plan

On February 17, 2010, the Company terminated its then existing stock option plan and adopted the Stock Option Plan, which was subsequently ratified by the Shareholders. All of the stock options that were outstanding under the previous stock option plan became subject to the terms of the Stock Option Plan.

The purpose of the Stock Option Plan is to encourage ownership of Common Shares by the persons who are primarily responsible for the management and profitable growth of the Company's business, as well as provide additional incentive for superior performance by such persons and attract and retain valued personnel. The Stock Option Plan provides that eligible persons thereunder include any director, officer, consultant or employee of the Company or any Affiliated Entity (as defined in the Stock Option Plan).

The Stock Option Plan currently limits the number of Common Shares that may be issued on exercise of stock options and all of the Company's other security-based compensation arrangements to a number not exceeding 10% of the number of Common Shares outstanding at the date of grant. Stock options that are exercised, cancelled, repurchased, expired or terminated will again be available for a subsequent grant of stock options under the Stock Option Plan. The Stock Option Plan is considered an "evergreen" plan under the TSX rules, since the Common Shares covered by stock options which have been exercised shall be available for subsequent grants under the Stock Option Plan and the number of stock options available to grant increases as the number of issued and outstanding Common Shares of the Company increases. The TSX requires that such a type of plan be submitted to Shareholders for ratification every three years. On June 5, 2012, the Shareholders approved all unallocated stock options under the Stock Option Plan until the Company's annual general meeting to be held in 2015 (provided that such meeting is held on or prior to June 5, 2015).

At the Meeting, Shareholders will be asked to approve all unallocated stock options under the Stock Option Plan. If approval is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated options under the Stock Option Plan until the Company's 2018 annual general meeting (provided that such meeting is held on or prior to June 4, 2018). If approval is not obtained at the Meeting, the Company must forthwith stop granting stock options under the Stock

Option Plan; however all stock options that have been granted on or prior to June 4, 2018, but have not yet been exercised, will continue unaffected. See “Particulars of Matters to be Acted Upon – Approval of Unallocated Stock Options”.

On April 23, 2015, the Board approved minor amendments to the Stock Option Plan of a “housekeeping” nature, which minor amendments are reflected in the Stock Option Plan attached to this Circular as Appendix D.

The maximum number of Common Shares that may be reserved for issuance to any one person or entity under the Stock Option Plan and any other security compensation arrangement may not exceed 5% of the issued and outstanding Common Shares at the date of grant (on a non-diluted basis). The Stock Option Plan also provides that the maximum number of Common Shares that may be issued to the insiders of the Company within any 12-month period, or issuable to insiders of the Company at any time, under the Stock Option Plan and any other share compensation arrangement shall not exceed 10% of the Common Shares issued and outstanding at such time.

Stock options granted under the Stock Option Plan are exercisable over a period not exceeding 10 years from the date of grant or such lesser period as the applicable grant may require, subject to earlier termination if the optionee ceases to be an eligible person by reason of termination of employment, retirement, disability or death. Unless the Board or the Committee (as defined in the Stock Option Plan) decides otherwise, vested stock options granted under the Stock Option Plan will expire at the earlier of the expiry date and (i) 12 months after the optionee’s death; (ii) 90 days after the date of resignation or retirement of the optionee; or (iii) at the date the Company ends the optionee’s employment for cause. Under the Stock Option Plan, in the event of a change of control (as defined therein), any unvested stock options shall forthwith vest and become fully exercisable. The stock options granted under the Stock Option Plan are not transferable or assignable other than an assignment made to a personal representative of a deceased participant. The Board fixes the vesting terms it deems appropriate when granting stock options.

The exercise price of the stock options granted pursuant to the Stock Option Plan is determined by the Board or the Committee, as the case may be, at the time of grant, provided that the exercise price shall be not less than the closing price of the Common Shares on the TSX (or such stock exchange on which the Common Shares may be listed) on the last trading day immediately preceding the date of grant. Where the expiry date of a stock option occurs during or within two days of a Blackout Period (as defined in the Stock Option Plan), the expiry date of such stock option shall be deemed to be extended to the date that is 10 business days following the end of the Blackout Period.

Subject to the provisions of the Stock Option Plan, the Board is authorized in its sole discretion to make decisions regarding the administration of the Stock Option Plan. The Board may amend or discontinue the Stock Option Plan at any time, without obtaining the approval of Shareholders unless required by the relevant rules of the TSX, provided that such amendment may not (i) increase the percentage of Common Shares issuable on exercise of outstanding stock options at any time, (ii) reduce the exercise price of any outstanding stock options, (iii) extend the term of any outstanding stock options beyond the original expiry date of such stock option, (iv) make any amendment to increase the maximum limit on the number of securities that may be issued to Insiders (as such term is defined in the Stock Option Plan), or (v) amend the restrictions on amendments that are provided in the Stock Option Plan. In addition, no amendment to the Stock Option Plan or stock options granted pursuant to the Stock Option Plan may be made without the consent of the optionee if it adversely alters or impairs any stock option previously granted to such optionee.

The eligibility for, and the number of stock options to be granted to, new hires below the level of executive officer are determined by the CEO after consultation with the new hires’ direct supervisor. The number of stock options to be awarded in each individual case is based upon the seniority of the new hire, his or her level of responsibility and the number of stock options held by existing employees with equivalent seniority. Each year, following the performance reviews of employees, senior management reports the results of the reviews of their direct reports as well as a recommendation as to the grant of stock options, if any. The CEO, in consultation with his senior management team, discusses the appropriate number of stock options for each employee.

Having determined an appropriate award of stock options for new hires and for annual awards, the CEO then makes a recommendation to the Board or the Committee, as the case may be, which considers all factors including the recommendations of the CEO as well as the number of stock options already held by the proposed recipient prior to approving the grants. Pursuant to an administrative amendment to the Stock Option Plan approved by the Board on June 7, 2011, the CEO was granted the right to grant stock options to non-executive and non-direct reports to a maximum of 1,000,000 stock options per year and to a maximum of 100,000 per grant.

As at the date of this Circular, the Company has granted stock options for the issuance of an aggregate of 8,962,168 Common Shares pursuant to the Stock Option Plan, representing 6.9% of the total issued Common Shares outstanding as of that date.

Deferred Share Unit Plan

On June 3, 2014, the Shareholders approved the implementation of the DSU Plan.

The DSU Plan provides that employees and directors of the Company may elect, subject to Committee approval, to receive up to 100% of their annual compensation in DSUs.

DSUs will be credited to a participant by way of a bookkeeping entry in the books of the Company, the value of which is equivalent to a Common Share at that time. All DSUs paid with respect to annual compensation will be credited to the employee or director by means of an entry in a notional account in their favour on the books of the Company when such annual compensation is payable. The participant’s DSU account will be credited with the number of DSUs calculated to the nearest thousandth of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the payment date by the

market value of the Common Shares. Fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Additionally, the Committee may award such number of DSUs to an employee or director as the Committee deems appropriate.

Generally, a participant in the DSU Plan shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the date upon which the employee or director ceases to hold any employment (including any directorships) with the Company or any designated affiliate, including in the event of death or disability (the "Retirement Date") and ending on the 90th day following the Retirement Date.

The number of Common Shares to be reserved for issuance under the DSU Plan and all other security-based compensation arrangements of the Company shall be that number that is equal to 10% of the issued and outstanding Common Shares from time to time. At the Meeting, Shareholders will be asked to consider a resolution approving an amendment to the DSU Plan to set the maximum number of Common Shares to be reserved for issuance under the DSU Plan to 250,000. See "Particulars of Matters to be Acted Upon – Ratification, Confirmation and Approval of Amendment to the Deferred Share Unit Plan". The maximum number of Common Shares issuable to insiders, at any time, pursuant to the DSU Plan and any other security-based compensation arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issuable to insiders, within any one year period, pursuant to the DSU Plan and any other security-based compensation arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issuable to any one person, within any one year period, pursuant to the DSU Plan and any other security-based compensation arrangements of the Company, is 5% of the total number of Common Shares then outstanding. Any DSU which has been granted under the DSU Plan and which has been redeemed or otherwise terminated in accordance with the terms of the DSU Plan will again be available under the DSU Plan. DSUs are not assignable.

The Committee shall have the discretion to credit to a participant who holds DSUs such additional number of DSUs equal to any cash dividends that would apply on Common Shares underlying DSUs, divided by the market value of the Common Shares.

In the event of a change of control of the Company (as defined in the DSU Plan), all DSUs shall be immediately redeemed for Common Shares.

The Committee may from time to time in the absolute discretion of the Committee, without Shareholder approval, amend, modify and change the provisions of the DSU Plan, including, without limitation:

(i) amendments of a house-keeping nature; and

(ii) a change to the termination provisions of a DSU or the DSU Plan.

However, other than as set out above, any amendment, modification or change to the provisions of the DSU Plan which would:

(a) materially increase the benefits of the holder under the DSU Plan to the detriment of the Company and its Shareholders;

(b) increase the number of Common Shares or maximum percentage, other than by virtue of the adjustment provisions and of the DSU Plan, which may be issued pursuant to the DSU Plan;

(c) reduce the range of amendments requiring Shareholder approval contemplated under the DSU Plan;

(d) change the insider participation limits which would result in Shareholder approval to be required on a disinterested basis;

(e) permit DSU's to be transferred other than for normal estate settlement purposes; or

(f) materially modify the requirements as to eligibility for participation in the DSU Plan,

shall only be effective upon such amendment, modification or change being approved by the Shareholders. Any amendment, modification or change of any provision of the DSU Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

The eligibility for, and the number of DSUs to be granted to, new hires below the level of executive officer are determined by the CEO after consultation with the new hires' direct supervisor. The number of DSUs to be awarded in each individual case is based upon the seniority of the new hire, his or her level of responsibility and the number of DSUs held by existing employees with equivalent seniority. Each year, following the performance reviews of employees, senior management reports the results of the reviews of their direct reports as well as a recommendation as to the grant of DSUs, if any. The CEO, in consultation with his senior management team, discusses the appropriate number of DSUs for each employee.

Having determined an appropriate award of DSUs for new hires and for annual awards, the CEO then makes a recommendation to the Board or the Committee, as the case may be, which considers all factors including the recommendations of the CEO as well as the number of DSUs already held by the proposed recipient prior to approving the grants.

As at the date of this Circular, the Company has not granted any DSUs.

Outstanding Option-Based and Share-Based Awards

The following table sets out, for each NEO, the option-based awards and share-based awards outstanding as at December 31, 2014.

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Ari Sussman President and Chief Executive Officer	150,000 840,908 100,000 150,000 200,000 200,000	C$3.70 C$1.50 C$2.35 C$7.89 C$7.80 C$8.89	May 21, 2019 March 30, 2015 May 10, 2015 June 7, 2016 February 9, 2017 January 22, 2018	- 253,702 - – – –	N/A	N/A	N/A
Mark Moseley-Williams[2] Former President and Chief Operating Officer	150,000 300,000 100,000 200,000 200,000	C$3.70 C$1.50 C$7.89 C$7.80 C$8.89	May 21, 2019 March 30, 2015 June 7, 2016 February 9, 2017 January 22, 2018	- 90,510 – – –	N/A	N/A	N/A
Paul Begin Chief Financial Officer	100,000 400,000 50,000 150,000	C$3.70 C$7.35 C$7.80 C$8.89	May 21, 2019 May 18, 2016 February 9, 2017 January 22, 2018	- – – –	N/A	N/A	N/A
Gustavo Koch Executive Vice-President	40,000 185,371 64,629 100,000 100,000 50,000	C$3.70 $0.98 C$1.50 C$7.89 C$7.80 C$8.89	May 21, 2019 January 29, 2019 March 30, 2015 June 7, 2016 February 9, 2017 January 22, 2018	- 113,948 19,499 – – –	N/A	N/A	N/A
Mauricio Castañeda Vice-President, Exploration	75,000 45,000 75,000 70,000 80,000	C$3.70 C$1.50 C$9.00 C$7.80 C$8.89	May 21, 2019 March 30, 2015 November 25, 2016 February 9, 2017 January 22, 2018	- 13,577 – – –	N/A	N/A	N/A

(1) Based on the difference in value between the exercise price of the stock options and the closing price of the Common Shares on the TSX on December 31, 2014 of C$1.85, converted to U.S. dollars using at the closing exchange rate on December 31, 2014 of 0.8620 as reported by the Bank of Canada.

(2) Mr. Moseley-Williams resigned from the Company on January 20, 2015.

Value Vested or Earned During the Year

The following table sets forth, for each of the NEOs, the value of all incentive plan awards that vested during the fiscal year ended December 31, 2014.

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Ari Sussman President and Chief Executive Officer	-	N/A	N/A
Mark Moseley-Williams[2] Former President and Chief Operating Officer	-	N/A	N/A
Paul Begin Chief Financial Officer	-	N/A	N/A
Gustavo Koch Executive Vice President	-	N/A	N/A
Mauricio Castañeda Vice-President, Exploration	-	N/A	N/A

(1) Calculated based on the closing price of the Common Shares on the TSX at the vesting date less the exercise price of the vested options, multiplied by the number of vested options, converted to U.S. dollars at the average noon rate on the vesting date reported by the Bank of Canada.

(2) Mr. Moseley-Williams resigned from the Company on January 20, 2015.

Net Proceeds or Fair Values Realized by NEOs for Options Exercised During the Year

The following table sets forth, for each of the NEOs, details of the net proceeds or fair values realized by the NEOs for options exercised during the fiscal year ended December 31, 2014.

Name	Stock options exercised during the year (#)	Proceeds/fair values received during the year[1] ($)
Ari Sussman President and Chief Executive Officer	63,637	158,213
Mark Moseley-Williams[2] Former President and Chief Operating Officer	-	-
Paul Begin Chief Financial Officer	-	-
Gustavo Koch Executive Vice President	-	-
Mauricio Castañeda Vice-President, Exploration	-	-

(1) Calculated based on the difference between the sale price or the fair market value on the date of the exercise and the exercise price of the stock options, multiplied by the number of stock options, converted to U.S. dollars at the exchange rate in effect on the day of exercise.
(2) Mr. Moseley-Williams resigned from the Company on January 20, 2015.

Share Ownership by Executives

Executive officers are required to hold an interest in the Company to align their long-term interests with those of the Shareholders. NEOs with the titles of CEO, CFO, President, COO and Executive Vice President are required to own a minimum of 3,000 Common Shares. The requirement must be attained three years from the date of hire or appointment as an executive officer or one year from implementation of the program, and must be maintained throughout the NEO's tenure at the Company. The monitoring of compliance with this requirement is made as of December 31 of each year.

Pension Plan Benefits

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

Termination and Change of Control Benefits

The Company has entered into agreements with certain NEOs, described below, because of their critical role in the Company. These employment agreements include certain termination and/or change of control provisions consistent with industry standards to, among other things, protect them from any disruption to their employment if there is a transaction affecting the control of the Company.

Ari Sussman

Effective October 17, 2011, the Company entered into an employment agreement with Ari Sussman, President and CEO, which provides, among other things, that in addition to his base salary, Mr. Sussman shall be eligible for a discretionary bonus of up to 50% of his base salary. In the event that Mr. Sussman's employment is terminated for a reason other than cause or within 12 months of a change of control (as defined in the agreement), he will be entitled to a payment equal to his salary for 24 months, and, with respect to a change of control, a bonus payment equal to his annual incentive bonus at target. In the event of: (1) a change of control, all unvested stock options will automatically vest and be exercisable for a period of 24 months from the termination date; or (2) termination without cause, all unvested stock options will automatically vest and would be exercisable until the earlier of (i) the termination date of such option or (ii) the date which is 24 months from the date the notice of termination is given. Mr. Sussman will also receive a continuation of any benefits in place, except life insurance and long-term disability insurance, for 24 months following termination or, alternatively, will receive one or more payments equal to the cost of replacing the benefits for the same period. Within 12 months of a change of control, Mr. Sussman has the discretionary right to trigger his termination clause and all payments and terms due thereunder. The agreement has an indefinite term, subject to certain termination provisions within the agreement. The agreement contains non-solicitation and non-competition covenants in favour of the Company, which apply during the term of his employment and for a period following the termination of employment as set out in the agreement. The agreement also contains non-disclosure covenants in favour of the Company.

Mark Moseley-Williams

The Company entered into an employment agreement with Mark Moseley-Williams, former President and Chief Operating Officer, which provided, among other things, that in addition to his base salary, Mr. Moseley-Williams was eligible for a discretionary bonus of up to 50% of his base salary. In the event that Mr. Moseley-Williams' employment was terminated for a reason other than cause or within 12 months of a change of control (as defined in the agreement), he was entitled to a payment equal to his salary for 18 months, and a bonus payment equal to his annual incentive bonus for the last completed fiscal period. In the event of: (1) a change of control, all unvested stock options would automatically vest and be exercisable for a period of 12 months from the termination date; or (2) termination without cause, all unvested stock options would continue to vest during the 18-month period from the termination date and be exercisable for a period of 90 days from the end of the severance period. Mr. Moseley-Williams would also receive a continuation of any benefits in place, except life insurance and long-term disability insurance, for 18 months following termination or, alternatively, would receive one or more payments equal to the cost of replacing the benefits for the same period. Within 12 months of a change of control, Mr. Moseley-Williams had

the discretionary right to trigger his termination clause and all payments and terms due thereunder. The agreement had an indefinite term, subject to certain termination provisions within the agreement. The agreement contained non-solicitation and non-competition covenants in favour of the Company, which applied during the term of his employment and for a period following the termination of employment as set out in the agreement. The agreement also contained non-disclosure covenants in favour of the Company. Mr. Moseley-Williams resigned from the Company on January 20, 2015.

Paul Begin

Effective May 18, 2011, the Company entered into an employment agreement with Paul Begin, CFO, which provides, among other things, that in addition to his base salary, Mr. Begin shall be eligible for a discretionary bonus of up to 50% of his base salary. In the event that Mr. Begin's employment is terminated for a reason other than cause or within 12 months of a change of control (as defined in the agreement), he will be entitled to a payment equal to his salary for 12 months, and, with respect to a change of control, a bonus payment equal to his annual incentive bonus at target. In the event of: (1) a change of control, all unvested stock options will automatically vest and be exercisable for a period of 12 months from the termination date; or (2) termination without cause, all vested options would be exercisable for a period of 90 days from the termination date in accordance with the terms of the Stock Option Plan. Mr. Begin will also receive a continuation of any benefits in place, except life insurance and long-term disability insurance, for 12 months following termination or, alternatively, will receive one or more payments equal to the cost of replacing the benefits for the same period. Within 12 months of a change of control, Mr. Begin has the discretionary right to trigger his termination clause and all payments and terms due thereunder. The agreement has an indefinite term, subject to certain termination provisions within the agreement. The agreement contains non-solicitation and non-competition covenants in favour of the Company, which apply during the term of his employment and for a period following the termination of employment as set out in the agreement. The agreement also contains non-disclosure covenants in favour of the Company.

Mauricio Castañeda

The Company entered into an agreement with Mauricio Castañeda, Vice-President, Exploration, which provides, among other things, that in the event that Mr. Castañeda's employment is terminated within 12 months of a change of control (as defined in the agreement), he will be entitled to a payment equal to his salary for 12 months and a bonus payment equal to his annual incentive bonus for the last completed fiscal period. In the event of a change of control, all unvested stock options will automatically vest and be exercisable for a period of 12 months from the termination date. Mr. Castañeda will also receive a continuation of any benefits in place, except life insurance and long-term disability insurance, for 12 months following such termination.

Estimated Incremental Payment on Change of Control or Termination

The following table provides details regarding the estimated incremental payments from the Company to Messrs. Sussman, Moseley-Williams, Begin and Castañeda under the above-described agreements in the event of a change of control or termination without cause, assuming the event took place on December 31, 2014.

Name	Triggering Event	Base Salary/Total Cost Remuneration Package ($)	Bonus ($)	Options[1] ($)	Other Benefits ($)	Total ($)
Ari Sussman[2]	Change of Control	862,000	215,500	-	4,680	1,082,180
	Termination without Cause	862,000	-	-	4,680	866,680
Mark Moseley-Williams[3][4]	Change of Control	574,970	-	-	26,665	614,967
	Termination without Cause	574,970	-	-	26,665	614,967
Paul Begin[2]	Change of Control	258,600	129,300	-	4,680	392,580
	Termination without Cause	258,600	-	-	4,680	263,280
Mauricio Castañeda[4]	Change of Control	250,000	25,000	-	6,320	281,320

(1) The closing price of the Common Shares on the TSX on December 31, 2014 was C$1.85. Under the Stock Option Plan, in the event of a change of control (as therein defined), any unvested options shall forthwith vest and become fully exercisable.
(2) Compensation to Messrs. Sussman and Begin has been converted from Canadian dollars to U.S. dollars for reporting purposes in this table at the closing exchange rate of 0.8620 on December 31, 2014 reported by the Bank of Canada.
(3) Mr. Moseley-Williams resigned from the Company on January 20, 2015.
(4) Compensation to Messrs. Moseley-Williams and Castañeda has been converted from Colombian pesos to U.S. dollars for reporting purposes in this table at the closing exchange rate of 2000.73 on December 31, 2014 reported by the Bank of Canada.

Directors Compensation

The main objective of our director compensation program is to attract and retain directors with a broad range of relevant skills and knowledge, and the ability to successfully carry out the Board's mandate. Directors are required to devote significant time and energy to the performance of their duties, including preparing for and attending Board meetings, participating on committees and ensuring that they stay informed about our business and trends and developments affecting the global mining industry. In order to attract and retain directors who meet these expectations, the Board believes that the Company must offer a competitive compensation package.

Directors are entitled to participate in the Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing Shareholder value over the longer term. The Company believes that the option grants to directors enable it to recruit qualified individuals to serve on the Board and ensure they have a significant stake in the performance of the Company. Individual grants are determined by an assessment of each individual director's current and expected future performance, level of responsibilities and the importance of their position and contribution to the Company.

The Company also provides alignment of interests between directors and Shareholders by enabling non-management directors to participate in the long-term success of the Company through the grant of DSUs.

The following table sets forth information concerning the compensation paid, awarded or earned by each non-NEO director for the fiscal year ended December 31, 2014.

Name[1]	Fees Earned[2] ($)	Share-based Awards ($)	Option-Based Awards[3] ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Robert W. Allen[4]	19,904	-	-	-	-	-	19,904
Gary P. Barket[5]	7,308	-	-	-	-	-	7,308
Jaime I. Gutiérrez[6]	21,218	-	62,080	-	-	-	83,298
Claudia Jiménez[7]	21,603	-	486,855	-	-	-	508,458
Paul J. Murphy	56,030	-	62,080	-	-	-	118,110
Leon Teicher[8]	164,429	-	465,601	-	-	-	630,030
Kenneth G. Thomas	56,030	-	62,080	-	-	-	118,110
Timothy A. Warman	56,030	-	62,080	-	-	-	118,110

(1) No compensation was paid to Messrs. Sussman and Koch in their capacity as a director of the Company. For a summary of the compensation paid to Messrs. Sussman and Koch in their capacity as an executive officer of the Company, see "Summary Compensation Table" above. Mr. Koch became a member of the Board on April 4, 2014.

(2) Currency of payment is dependent on the residency of director. Messrs. Murphy, Thomas and Warman were paid in Canadian dollars and converted to U.S. dollars for reporting purposes in this Director Compensation Table at the closing exchange rate of 0.8620 for December 31, 2014 reported by the Bank of Canada. For 2014, directors fees in the following amounts were paid as follows: Mr. Murphy, Chairman of the Audit Committee - C$65,000; Mr. Thomas, Chairman of the Health, Safety and Environment Committee - C$65,000; and Mr. Warman, Chairman of the Corporate Governance, Nominating and Compensation Committee - C$65,000.

(3) The fair value of option-based awards is calculated as at the date of grant using the Black-Scholes Option Pricing Model. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. The Company employed the Black-Scholes Option Pricing Model to calculate the grant date fair value as it is a widely used and relatively objective methodology. The principal assumptions employed were the Common Share price, converted to U.S. dollars, on the individual grant dates, an expected option term between 2.5 and 3. 5 years, average volatility of 67% in 2014; 56% in 2013, and 58% in 2012, a dividend yield of 0% and an average risk-free rate of return of 1.1% in 2014, 1.2% in 2013 and 1.1% in 2012. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Common Share and option-based awards.

(4) Mr. Allen resigned from the Board effective April 4, 2014.

(5) Mr. Barket ceased acting as a director on February 25, 2014.

(6) Mr. Gutiérrez resigned from the Board on June 3, 2014.

(7) Ms. Jiménez became a member of the Board on July 28, 2014.

(8) Mr. Teicher was appointed Chairman on April 4, 2014 and Executive Chairman on April 1, 2015.

For the year ended December 31, 2014, directors of the Company who are not NEOs were remunerated for their services as follows:

	Annual Fee[1]
Annual fee paid to each director	$50,000
Chairman of the Board	$200,000
Committee Chairman	$65,000

(1) Currency of payment dependent on residency of director

All of the directors are eligible to recover out of pocket expenses to attend any meetings of the directors or committees thereof. Directors may also be compensated for services provided to the Company as consultants or experts on the same basis and at the same rate as would be payable if such services were provided by a third party, arm's length service provider. No such services were provided to the Company by any of the directors in 2014.

Outstanding Option-Based and Share-Based Awards

The following table sets out, for each non-NEO director, the option-based awards and share-based awards outstanding as at December 31, 2014.

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options ($)[1]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Robert W. Allen[2]	500,000 100,000 150,000 75,000	C$1.50 C$7.80 C$7.89 C$8.89	March 30, 2015 March 31, 2015 March 31, 2015 March 31, 2015	150,850 - - -	N/A	N/A	N/A
Gary P. Barket[3]	300,000	$5.88	February 25, 2015	-	N/A	N/A	N/A
Jaime I. Gutiérrez[4]	-	-	-	-	N/A	N/A	N/A
Claudia Jiménez[5]	300,000	C$3.93	August 8, 2019	-	N/A	N/A	N/A
Paul J. Murphy	40,000 50,000 100,000 100,000 50,000	C$3.70 C$2.35 C$7.89 C$7.80 C$8.89	May 21, 2019 May 10, 2015 June 7, 2016 February 9, 2017 January 22, 2018	- - - - -	N/A	N/A	N/A
Leon Teicher[6]	300,000 300,000	C$3.70 C$4.76	May 21, 2019 May 2, 2018	- -	N/A	N/A	N/A
Kenneth G. Thomas	40,000 300,000 50,000	C$3.70 C$7.31 C$8.89	May 21, 2019 June 5, 2017 January 2, 2018	- - -	N/A	N/A	N/A
Timothy A. Warman	40,000 200,000 100,000 100,000 100,000 50,000	C$3.70 C$1.50 C$2.35 C$7.89 C$7.80 C$8.89	May 21, 2019 March 30, 2015 May 10, 2015 June 7, 2016 February 9, 2017 January 22, 2018	- 60,340 - - - -	N/A	N/A	N/A

(1) Based on the difference in value between the exercise price of the stock options and the closing price of the Common Shares on the TSX on December 31, 2014 of C$1.85, converted to U.S. dollars using the closing exchange rate on December 31, 2014 reported by the Bank of Canada.
(2) Mr. Allen resigned from the Board effective April 4, 2014.
(3) Mr. Barket ceased acting as a director on February 25, 2014.
(4) Mr. Gutiérrez resigned from the Board on June 3, 2014.
(5) Ms. Jiménez became a member of the Board on July 28, 2014.
(6) Mr. Teicher was appointed Chairman on April 4, 2014 and Executive Chairman on April 1, 2015.

The following table sets forth, for each non-NEO director, the value of all incentive plan awards that vested during the year ended December 31, 2014.

Name	Option-based awards - Value vested during the year[1] ($)	Share-based awards - Value vested during the year ($)	Non-equity incentive plan compensation - Value earned during the year ($)
Robert W. Allen[2]	-	N/A	N/A
Gary P. Barket[3]	-	N/A	N/A
Jaime I. Gutiérrez[4]	-	N/A	N/A
Claudia Jiménez[5]	-	N/A	N/A
Paul J. Murphy	-	N/A	N/A
Leon Teicher[6]	-	N/A	N/A
Kenneth G. Thomas	-	N/A	N/A
Timothy A. Warman	-	N/A	N/A

(1) Calculated based on the closing price of the Common Shares on the TSX on the vesting date less the exercise price of the vested options multiplied by the number of vested options, converted to U.S. dollars at the average noon rate on the vesting date reported by the Bank of Canada.
(2) Mr. Allen resigned from the Board effective April 4, 2014.
(3) Mr. Barket ceased acting as a director on February 25, 2014.
(4) Mr. Gutiérrez resigned from the Board on June 3, 2014.
(5) Ms. Jiménez became a member of the Board on July 28, 2014.
(6) Mr. Teicher was appointed Chairman on April 4, 2014 and Executive Chairman on April 1, 2015.

Net Proceeds or Fair Values Realized by Non-NEO Directors for Options Exercised during the Year

The following table sets forth, for each non-NEO director, details of the net proceeds or fair values realized by the non-NEO director for options exercised during the fiscal year ended December 31, 2014.

Name	Stock options exercised during the year (#)	Proceeds/Fair Values received during the year ($)[1]
Robert W. Allen[2]	-	-
Gary P. Barket[3]	-	-
Jaime I. Gutiérrez[4]	257,904	440,889
Claudia Jiménez[5]	-	-
Paul J. Murphy	83,000	118,922
Leon Teicher[6]	-	-
Kenneth G. Thomas	-	-
Timothy A. Warman	-	-

(1) Calculated based on the difference between the sale price or the fair market value on the date of the exercise and the exercise price of the stock options multiplied by the number of stock options, converted to U.S. dollars at the exchange rate in effect on the day of exercise.
(2) Mr. Allen resigned from the Board effective April 4, 2014.
(3) Mr. Barket ceased acting as a director on February 25, 2014.
(4) Mr. Gutiérrez resigned from the Board on June 3, 2014.
(5) Ms. Jiménez became a member of the Board on July 28, 2014.
(6) Mr. Teicher was appointed Chairman on April 4, 2014 and Executive Chairman on April 1, 2015.

Share Ownership by Directors

All non-management directors are required to hold an equity interest in the Company to align their long-term interests with those of the Shareholders. See “Statement of Corporate Governance Practices – Share Ownership by Directors”.

Directors’ and Officers’ Liability Insurance

The Company maintains a directors’ and officers’ liability insurance policy. The policy provides coverage for costs incurred to defend and settle claims against directors and officers of the Company up to an annual limit of $30,000,000. Generally, under this insurance, coverage is available to protect the individual directors and officers when they are not indemnified by the Company. It will also reimburse the Company for payments made under corporate indemnity provisions on behalf of its directors and officers as well as protection for the Company for securities claims. No claims have been made or paid to date under such policy.

Each director and officer has an individual indemnity agreement with the Company where the Company indemnifies directors and officers from costs, charges and expenses they incur related to any civil, criminal, administrative, investigative or other proceeding they are involved with as a director or officer of the Company, provided certain conditions are met.

Securities Authorized for Issuance under Equity Compensation Plans

The following chart sets forth the details of securities authorized for issuance pursuant to the Company’s equity compensation plans as at December 31, 2014:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[1] (c)
Equity compensation plans approved by security holders	10,297,663	C$5.50	2,420,313
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	10,297,663	C$5.50	2,420,313

(1) Based on the maximum number of Common Shares that were available for issuance under the Stock Option Plan as at December 31, 2014 of 12,717,976 (which maximum reserve is based on 10% of the number of issued and outstanding Common Shares as at December 31, 2014 of 127,179,758).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's or its subsidiaries' current or former directors, executive officers or employees, nor any associate of such persons are as at the date hereof, or has been, during the financial year ended December 31, 2014, indebted to the Company in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity as at the date hereof or during the financial year ended December 31, 2014 has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board has confirmed the strategic objective of the Company is seeking out and exploring mineral-bearing deposits with the intention of developing and mining the deposit or proving the feasibility of mining the deposit for others.

Canadian National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires the Company to disclose its corporate governance practices by providing in the Circular the disclosure required by Form 58-101F1. Canadian National Instrument 58-201 – Corporate Governance Guidelines ("NI 58-201") establishes corporate governance guidelines which apply to all public companies.

As a growing company, the Company's corporate governance practices are expected to evolve while the Company increases its infrastructure and matures. The Company has reviewed its own corporate governance practices in light of the guidelines contained in NI 58-101 and believes that its approach to corporate governance is appropriate and effective for the Company and its Shareholders at its current stage of development. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and matures.

Separation of the Roles of Chairman of the Board and CEO

Since the Amalgamation, the roles of the Chairman of the Board and CEO have been separate. In addition to being the primary liaison with the Chairman of the Board and the Board, the CEO's role is to directly oversee the day-to-day operations of the Company, lead and manage the senior management of the Company and implement the strategic plans, risk management and policies of the Company. The Chairman of the Board and CEO work together to ensure that critical information flows to the full Board, that discussions and debate of key business issues are fostered and afforded adequate time and consideration, that consensus on important matters is reached and decisions, delegation of authority and actions are taken in such a manner as to enhance the Company's business and functions. The Board currently believes that the separation of these two roles best serves the Company and its Shareholders. Mr. Teicher was appointed Executive Chairman on April 1, 2015.

The Board's access to information relating to the operations of the Company, through the membership of the CEO on the Board and, as necessary, the attendance by other members of management at the request of the Board at Board or committee meetings, are key elements to the effective and informed functioning of the Board. The Board expects the Company's management to take the initiative in identifying opportunities and risks affecting the Company's business and finding ways to deal with these opportunities and risks for the benefit of the Company.

In addition to those matters which must by law be approved by the Board, management seeks Board approval for any transaction which is out of the ordinary course of business or could be considered a related party transaction.

Board of Directors

The Board is currently composed of seven directors. Form 58-101F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under Canadian National Instrument 52-110 - *Audit Committees* ("NI 52-110"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

Mr. Teicher is the Executive Chair of the Company. Mr. Teicher is primarily responsible for the management and effective performance of the Board and provides leadership to the Board by overseeing the functions of the Board and Board committees to ensure compliance with the Company's corporate governance practices.

A majority of the directors of the Company are independent, with three directors that are not "independent" under NI 52-110 for the following reasons:

(1) Leon Teicher (Executive Chairman), is, or has been within the last three years, an executive officer of the Company and accordingly is not considered "independent" as a result of his relationship;

(2) Ari B. Sussman (President and CEO) is, or has been within the last three years, an executive officer of the Company and accordingly is not considered "independent" as a result of this relationship; and

(3) Gustavo J. Koch (Executive Vice-President) is, or has been within the last three years, an executive officer of the Company and, accordingly, is not considered "independent" as a result of this relationship.

The remaining four current directors - Claudia Jiménez, Paul J. Murphy, Kenneth G. Thomas and Timothy A. Warman - are considered by the Board to be "independent" within the meaning of NI 52-110.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- when appropriate, members of management are not present for the discussion and determination of certain matters at meetings of the Board;
- under the Bye-Laws, any director may call a meeting of the Board;
- the Audit Committee consists entirely of independent directors;
- the Corporate Governance, Nominating and Compensation Committee consists entirely of independent directors; and
- in addition to the above standing committees of the Board, independent committees may be appointed from time to time, when appropriate.

Independent directors will, where necessary, hold separate meetings without management and any non-independent directors present.

The Company recognizes that its directors benefit from service on other boards of other companies, so long as such service does not significantly conflict with the interests of the Company. The Corporate Governance, Nominating and Compensation Committee is obligated to evaluate the nature of and time involved in a director's service on other boards in determining the suitability of individual directors for election (or re-election). A director or executive officer of the Company with a material interest in any transaction or agreement is required to declare such interest to the Board, in order to ensure that directors exercise independent judgment in considering such transactions and agreements.

The following table sets forth the directors of the Company who currently hold directorships and/or committee positions with other reporting issuers:

Name of Director	Reporting Issuer
Claudia Jiménez	-
Gustavo J. Koch	Trident Gold Corporation Ltd. (TSX Venture Exchange)
Paul J. Murphy	Alamos Gold Inc. (TSX) (Chairman and member of the Audit Committee and Corporate Governance Committee)
Ari B. Sussman	Cordoba Minerals Corp. (TSX) (Chairman)
Leon Teicher	-
Kenneth G. Thomas	Candente Gold Corporation (TSX) (Director and Member of the Audit Committee); Avalon Rare Metals Inc. (Director and Member of the Corporate Governance & Nominating Committee)
Timothy A. Warman	-

Meetings of the Board

The Board generally meets a minimum of four times per year, at least every quarter. The non-management directors generally meet without management at the end of each meeting of the Board. Further, the independent directors regularly meet without the non-independent directors at the end of meetings of the Board and as needed; there were three such meetings held in 2014. The Audit Committee meets at least four times per year, and the Community and Government Relations Committee, the Corporate Governance, Nominating and Compensation Committee and the Health, Safety and Environment Committee meet as deemed necessary. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which the Company faces from time to time. The attendance record of each director, in their capacity as a director, for Board and standing committee meetings held in 2014 was as follows:

Director	Board Meetings Attended/Held	Audit Committee Meetings Attended/Held	Community and Government Relations Committee Meetings Attended/Held	Corporate Governance, Nominating and Compensation Committee Meetings Attended/Held	Health, Safety and Environment Committee Meetings Attended/Held
Robert W. Allen[(1)]	4/4	-	-	-	-
Gary P. Barket[(2)]	1/2	-	-	-	-
Jaime I. Gutiérrez[(3)]	4/5	2/2	-	1/1	1/1
Claudia Jiménez[(4)]	1/2	-	2/2	-	2/2
Gustavo Koch[(5)]	3/3	-	2/2	-	-
Paul J. Murphy	6/7	4/4	-	-	-
Ari B. Sussman	7/7	-	3/4	-	-
Leon Teicher[(6)]	6/7	2/2	4/4	2/2	4/4
Kenneth G. Thomas[(7)]	6/7	-	-	2/2	4/4
Timothy A. Warman	6/7	4/4	-	3/3	4/4

(1) Mr. Allen resigned from the Board effective April 4, 2014.
(2) Mr. Barket ceased acting as a director on February 25, 2014.
(3) Mr. Gutiérrez resigned from the Board on June 3, 2014.
(4) Dr. Jiménez became a member of the Board on July 28, 2014 and was appointed to the Community and Government Relations Committee and Health, Safety and Environment Committee on August 7, 2014.
(5) Mr. Koch became a member of the Board on April 4, 2014 and was appointed to the Community and Government Relations Committee on August 7, 2014.
(6) Mr. Teicher was appointed to the Corporate Governance, Nominating and Compensation Committee on August 7, 2014, and was appointed Executive Chairman on April 1, 2015.
(7) Dr. Thomas was appointed to the Corporate Governance, Nominating and Compensation Committee on March 5, 2014.

Share Ownership by Directors

All non-management directors are required to hold an equity interest in the Company to align their long-term interests with those of the Shareholders. Non-management directors are required to own the lower of (i) 3,000 Common Shares, or (ii) the number of Common Shares having an aggregate value of the annual base cash retainer or fee (excluding the value of stock option grants) to the director at the date the individual became a non-management director, based on the highest price the Common Shares have traded subsequent to the date the individual became a non-management director. Directors are provided the earlier of a period of three years following initial election or one year from implementation of the program to achieve this requirement. As at December 31, 2014, all of the directors owned sufficient shares in compliance with these share ownership guidelines.

Mandate of the Board

The duties and responsibilities of the Board are:

- to supervise the management of the business and affairs of the Company; and
- to act with a view towards the best interests of the Company.

In discharging its mandate, the Board is responsible for the oversight and review of the development of, among other things, the following matters:

- the strategic planning process of the Company;
- identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy for the Company to facilitate communications with investors and other interested parties; and
- the integrity of the Company's internal control and management information systems.

The Board also has the mandate to assess the effectiveness of the Board as a whole, its committees and the contribution of individual directors. A copy of the charter of the Board, setting out its mandate, responsibilities and the duties of its members is attached hereto as Appendix A to this management information circular.

Position Descriptions

The Company has formalized position descriptions for the Executive Chairman and executive officers to delineate their respective responsibilities. During 2015, the Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as copies of the Bye-Laws, Board and committee mandates, recent financial reports, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new member of the Board to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis.

Continuing education is provided to directors through provision of literature regarding current developments. Additionally, historically Board members have been nominated who are familiar with the Company and the nature of its business. The Corporate Governance, Nominating and Compensation Committee takes primary responsibility for the orientation and continuing education of directors and officers.

Women on the Board and Director Term Limits

Continental Gold does not have a written policy on the identification and nomination of female executive officers or directors, or a target for the number of women in these roles. The Company has seven directors, one of whom is female, and eight executive officers, none of whom are female (being 14.3% of the directors and 0% of the executive officers, respectively). Of the Company's 11 officers, two are female (being approximately 18.2% of the officers) The Company does not believe that quotas, strict rules or targets necessarily result in the identification or selection of the best candidates for directors or officers of the Company. However, it is mindful of the benefit of diversity in the workplace and on the Board, and the need to maximize its effectiveness and the effectiveness of the Board and the Board's decision-making abilities. The Company believes that it currently focuses on hiring the best quality individuals for the position and also encourages representation of women on the Board and in executive officer positions.

The Company has not instituted director term limits. The Company believes that in taking into account the nature and size of the Board and the Company, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Company. In lieu of imposing term limits, the Company regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent directors in attendance, as well as through continuing education initiatives. On a regular basis, the Company analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

Ethical Business Conduct

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") for the directors, officers and employees of the Company. The Audit Committee is responsible for ensuring compliance with the Code and no waiver has ever been granted to a director or executive officer in connection therewith. The Code addresses several issues, including conflicts of interest, protection and proper use of Company assets and opportunities, confidentiality of Company information, fair dealing, compliance with laws and reporting of any illegal or unethical behaviour.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. The Company believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by the Company's directors, officers and employees.

A copy of the Code may be accessed under the Company's profile on SEDAR at www.sedar.com or on the Company's website at www.continentalgold.com.

Whistleblower Policy

The Company adopted a written Whistleblower Policy for the Company's directors, officers and employees, that provides that concerns of employees regarding any potential or real wrongdoing in terms of accounting or auditing matters may be confidentially submitted to any member of the Board or the Audit Committee. This policy governs the process through which employees and others, either directly or anonymously, can notify the Audit Committee of actual or potential violations or concerns. In addition, the policy establishes a mechanism for responding to, and keeping records of, complaints from employees and others regarding such actual or potential violations or concerns. The Audit Committee is responsible for establishing procedures for the confidential, anonymous submission by Company employees or others of concerns regarding questionable business conduct or accounting or auditing matters.

Anti-Corruption Policy

The Board has adopted a written Anti-Corruption Policy (the "ACP") for the Company's directors, officers and employees, to comply with applicable provisions of the Corruption of Foreign Public Officials Act of Canada ("CFPOA") and The Superintendence of Companies External Letter No. 100-000005 of Colombia ("External Letter 100"), and to promote activities that ensure that the Company is not used as a means of corruption, bribery, money laundering and the financing of terrorism and other crimes. The ACP supplements the Code and applicable laws and provides guidelines for compliance with the CFPOA and External Letter 100 and Company policies applicable to the Company's international operations.

Shareholder Communication

The Company communicates regularly with its Shareholders. While management is available to Shareholders to respond to questions and concerns on a prompt basis, the CEO, CFO and Director, Investor Relations are currently primarily responsible for investor relations. The Board believes that management's communications with Shareholders and the avenues available for Shareholders and others interested in the Company to have their inquiries about the Company answered are responsive and effective.

Nomination and Compensation of Directors

The Corporate Governance, Nominating and Compensation Committee, composed of independent directors, has oversight of all Board corporate governance matters, and undertakes the process for recruitment and review of nominees for the Board. The recruitment of new directors has generally resulted from recommendations made by directors and Shareholders in a process which is managed by the Corporate Governance, Nominating and Compensation Committee. The assessment of the contributions of individual directors has principally been the responsibility of the Board.

The current members of the Corporate Governance, Nominating and Compensation Committee are Timothy A. Warman (Chairman) and Kenneth G. Thomas. Mr. Teicher was a member of the Corporate Governance, Nominating and Compensation Committee until his appointment as Executive Chairman on April 1, 2015.

The identification and recommendation to the Board of nominees as candidates for election as directors is the responsibility of the Corporate Governance, Nominating and Compensation Committee. The process by which the Corporate Governance, Nominating and Compensation Committee identifies the need for new candidates includes: reviewing on a periodic basis, the size and composition of the Board and ensuring that an appropriate number of independent directors sit on the Board; annually reviewing the performance and qualifications of existing directors in connection with their re-election; assessing the effectiveness of the Board as a whole, committees of the Board and contributions of individual directors; establishing qualifications and skills necessary for members of the Board and procedures for identifying possible nominees who meet these criteria; establishing an appropriate review selection process for new nominees to the Board; and analyzing the needs of the Board when vacancies arise and identifying and recommending nominees who meet such needs.

The Corporate Governance, Nominating and Compensation Committee also, among other things, recommends appropriate compensation for the Company's directors, officers and employees. Appropriate compensation is determined through a process involving periodic and annual reports from the Corporate Governance, Nominating and Compensation Committee on the Company's overall compensation and benefits philosophies.

The Corporate Governance, Nominating and Compensation Committee's responsibilities include reviewing and making recommendations to the directors regarding any equity or other compensation plan and regarding the total compensation

package of the CEO, considering and approving the recommendations of the CEO regarding the total compensation packages for the other officers of the Company and members of the Board and assisting with preparing and reviewing annually the executive compensation disclosure to be included in the Company's management information circular.

The purpose of the Corporate Governance, Nominating and Compensation Committee, includes, among other things, making recommendations to the Board relating to the compensation of:

- the members of the Board to ensure that good governance practices are adhered to in making recommendations for the compensation of members of the Board;
- the CEO; and
- members of senior management of the Company.

See also "Compensation Discussion and Analysis".

Community and Government Relations Committee

During 2014, the Community and Government Relations Committee was composed of four directors, being Leon Teicher (Chairman), Claudia Jiménez, Ari Sussman and Gustavo Koch, and one executive officer, being Mark Moseley-Williams, former President and Chief Operating Officer of the Company. Mr. Moseley-Williams resigned from the Company on January 20, 2015.

The primary function of the Community and Government Relations Committee is to assist the Company and the Board in fulfilling their respective obligations relating to community and government relations concerning the Company, including its oversight responsibilities with respect to:

- developing and implementing the Company's community, government relations and corporate social responsibility policies, programs and activities;
- monitoring the effectiveness of community, government relations and corporate social responsibility programs and activities;
- receiving updates from management with respect to community, government relations and corporate social responsibility matters;
- monitoring current and future regulatory issues relating to community, government relations and corporate social responsibility matters; and
- making recommendations to the Board, where appropriate, on significant matters pertaining to community and government relations and corporate social responsibility.

Health, Safety and Environment Committee

During 2014, the Health, Safety and Environment Committee was composed of four independent directors - Kenneth G. Thomas (Chairman), Claudia Jiménez, Leon Teicher and Timothy A. Warman.

The primary function of the Health, Safety and Environment Committee is to assist the Company and the Board in fulfilling their respective obligations relating to health, safety and environmental matters concerning the Company, including its oversight responsibilities with respect to:

- developing and implementing the Company's health, safety and environmental policies and programs;
- monitoring the implementation of compliance systems;
- monitoring the effectiveness of health, safety and environmental programs, and systems and monitoring processes;
- receiving audit results and updates from management with respect to the performance of the health, safety and environmental policies;
- monitoring current and future regulatory issues relating to health, safety and environmental matters; and
- making recommendations to the Board, where appropriate, on significant matters pertaining to health, safety and environmental matters.

Audit Committee

The Audit Committee consists entirely of independent directors. The Audit Committee provides assistance to the Board in fulfilling its oversight responsibilities with respect to the integrity of the Company's financial statements and financial reporting process, the Company's systems of internal financial controls and disclosure controls established by management. The external auditor of the Company reports directly to the Audit Committee.

The Audit Committee of the Board is principally responsible for:

- recommending to the Board the external auditor to be nominated for election by the Shareholders at each annual general meeting and negotiating the compensation of such external auditor;
- overseeing the work of the external auditor;
- reviewing the Company's annual and interim consolidated financial statements, management's discussion and analysis, and press releases regarding earnings, if any, before they are reviewed and approved by the Board and publicly disseminated by the Company; and
- reviewing the Company's financial reporting procedures to ensure adequate procedures are in place for the Company's public disclosure of financial information extracted or derived from its financial statements.

During 2014, the members of the Audit Committee were Paul J. Murphy (Chairman), Jaime I. Gutierrez (until June 2014), Leon Teicher (from June 2014), and Timothy A. Warman. Mr. Teicher was a member of the Audit Committee until his appointment as Executive Chairman on April 1, 2015. The current members of the Audit Committee are Paul J. Murphy (Chairman), Timothy A. Warman and Kenneth G. Thomas (from April 27, 2015).

The following is a brief summary of the Audit Committee's activities in and for the fiscal year ended December 31, 2014:

- reviewed and approved or recommended to the Board, in the case of the annual statements, the Company's quarterly and annual consolidated financial statements, including the notes thereto, and the related Management's Discussion and Analysis. These reviews included a discussion of matters required or recommended to be disclosed under International Financial Reporting Standards (IFRS) and securities regulations and laws;
- received regular updates from management with respect to any changes in accounting principles, practices or policies and discussed with management and the external auditor their applicability and impact on the Company's business;
- obtained assurances from management and the auditor that the Company is in full compliance with legal and regulatory requirements related to financial reporting; and
- based on this information, the Audit Committee recommended to the Board that the 2014 audited consolidated financial statements be approved.

The Audit Committee oversaw the work of the external auditor, including:

- reviewing with the auditor the overall scope, the audit plans and results and all matters pertaining to professional auditing guidelines and standards in Canada, Bermuda and Colombia;
- met privately, without any members of management present, with the external auditor to discuss the scope of their work, their relationship with management and internal audit ;
- receiving the written disclosures from the auditor as recommended by the Canadian Institute of Chartered Accountants;
- reviewing, with the auditor, the independence of the auditor including the receipt of the auditor's written assurance of its independent relationship with the Company and a review of and pre-approving non-audit services provided to the Company and its subsidiaries;
- requiring prior approval of all services provided by the auditor;
- approving the fees payable to the auditor; and
- reviewing the overall performance of the auditor.

Further information regarding the Company's Audit Committee is contained in the AIF, under the heading "Audit Committee". A copy of the Audit Committee charter is attached to the AIF as Appendix A. The AIF is available under the Company's profile on SEDAR at www.sedar.com.

Other Board Committees

There are currently no Board committees other than the Audit Committee, the Community and Government Relations Committee, the Corporate Governance, Nominating and Compensation Committee and the Health, Safety and Environment Committee.

Assessments

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and the quality of information provided by management, and among other things:

- overseeing strategic planning;
- monitoring the performance of the Company's assets;
- evaluating the principal risks and opportunities associated with the Company's business and overseeing the implementation of appropriate systems to manage these risks;
- approving specific acquisitions and divestitures;
- evaluating the performance of senior management of the Company; and
- overseeing the Company's internal control and management information systems.

The Corporate Governance, Nominating and Compensation Committee conducts an annual assessment of the directors, using a questionnaire to give important feedback on the effectiveness and contribution of individual directors, the Board committees and the Board overall. The Corporate Governance, Nominating and Compensation Committee then tabulates the results and recommends any changes for the coming year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed director of the Company, nor any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction of the Company since January 1, 2014 or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Additional financial information is provided in the Company's audited annual consolidated financial statements and the Company's management's discussion and analysis for the financial year ended December 31, 2014. A copy of the Company's audited consolidated financial statements and management's discussion and analysis can be obtained, upon request, from the Corporate Secretary of the Company at 155 Wellington Street West, Suite 2920, Toronto, Ontario, Canada M5V 3H1, and can also be found under the Company's profile on SEDAR at www.sedar.com.

APPROVAL

The contents and mailing to Shareholders of this Circular have been approved by the Board.

DATED the 30th day of April, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ *Ari Sussman*

Ari Sussman
Director, President and Chief Executive Officer

APPENDIX A

CONTINENTAL GOLD LIMITED
BOARD OF DIRECTORS MANDATE

The Board of Directors (the "Board") assumes responsibility for the stewardship of Continental Gold Limited (the "Company") and for the supervision of the management of the business and affairs of the Company. The Board will conduct the procedures, and manages the responsibilities and obligations set out below, either directly or through committees of the Board, presently consisting of the Audit Committee, the Corporate Governance, Nominating and Compensation Committee, the Health, Safety and Environment Committee, and the Community and Government Relations Committee. The Board will, however, retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

COMPOSITION

A majority of the directors shall be "independent" directors within the meaning of applicable securities laws, instruments, rules and policies, stock exchange and regulatory requirements (collectively "applicable law").

The directors of the Company will be elected at the annual general meeting of the shareholders of the Company and shall serve no longer than the close of the next annual general meeting of shareholders, subject to re-election at that meeting.

Nominees for membership on the Board will be recommended to the Board by the Corporate Governance, Nominating and Compensation Committee. The Board will then recommend the nominees to the shareholders for election at the annual general meeting. In selecting nominees as new directors, the Corporate Governance, Nominating and Compensation Committee will assess the ability to contribute to the effective management of the Company, taking into account the needs of the Company and the individual's background, experience, perspective, skills and knowledge that is appropriate and beneficial to the Company.

A quorum of directors may fill vacancies in existing or new director positions to the extent permitted by applicable law and the bye-laws of the Company. Directors so appointed by the Board will serve only until the next annual general meeting unless re-elected by the shareholders at that time.

MEETINGS

The Board will have at least four regularly scheduled meetings in each financial year of the Company. Prior to the end of each year, the Secretary will propose a schedule of Board meetings for the following calendar year for consideration by the Board. Additional meetings may be held from time to time as necessary or appropriate.

The Chairman, the Chief Executive Officer (the "CEO") and the Lead Director, if any, are responsible for establishing the agenda for each meeting of the Board. Prior to each Board meeting, the Chairman, the CEO and the Lead Director, if any, will discuss agenda items for the meeting. Materials for each meeting should be distributed to the Board in advance of the meeting.

The independent directors (in this context meaning directors who are not also senior officers and, if non-independent within the meaning of applicable laws, the Chairman) will hold an in camera session without the non-independent directors or management present at each meeting of the Board unless such a session is considered not necessary by the independent directors present. The Chairman, if independent (and if not independent, the Lead Director, if any), will chair the in camera sessions. If the Chairman is not independent and a Lead Director has not been appointed, the independent directors shall appoint a chairman to chair the in camera sessions.

LEAD DIRECTOR

The independent directors may elect one of such independent directors to serve as the Lead Director. If elected, the Lead Director will preside at each executive session of the Board and each session of independent directors and will carry out such other duties as the Board may determine. If a Lead Director is elected, the Board will establish methods by which interested parties may communicate directly with the Lead Director and cause such methods to be disclosed.

BOARD COMMITTEES

The Board may establish such committees as it deems appropriate and delegate to them such authority permitted by applicable law and the Company's bye-laws as the Board sees fit.

The committees will operate in accordance with applicable law, their respective mandates as adopted and amended from time to time by the Board, and the applicable rules of securities regulatory authorities and stock exchanges.

The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee, the Corporate Governance, Nominating and Compensation Committee, the Health, Safety and Environment Committee, and the Community and Government Relations Committee. Special committees will be established from time to time to assist the Board in connection with specific matters. The chair of each committee will report to the Board following meetings of the particular committee. The terms of reference of each standing committee will be reviewed annually by the Board.

All of the members of the Audit Committee and the Corporate Governance, Nominating and Compensation Committee, and a majority of the members of, the Health, Safety and Environment Committee, and the Community and Government Relations Committee shall be directors whom the Board has determined are "independent", taking into account applicable rules and regulations of securities regulatory authorities and stock exchanges.

RESPONSIBILITIES

The Board discharges its responsibility for supervising the management of the business and affairs of the Company by delegating the day-to-day management of the Company to senior officers. The Board relies on senior officers to keep it apprised of all significant developments affecting the Company and its operations.

The Board will conduct the procedures and manage the following responsibilities and obligations either directly or through committees of the Board.

Oversight of Management and the Board

1. The Board is responsible for the appointment, and replacement, of senior officers of the Company. The Board will ensure that appropriate succession planning, including the appointment, training and monitoring of the senior officers of the Company and members of the Board, is in place.

2. The Board is responsible for satisfying itself as to the integrity of the CEO and the other senior officers of the Company and that the CEO and the other senior officers create a culture of integrity throughout the Company. The Board is responsible for developing and approving goals and objectives which the CEO is responsible for meeting.

3. The Board will annually consider what additional background, experience, skills and competencies would be helpful to and ensure the diversity of the Board, with the Corporate Governance, Nominating and Compensation Committee (with the assistance of individual directors from time to time) being responsible for identifying specific candidates for consideration for appointment to the Board.

4. The Board will consider from time to time the appropriate size of the Board to facilitate effective decision-making. Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements of the *Companies Act 1981* (Bermuda) ("BCA"), or such other statute applicable to the Company from time to time, and the Company's bye-laws or at the annual meeting in compliance with the requirements of the BCA and the Company's bye-laws. The Board also recommends the number of directors on the Board to shareholders for approval, subject to compliance with the requirements of the BCA and the Company's bye-laws.

Financial Matters

5. The Board is responsible for monitoring the financial performance and other financial reporting matters. In particular, the Board shall approve the audited consolidated financial statements and the notes thereto and the Company's management discussion and analysis with respect to such financial statements. Such approval process shall include the following:

   (i) overseeing, primarily through the Audit Committee**,** the accurate reporting of the financial performance of the Company to its shareholders on a timely and regular basis;

   (ii) overseeing, primarily through the Audit Committee, that the financial results are reported fairly and in accordance with international financial reporting standards; and

   (iii) ensuring, primarily through the Audit Committee, the integrity of the internal control and management information systems of the Company.

6. The Board will review the annual information form, management information circular and annual report of the Company.

7. The Board, primarily through the Audit Committee, monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) within the Company and its financial reporting procedures.

Business Strategy

8. The Board has primary responsibility for the development and adoption of the direction of the Company. The Board reviews with management from time to time the strategic planning environment, the strategies and plans of the Company, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Company. The Board reviews and approves the Company's financial objectives, plans and actions, including significant capital allocations and expenditures.

9. The Board monitors corporate performance, including assessing operating results to evaluate whether the business is being properly managed. The Board is responsible for considering appropriate measures if the performance of the Company falls short of its goals or if other special circumstances warrant.

10. The Board has oversight responsibility for reviewing systems for managing the principal risks of the Company's business and ensures that there are appropriate systems put in place to manage these risks, including insurance coverage, conduct of material litigation and the effectiveness of internal controls.

11. The Board reviews and approves the budget on an annual basis, including the spending limits and authorizations, as recommended by the Audit Committee, and reviews updates to the budget, including summaries of any variances from the budget on a quarterly basis.

12. The Board is responsible for establishing and reviewing from time to time a dividend policy for the Company.

13. The Board will monitor, primarily through the Health, Safety and Environment Committee, matters relating to health, safety and the environment and compliance with applicable law and regulations in such areas.

14. The Board reviews and approves material transactions not in the ordinary course of business.

Communications and Reporting to Shareholders

15. The Board is responsible for overseeing the continuous disclosure program of the Company with a view to satisfying itself that procedures are in place to ensure that material information is disclosed accurately and in a timely fashion.

16. The Board approves a disclosure policy that includes a framework for compliance with continuous disclosure obligations and communications to the investing public.

Corporate Governance

17. The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.

18. The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and for reviewing the compensation of members of the senior management team to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Company. Such review may be conducted by the Corporate Governance, Nominating and Compensation Committee.

19. The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant disclosed relationships of each independent director, as well as establishing an annual process whereby Board members are required to assess their own effectiveness as directors and the effectiveness of committees of the Board.

20. The Board is responsible for developing, primarily through the Corporate Governance, Nominating and Compensation Committee, the Company's approach to corporate governance principles and guidelines that are specifically applicable to the Company.

21. The Board is responsible for ensuring appropriate standards of corporate conduct including, adopting a corporate code of ethics for all employees and senior management, and, primarily through the Audit Committee, monitoring compliance with such code, if appropriate.

22. The Board, together with the Corporate Governance, Nominating and Compensation Committee, is responsible for providing an orientation and education program for new directors which deals with:

    (a) the role of the Board and its committees;

    (b) the nature and operation of the business of the Company; and

    (c) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments. In addition, the Board, together with the Corporate Governance, Nominating and Compensation Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their skills and competencies and ensure that their knowledge of the business of the Company remains current, at the request of any individual director.

General

23. The Board is responsible for:

    (a) approving and monitoring compliance with all significant policies and procedures within which the Company operates;

    (b) approving policies and procedures designed to ensure that the Company operates at all times within applicable laws and regulations and to appropriate ethical and moral standards;

    (c) implementing the appropriate structures and procedures to ensure that the board functions independently of management;

(d) enforcing obligations of the directors respecting confidential treatment of the Company's proprietary information and Board deliberations; and

(e) performing such other functions as prescribed by applicable law or assigned to the Board in the Company's governing documents.

OUTSIDE ADVISORS

The Board may at any time retain outside financial, legal or other advisors at the expense of the Company. Any director may, subject to the approval of the Corporate Governance, Nominating and Compensation Committee, retain an outside financial, legal or other advisor at the expense of the Company.

FEEDBACK

The Board welcomes input and comments from shareholders of the Company relating to this mandate. Such input and comments may be sent to the Board at the address of the Company.

ACCOUNTABILITIES OF INDIVIDUAL DIRECTORS

The accountabilities set out below are meant to serve as a framework to guide individual directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities. Principal accountabilities include:

- assuming a stewardship role, overseeing the management of the business and affairs of the Company;
- maintaining a clear understanding of the Company, including its strategic and financial plans and objectives, emerging trends and issues, significant strategic initiatives and capital allocations and expenditures, risks and management of those risks, internal systems, processes and controls, compliance with applicable laws and regulations, governance, audit and accounting principles and practices;
- absent a compelling reason, attending every meeting of the Board and of all Board committees on which they serve, and actively participating in deliberations and decisions. When attendance is not possible, a director should become familiar with the matters to be covered at the meeting. Although the Board recognizes that, on occasion, circumstances may prevent a director from attending meetings, directors are expected to ensure that other commitments do not materially interfere with the performance of their duties. Subject to extenuating circumstances (such as illness, for example), directors are expected to attend a minimum of 75% of regularly scheduled Board and committee meetings. Directors should also make reasonable efforts to attend the annual meeting of shareholders of the Company;
- to prepare for meetings, reviewing the materials that are distributed in advance of those meetings, and requesting, where appropriate, information that will allow the director to properly participate in the Board's deliberations, make informed business judgments, and exercise oversight;
- preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Company and disclosing details of such interests, should they arise; and
- acting in an appropriate ethical manner and with integrity in all professional dealings.

MANDATE REVIEW

The Board will annually review and reassess the adequacy of this Mandate.

ADOPTION

This Mandate for the Board was adopted by the Board on March 5, 2015.

APPENDIX B

CONTINENTAL GOLD LIMITED
DEFERRED SHARE UNIT PLAN

ARTICLE ONE
DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions**: For purposes of this Deferred Share Unit Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

(a) "Act" means the *Companies Act, 1981* (Bermuda) or its successor, as amended from time to time;

(b) "Affiliate" means any corporation that is an Affiliated Entity of the Company;

(c) "Affiliated Entity" means with respect to the Company, a person or company that controls or is controlled by the Company or that is controlled by the same person or company that controls the Company. A company shall be deemed to be controlled by another person or company or by two or more companies if,

(i) voting securities of the first-mentioned company carrying more than 50 per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company or by or for the benefit of the other companies; and

(ii) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of the first-mentioned company.

(d) "Associate" where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (Ontario), as may be amended from time to time;

(e) "Base Compensation" has the meaning ascribed thereto in Section 3.02 of this Deferred Share Unit Plan;

(f) "Board" means the board of directors of the Company from time to time;

(g) "Change of Control" means the occurrence of any one or more of the following events:

(i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of Common Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;

(ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its Subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its Subsidiaries;

(iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;

(iv) any person, entity or group of persons or entities acting jointly or in concert (an "Acquiror") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or affiliates of the Acquiror (as such terms are defined in the Act) to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);

(v) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board (or replacements designated by such nominees) shall not constitute a majority of the Board; or

(vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

(h) "Committee" means the Board or if the Board so determines in accordance with Section 2.03 of this Deferred Share Unit Plan, the committee of the Board authorized to administer this Deferred Share Unit Plan, which may include any compensation committee of the Board;

(i) "Common Shares" means the common shares of the Company to be issued from treasury, as adjusted in accordance with the provisions of Article Five of this Deferred Share Unit Plan;

(j) "Company" means Continental Gold Limited, a corporation existing under the Act;

(k) "Deferred Share Unit" means the agreement by the Company to pay, and the right of the Participant to receive, a Deferred Share Unit Payment for each Deferred Share Unit held, evidenced by way of book-keeping entry in the books of the Company and administrated pursuant to this Deferred Share Unit Plan;

(l) "Deferred Share Unit Grant Date" has the meaning ascribed thereto in Section 3.02 of this Deferred Share Unit Plan;

(m) "Deferred Share Unit Grant Letter" has the meaning ascribed thereto in Section 3.03 of this Deferred Share Unit Plan;

(n) "Deferred Share Unit Payment" means, subject to any adjustment in accordance with Section 5.06 of this Deferred Share Unit Plan, the issuance to a Participant of one previously unissued Deferred Share for each whole Deferred Share Unit credited to such Participant;

(o) "Deferred Share Unit Plan" means this deferred share unit plan, as further described in Article Three hereof;

(p) "Deferred Shares" means the Common Shares issuable in satisfaction of Deferred Share Units;

(q) "Designated Affiliate" means the subsidiaries of the Company designated by the Committee from time to time for the purposes of this Deferred Share Unit Plan;

(r) "Eligible Directors" means the directors of the Company and the directors of any Designated Affiliate from time to time;

(s) "Eligible Employees" means full-time and part-time employees, including officers, whether directors or not, of the Company or any Designated Affiliate;

(t) "Insider" shall have the meaning ascribed thereto in the *Securities Act* (Ontario), other than a person who is an Insider solely by virtue of being a director or senior officer of a Subsidiary of the Company and any Associate of an Insider;

(u) "Market Value" means the average closing price of the Common Shares on the Stock Exchange on the five trading days immediately prior to the date as of which Market Value is determined. If the Common Shares are not trading on the Stock Exchange, then the Market Value shall be determined based on the trading price on such stock exchange or over-the- counter market on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Committee on the date as of which Market Value is determined. In the event that the Common Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion;

(v) "Notice of Redemption" means written notice, on a prescribed form, by the Participant, or the administrator or liquidator of the estate of a Participant, to the Corporation of the Participant's wish to redeem his or her Deferred Share Units;

(w) "Participant" means each Eligible Director and Eligible Employee to whom Deferred Share Units are granted;

(x) "Retirement" in respect of a Participant means the Participant ceasing to hold any employment (including any directorships) with the Company or any Designated Affiliate after attaining a stipulated age in accordance with the Company's normal retirement policy, or earlier with the Company's consent;

(y) "Retirement Date" means the date that a Participant ceases to hold any employment (including any directorships) with the Company or any Designated Affiliate pursuant to such Participant's Retirement or Termination;

(z) "Stock Exchange" means, the Toronto Stock Exchange;

(aa) "Subsidiary" means a corporation which is a subsidiary of the Company as defined under the Act;

(bb) "Termination" means: (i) in the case of an Eligible Employee, the termination of the employment of the Eligible Employee with or without cause by the Company or a Designated Affiliate or cessation of employment of the Eligible Employee with the Company or a Designated Affiliate as a result of resignation or otherwise, other than the Retirement of the Eligible Employee; and (ii) in the case of an Eligible Director,

the removal of or failure to re-elect the Eligible Director as a director of the Company or a Designated Affiliate; and

(cc) "Voting Securities" means Common Shares and/or any other securities (other than debt securities) that carry a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Section 1.02 **Headings**: The headings of all articles, Sections, and paragraphs in this Deferred Share Unit Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Deferred Share Unit Plan.

Section 1.03 **Context, Construction**: Whenever the singular or masculine are used in this Deferred Share Unit Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 **References to this Deferred Share Unit Plan**: The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Deferred Share Unit Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.05 **Canadian Funds**: Unless otherwise specifically provided, all references to dollar amounts in this Deferred Share Unit Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THE DEFERRED SHARE PLAN

Section 2.01 **Purpose of the Deferred Share Unit Plan**: This Deferred Share Unit Plan strengthens the alignment of interests between the shareholders of the Company and the employees and directors of the Company and its Designated Affiliates by linking a portion of annual compensation to the future value of the Common Shares. In addition, the Deferred Share Unit Plan advances the interests of the Company through the motivation, attraction and retention of employees and directors of the Company and its Designated Affiliates, it being generally recognized that deferred share unit plans aid in attracting, retaining and encouraging employees and directors commitment and performance by offering them the opportunity to receive compensation in line with the value of the Common Shares.

Section 2.02 **Administration of the Deferred Share Unit Plan**: This Deferred Share Unit Plan shall be administered by the Committee and the Committee shall have full authority to administer this Deferred Share Unit Plan, including the authority to interpret and construe any provision of this Deferred Share Unit Plan and to adopt, amend and rescind such rules and regulations for administering this Deferred Share Unit Plan as the Committee may deem necessary in order to comply with the requirements of this Deferred Share Unit Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Deferred Share Unit Plan and all members of the Committee shall, in addition to their rights as directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Deferred Share Unit Plan and of the rules and regulations established for administering this Deferred Share Unit Plan. All costs incurred in connection with this Deferred Share Unit Plan shall be for the account of the Company.

Section 2.03 **Delegation to Committee**: All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by a committee of the Board comprised of not less than three directors, including any compensation committee of the Board.

Section 2.04 **Record Keeping**: The Company shall maintain a register in which shall be recorded:

(a) the name and address of each Participant in this Deferred Share Unit Plan;

(b) the number of Deferred Share Units granted to each Participant under this Deferred Share Unit Plan;

(c) the number of Deferred Share Units credited to each Participant pursuant to Section 3.06 of this Deferred Share Unit Plan;

(d) the number of Deferred Shares issued to each Participant under this Deferred Share Unit Plan;

(e) the date on which Deferred Share Units were granted or credited to each Participant; and

(f) the date of redemption of the Deferred Share Units.

Section 2.05 **Determination of Participants and Participation**: The Committee shall from time to time determine the Participants who may participate in this Deferred Share Unit Plan.

Section 2.06 **Maximum Number of Shares**: The maximum number of Common Shares made available for this Deferred Share Unit Plan shall be 250,000 Common Shares, subject to adjustments pursuant to Section 5.06. The aggregate

number of Common Shares issuable to Insiders pursuant to Deferred Share Units and all other security based compensation arrangements, at any time, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares issued to Insiders pursuant to Deferred Share Units and all other security based compensation arrangements, within a one year period, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares reserved for issuance upon the exercise of Deferred Share Units to any one person or entity within any one year period under all security based compensation arrangements shall not exceed 5% of the total number of Common Shares then outstanding. For purposes of this Section 2.06, the number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Deferred Share Units.

ARTICLE THREE

DEFERRED SHARE PLAN

Section 3.01 **Deferred Share Unit Plan**: A Deferred Share Unit Plan is hereby established for Eligible Employees and Eligible Directors.

Section 3.02 **Establishment and Payment of Base Compensation**: An annual compensation amount payable to Eligible Directors and Eligible Employees (the "Base Compensation") shall be established from time-to-time by the Board.

Each Participant may elect, subject to Committee approval, to receive in Deferred Share Units up to 100% of his or her Base Compensation by completing and delivering a written election to the Company on or before November 15th of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for the calendar year following the date of such election.

Where an individual becomes a director or employee of the Company for the first time during a fiscal year and such individual has not previously participated in a compensation plan that is required to be aggregated with this Deferred Share Unit Plan for purposes of Section 2.06, such individual may elect to participate in the Deferred Share Unit Plan with respect to the fiscal year commencing after the Company receives such individual's written election, which election must be received by the Company no later than 30 days after such individual's appointment as a director or employee. For greater certainty, new directors and employees will not be entitled to receive Deferred Share Units pursuant to an election for the fiscal year in which they submit their first election to the Company. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.

All Deferred Share Units granted with respect to Base Compensation will be credited to the Participant's account when such Base Compensation is payable (the "Deferred Share Unit Grant Date"). The Participant's account will be credited with the number of Deferred Share Units calculated to the nearest thousandths of a Deferred Share Unit, determined by dividing the dollar amount of compensation payable in Deferred Share Units on the Grant Date by the Market Value. Fractional Deferred Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

The Committee may, from time to time and subject to applicable securities laws, also make additional determinations with respect to the number of Deferred Share Units to be issued (and the Deferred Share Unit Grant Date) to new Participants elected or appointed, or special grants of Deferred Share Units to Participants, in such numbers and at any time as the Committee deems appropriate. On each Deferred Share Unit Grant Date, the number of Deferred Share Units so determined by the Committee shall be granted by the Company to such Participant without any further action being required by the Committee or such Participant.

Section 3.03 **Deferred Share Unit Grant Letter**: Each grant of a Deferred Share Unit under this Deferred Share Unit Plan shall be evidenced by a Deferred Share Unit grant letter (a "Deferred Share Unit Grant Letter") issued to the Participant by the Company. Such Deferred Share Unit Grant Letter shall be subject to all applicable terms and conditions of this Deferred Share Unit Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Deferred Share Unit Plan and which the Committee deems appropriate for inclusion in a Deferred Share Unit Grant Letter. The provisions of Deferred Share Unit Grant Letters issued under this Deferred Share Unit Plan need not be identical.

Section 3.04 **Redemption of Deferred Share Units and Issuance of Deferred Shares**: Each Participant shall be entitled to redeem his or her Deferred Share Units during the period commencing on the business day immediately following the Retirement Date and ending on the 90th day following the Retirement Date by providing a written Notice of Redemption to the Company.

Upon redemption, the Participant shall be entitled to receive and the Company shall issue, subject to the limitations set forth in Section 2.06 of this Deferred Share Unit Plan, a number of Deferred Shares issued from treasury equal to the number of Deferred Share Units in the Participant's account, subject to any applicable deductions and withholdings.

In the event a Participant resigns or is otherwise no longer an Eligible Director or Eligible Employee during such year, the Participant will only be entitled to a pro-rated Deferred Share Unit Payment in respect of such Deferred Share Units based on the number of days that the Participant was an Eligible Director or Eligible Employee in such year.

Any Deferred Share Unit which has been granted under the Deferred Share Unit Plan and which has been redeemed or otherwise terminated in accordance with the terms of the Deferred Share Unit Plan will again be available under the Deferred Share Unit Plan.

Section 3.05 **Death or Disability of Participant**: In the event of the total disability or death of a Participant, the legal personal representatives of the Participant shall provide a written Notice of Redemption to the Company in accordance with Section 3.04 of this Deferred Share Unit Plan.

Section 3.06 **Payment of Dividends**: Subject to the absolute discretion of the Committee, in the event that a dividend (other than share dividend) is declared and paid by the Company on the Common Shares, a Participant may be credited with additional Deferred Share Units. The number of such additional Deferred Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the Deferred Share Units in the Participant's account on the dividend record date had been outstanding Common Shares (and the Participant held no other Common Shares), by (b) the Market Value on the date on which such dividends were paid.

Section 3.07 **Change of Control**: In the event of a Change of Control, all Deferred Share Units outstanding shall be redeemed for Deferred Shares immediately prior to the Change of Control.

Section 3.08 **Necessary Approvals**: This Deferred Share Unit Plan shall be subject to the approval of the shareholders of the Company to be given by a resolution passed at a meeting of the shareholders of the Company or by a written resolution of all of the shareholders of the Company in accordance with the Act and acceptance by the Stock Exchange or any regulatory authority having jurisdiction over the securities of the Company.

ARTICLE FOUR

WITHHOLDING TAXES

Section 4.01 **Withholding Taxes**: The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Deferred Share Unit, Common Share, including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued under this Deferred Share Unit Plan, until such time as the Participant has paid the Company or any Designated Affiliate for any amount which the Company or Designated Affiliate is required to withhold by law with respect to such taxes or other amounts. Without limitation to the foregoing, the Committee may adopt administrative rules under the Plan, which provide for the automatic sale of Deferred Shares (or a portion thereof) in the market upon the issuance of such shares under this Deferred Share Unit Plan on behalf of the Participant to satisfy withholding obligations under the Plan.

ARTICLE FIVE

GENERAL

Section 5.01 **Term of the Deferred Share Unit Plan**: This Deferred Share Unit Plan shall become effective on the date on which it is approved by the shareholders of the Company and shall remain in effect until it is terminated by the Board.

Section 5.02 **Amendment of the Deferred Share Unit Plan**: The Committee may from time to time in the absolute discretion of the Committee (without shareholder approval) amend, modify and change the provisions of this Deferred Share Unit Plan, including, without limitation:

(i) amendments of a house keeping nature; and

(ii) a change to the termination provisions of a Deferred Share Unit or the Deferred Share Unit Plan.

However, other than as set out above, any amendment, modification or change to the provisions of this Deferred Share Unit Plan which would:

(a) materially increase the benefits of the holder under this Deferred Share Unit Plan to the detriment of the Company and its shareholders;

(b) increase the number of Common Shares or maximum percentage of Common Shares, other than by virtue of Sections 5.06 and 5.08 of this Deferred Share Unit Plan, which may be issued pursuant to this Deferred Share Unit Plan;

(c) reduce the range of amendments requiring shareholder approval contemplated in this Section 5.02;

(d) change the insider participation limits which would result in shareholder approval to be required on a disinterested basis;

(e) permit Deferred Share Units to be transferred other than for normal estate settlement purposes; or

(f) materially modify the requirements as to eligibility for participation in this Deferred Share Unit Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Company. In addition, any such amendment, modification or change of any provision of this Deferred Share Unit Plan shall be subject to the approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

Section 5.03 **Non-Assignable**: Except as otherwise may be expressly provided for under this Deferred Share Unit Plan or pursuant to a will or by the laws of descent and distribution, no Deferred Share Unit and no other right or interest of a Participant is assignable or transferable.

Section 5.04 **Rights as a Shareholder**: No holder of any Deferred Share Units shall have any rights as a shareholder of the Company by virtue of holding Deferred Share Units. Except as provided for in Section 3.06 and subject to Section 5.06, no holder of any Deferred Share Units shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for shareholders of the Company.

Section 5.05 **No Contract of Employment**: Nothing contained in this Deferred Share Unit Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Company or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in this Deferred Share Unit Plan by a Participant shall be voluntary. Notwithstanding the foregoing, unless a Participant otherwise informs the Company in writing, each Participant agrees to be bound by the terms of this Deferred Share Unit Plan and any applicable Deferred Share Unit Grant Letter with respect to Deferred Share Units granted to such Participant.

Section 5.06 **Adjustment in Number of Shares Subject to the Deferred Share Unit Plan**: In the event there is any change in the Common Shares, whether by reason of a share dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

(a) the number of Common Shares available under this Deferred Share Unit Plan; and

(b) the number of Common Shares subject to any Deferred Share Units.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Deferred Share Unit Plan.

Section 5.07 **No Representation or Warranty**: The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Deferred Share Unit Plan.

Section 5.08 **Compliance with Applicable Law**: If any provision of this Deferred Share Unit Plan or any Deferred Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.09 **Interpretation**: This Deferred Share Unit Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

Section 5.10 **Effective Date**: This Deferred Share Unit Plan is effective as of June 2, 2014.

Section 5.11 **Amendment Date**: Amended by the Board on April 23, 2015.

APPENDIX C

CONTINENTAL GOLD LIMITED
RESTRICTED SHARE UNIT PLAN

ARTICLE ONE
DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions**: For purposes of this Restricted Share Unit Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

(a) "Act" means the Companies *Act, 1981* (Bermuda) or its successor, as amended from time to time;

(b) "Affiliate" means any corporation that is an Affiliated Entity of the Company;

(c) "Affiliated Entity" means with respect to the Company, a person or company that controls or is controlled by the Company or that is controlled by the same person or company that controls the Company. A company shall be deemed to be controlled by another person or company or by two or more companies if,

(i) voting securities of the first-mentioned company carrying more than 50 per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company or by or for the benefit of the other companies; and

(ii) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of the first-mentioned company.

(d) "Associate" where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (Ontario), as may be amended from time to time;

(e) "Board" means the board of directors of the Company from time to time;

(f) "Change of Control" means the occurrence of any one or more of the following events:

(i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of Common Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;

(ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its Subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its Subsidiaries;

(iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;

(iv) any person, entity or group of persons or entities acting jointly or in concert (an "Acquiror") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or affiliates of the Acquiror (as such terms are defined in the Act) to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);

(v) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board (or replacements designated by such nominees) shall not constitute a majority of the Board; or

(vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

(g) "Committee" means the Board or if the Board so determines in accordance with Section 2.03 of this Restricted Share Unit Plan, the committee of the Board authorized to administer this Restricted Share Unit Plan, which may include any compensation committee of the Board;

(h) "Common Shares" means the common shares of the Company to be issued from treasury, as adjusted in accordance with the provisions of Article Five of this Restricted Share Unit Plan;

(i) "Company" means Continental Gold Limited, a corporation existing under the Act;

(j) "Deferred Payment Date" for a Participant means the date after the Restricted Period, which is the earlier of (i) the date which the Participant has elected to defer receipt of Restricted Shares in accordance with Section 3.05 of this Restricted Share Unit Plan; and (ii) the Participant's Retirement Date;

(k) "Designated Affiliate" means the subsidiaries of the Company designated by the Committee from time to time for the purposes of this Restricted Share Unit Plan;

(l) "Eligible Contractors" means individuals, other than Eligible Employees that (i) are engaged to provide, on a *bona fide* basis, consulting, technical, management or other services (other than services provided in relation to a distribution of securities) to the Company or any Designated Affiliates under a written contract between the Company or the Designated Affiliate and the individual or a company of which the individual consultant is an employee; and (ii) in the reasonable opinion of the Committee, spend or will spend a significant amount of time and attention on the affairs and business of the Company or a Designated Affiliate;

(m) "Eligible Employees" means full-time and part-time employees, including officers, whether directors or not, of the Company or any Designated Affiliate;

(n) "Insider" shall have the meaning ascribed thereto in the *Securities Act* (Ontario), other than a person who is an Insider solely by virtue of being a director or senior officer of a Subsidiary of the Company and any Associate of an Insider;

(o) "Market Value" means the average closing price of the Common Shares on the Stock Exchange on the five trading days immediately prior to the date as of which Market Value is determined. If the Common Shares are not trading on the Stock Exchange, then the Market Value shall be determined based on the trading price on such stock exchange or over-the- counter market on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Committee on the date as of which Market Value is determined. In the event that the Common Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion;

(p) "Participant" means each Eligible Contractor, and Eligible Employee to whom Restricted Share Units are granted;

(q) "Restricted Period" means any period of time during which a Restricted Share Unit is not vested and the Participant holding such Restricted Share Unit remains ineligible to receive Restricted Shares, as determined by the Committee in its absolute discretion; however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Committee, including, but not limited to, circumstances involving death or disability of a Participant;

(r) "Restricted Share Unit Grant Letter" has the meaning ascribed thereto in Section 3.03 of this Restricted Share Unit Plan;

(s) "Restricted Share Unit Plan" means this restricted share unit plan, as further described in Article Three hereof;

(t) "Restricted Share Units" has the meaning ascribed thereto in Section 3.02 of this Restricted Share Unit Plan;

(u) "Restricted Shares" means the Common Shares issuable in satisfaction of Restricted Share Units;

(v) "Retirement" in respect of a Participant means the Participant ceasing to hold any employment (including any directorships) with the Company or any Designated Affiliate after attaining a stipulated age in accordance with the Company's normal retirement policy, or earlier with the Company's consent;

(w) "Retirement Date" means the date that a Participant ceases to hold any employment (including any directorships) with the Company or any Designated Affiliate pursuant to such Participant's Retirement or Termination;

(x) "Stock Exchange" means, the Toronto Stock Exchange;

(y) "Subsidiary" means a corporation which is a subsidiary of the Company as defined under the Act;

(z) "Termination" means: (i) in the case of an Eligible Employee, the termination of the employment of the Eligible Employee with or without cause by the Company or a Designated Affiliate or cessation of employment of the Eligible Employee with the Company or a Designated Affiliate as a result of resignation or otherwise, other than the Retirement of the Eligible Employee; and (ii) in the case of an Eligible Contractor, the termination of the services of the Eligible Contractor by the Company or a Designated Affiliate; and

(aa) "Voting Securities" means Common Shares and/or any other securities (other than debt securities) that carry a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Section 1.02 **Headings**: The headings of all articles, Sections, and paragraphs in this Restricted Share Unit Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Restricted Share Unit Plan.

Section 1.03 **Context, Construction**: Whenever the singular or masculine are used in this Restricted Share Unit Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 **References to this Restricted Share Unit Plan**: The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Restricted Share Unit Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.05 **Canadian Funds**: Unless otherwise specifically provided, all references to dollar amounts in this Restricted Share Unit Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THE RESTRICTED SHARE PLAN

Section 2.01 **Purpose of the Restricted Share Unit Plan**: This Restricted Share Unit Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Company through the motivation, attraction and retention of employees and consultants of the Company and its Designated Affiliates, and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by key employees and consultants of the Company and its Designated Affiliates, it being generally recognized that restricted share unit plans aid in attracting, retaining and encouraging employees and consultants by offering them the opportunity to acquire a proprietary interest in the Company.

Section 2.02 **Administration of the Restricted Share Unit Plan**: This Restricted Share Unit Plan shall be administered by the Committee and the Committee shall have full authority to administer this Restricted Share Unit Plan, including the authority to interpret and construe any provision of this Restricted Share Unit Plan and to adopt, amend and rescind such rules and regulations for administering this Restricted Share Unit Plan as the Committee may deem necessary in order to comply with the requirements of this Restricted Share Unit Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Restricted Share Unit Plan and all members of the Committee shall, in addition to their rights as directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Restricted Share Unit Plan and of the rules and regulations established for administering this Restricted Share Unit Plan. All costs incurred in connection with this Restricted Share Unit Plan shall be for the account of the Company.

Section 2.03 **Delegation to Committee**: All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by a committee of the Board comprised of not less than three directors, including any compensation committee of the Board.

Section 2.04 **Record Keeping**: The Company shall maintain a register in which shall be recorded:

(a) the name and address of each Participant in this Restricted Share Unit Plan;

(b) the number of Restricted Share Units granted to each Participant under this Restricted Share Unit Plan;

(c) the number of Restricted Shares issued to each Participant under this Restricted Share Unit Plan;

(d) the date on which the Restricted Share Units were granted and Restricted Shares were issued to each Participant; and

(e) the date of expiry of the Restricted Period or the Deferred Payment Date, as applicable.

Section 2.05 **Determination of Participants and Participation**: The Committee shall from time to time determine the Participants who may participate in this Restricted Share Unit Plan. The Committee shall from time to time determine the Participants to whom Restricted Share Units shall be granted and the provisions and restrictions with respect to such grant(s),

all such determinations to be made in accordance with the terms and conditions of this Restricted Share Unit Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Company and any other factors which the Committee deems appropriate and relevant.

Section 2.06 **Maximum Number of Shares**: The maximum number of Common Shares made available for this Restricted Share Unit Plan shall be 750,000 Common Shares, subject to adjustments pursuant to Section 5.06. The aggregate number of Common Shares issuable to Insiders pursuant to Restricted Share Units and all other security based compensation arrangements, at any time, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares issued to Insiders pursuant to Restricted Share Units and all other security based compensation arrangements, within a one year period, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares reserved for issuance upon the exercise of Restricted Share Units to any one person or entity within any one year period under all security based compensation arrangements shall not exceed 5% of the total number of Common Shares then outstanding. For purposes of this Section 2.06, the number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Units.

ARTICLE THREE

RESTRICTED SHARE PLAN

Section 3.01 **Restricted Share Unit Plan**: A Restricted Share Unit Plan is hereby established for Eligible Employees and Eligible Contractors.

Section 3.02 **Participants**: The Committee shall have the right to grant, in its sole and absolute discretion, to any Participant rights ("Restricted Share Units") to acquire from the Company any number of fully paid and non-assessable Common Shares as a discretionary payment in consideration of past services to the Company or as an incentive for future services, subject to this Restricted Share Unit Plan and with such provisions and restrictions as the Committee may determine. Each Restricted Share Unit entitles the holder to receive one Common Share, without payment of additional consideration, at the end of the Restricted Period or, if applicable, at a later Deferred Payment Date, if any, in satisfaction of the holder's entitlement under the Restricted Share Unit, without any further action on the part of the holder of the Restricted Share Unit in accordance with this Article Three.

Section 3.03 **Restricted Share Unit Grant Letter**: Each grant of a Restricted Share Unit under this Restricted Share Unit Plan shall be evidenced by a Restricted Share Unit grant letter (a "Restricted Share Unit Grant Letter") issued to the Participant by the Company in consideration for past and/or future services. Such Restricted Share Unit Grant Letter shall be subject to all applicable terms and conditions of this Restricted Share Unit Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Restricted Share Unit Plan and which the Committee deems appropriate for inclusion in a Restricted Share Unit Grant Letter. The provisions of Restricted Share Unit Grant Letters issued under this Restricted Share Unit Plan need not be identical.

Section 3.04 **Restricted Period**: In connection with the grant of Restricted Share Units to a Participant, the Committee shall determine the Restricted Period applicable to such Restricted Share Units. In addition, at the sole discretion of the Committee, at the time of grant, the Restricted Share Units may be subject to performance conditions to be achieved by the Company, a class of Participants or by a particular Participant on an individual basis, within a Restricted Period, for such Restricted Share Units to entitle the holder thereof to receive the underlying Restricted Shares. Upon the expiry of the applicable Restricted Period (or on the Deferred Payment Date, as applicable), a Restricted Share Unit shall be automatically settled and the underlying Restricted Share shall be issued to the holder of such Restricted Share Unit, which Restricted Share Unit shall then be cancelled. Any Restricted Share Unit which has been granted under the Restricted Share Unit Plan and which has been settled and cancelled in accordance with the terms of the Restricted Share Unit Plan will again be available under the Restricted Share Unit Plan.

Section 3.05 **Deferred Payment Date**: Participants who are (i) Eligible Employees; (ii) residents of Canada for the purposes of the *Income Tax Act* (Canada); and (iii) not subject to the provisions of the *Internal Revenue Code* may elect to defer to receive all or any part of their Restricted Shares until one or more Deferred Payment Dates. Any other Participants may not elect a Deferred Payment Date.

Section 3.06 **Prior Notice of Deferred Payment Date**: Participants who elect to set a Deferred Payment Date must give the Company written notice of the Deferred Payment Date(s) not later than 60 days prior to the expiration of the Restricted Period. For certainty, Participants shall not be permitted to give any such notice after the day which is 60 days prior to the expiration of the Restricted Period and a notice once given may not be changed or revoked.

Section 3.07 **Retirement or Termination during Restricted Period**: In the event of the Retirement or Termination of a Participant during the Restricted Period, any Restricted Share Units held by the Participant shall immediately terminate and be of no further force or effect, provided that the Committee has the absolute discretion to waive such termination. Any Restricted Share Unit which has been granted under the Restricted Share Unit Plan and which has been terminated in accordance with the terms of the Restricted Share Unit Plan will again be available under the Restricted Share Unit Plan.

Section 3.08 **Retirement or Termination after Restricted Period**: In the event of the Retirement or Termination of the Participant following the Restricted Period and prior to a Deferred Payment Date, the Participant shall be entitled to receive and the Company shall issue forthwith Restricted Shares in satisfaction of the Restricted Share Units then held by the Participant.

Any Restricted Share Unit which has been granted under the Restricted Share Unit Plan and which has been settled in accordance with the terms of the Restricted Share Unit Plan will again be available under the Restricted Share Unit Plan.

Section 3.09 **Payment of Dividends**: Subject to the absolute discretion of the Committee, in the event that a dividend (other than share dividend) is declared and paid by the Company on the Common Shares, a Participant may be credited with additional Restricted Share Units. The number of such additional Restricted Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the Restricted Shares issuable upon the settlement of Restricted Share Units had been outstanding Common Shares (and the Participant held no other Common Shares) on the dividend record date, by (b) the Market Value on the date on which such dividends were paid.

Section 3.10 **Death or Disability of Participant**: In the event of the total disability or death of a Participant, any Restricted Share Units held by the Participant shall vest immediately and the Company shall issue Restricted Shares to the Participant or legal personal representatives of the Participant forthwith in full satisfaction thereof.

Section 3.11 **Change of Control**: In the event of a Change of Control, all Restricted Share Units outstanding shall vest immediately prior to the Change of Control and be forthwith settled by issuance of Restricted Shares notwithstanding the Restricted Period and any applicable Deferred Payment Date.

Section 3.12 **Necessary Approvals**: This Restricted Share Unit Plan shall be subject to the approval of the shareholders of the Company to be given by a resolution passed at a meeting of the shareholders of the Company or by a written resolution of all of the shareholders of the Company in accordance with the Act and acceptance by the Stock Exchange or any regulatory authority having jurisdiction over the securities of the Company.

ARTICLE FOUR

WITHHOLDING TAXES

Section 4.01 **Withholding Taxes**: The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Restricted Share Unit, Common Share, including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued under this Restricted Share Unit Plan, until such time as the Participant has paid the Company or any Designated Affiliate for any amount which the Company or Designated Affiliate is required to withhold by law with respect to such taxes or other amounts. Without limitation to the foregoing, the Committee may adopt administrative rules under the Plan, which provide for the automatic sale of Restricted Shares (or a portion thereof) in the market upon the issuance of such shares under this Restricted Share Unit Plan on behalf of the Participant to satisfy withholding obligations under the Plan.

ARTICLE FIVE

GENERAL

Section 5.01 **Term of the Restricted Share Unit Plan**: This Restricted Share Unit Plan shall become effective on the date on which it is approved by the shareholders of the Company and shall remain in effect until it is terminated by the Board.

Section 5.02 **Amendment of the Restricted Share Unit Plan**: The Committee may from time to time in the absolute discretion of the Committee (without shareholder approval) amend, modify and change the provisions of this Restricted Share Unit Plan, including, without limitation:

(i) amendments of a house keeping nature; and

(ii) the change to the Restricted Period of any Restricted Share Unit.

However, other than as set out above, any amendment, modification or change to the provisions of this Restricted Share Unit Plan which would:

(a) materially increase the benefits of the holder under this Restricted Share Unit Plan to the detriment of the Company and its shareholders;

(b) increase the number of Common Shares or maximum percentage of Common Shares, other than by virtue of Sections 5.06 and 5.08 of this Restricted Share Unit Plan, which may be issued pursuant to this Restricted Share Unit Plan;

(c) reduce the range of amendments requiring shareholder approval contemplated in this Section 5.02;

(d) change the insider participation limits which would result in shareholder approval to be required on a disinterested basis;

(e) permit Restricted Share Units to be transferred other than for normal estate settlement purposes; or

(f) materially modify the requirements as to eligibility for participation in this Restricted Share Unit Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Company. In addition, any such amendment, modification or change of any provision of this Restricted Share Unit Plan shall be subject to the approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

Section 5.03 **Non-Assignable**: Except as otherwise may be expressly provided for under this Restricted Share Unit Plan or pursuant to a will or by the laws of descent and distribution, no Restricted Share Unit and no other right or interest of a Participant is assignable or transferable.

Section 5.04 **Rights as a Shareholder**: No holder of any Restricted Share Units shall have any rights as a shareholder of the Company by virtue of holding Restricted Share Units. Except as provided for in Section 3.09 and subject to Section 5.06, no holder of any Restricted Share Units shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for shareholders of the Company.

Section 5.05 **No Contract of Employment**: Nothing contained in this Restricted Share Unit Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Company or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in this Restricted Share Unit Plan by a Participant shall be voluntary. Notwithstanding the foregoing, unless a Participant otherwise informs the Company in writing, each Participant agrees to be bound by the terms of this Restricted Share Unit Plan and any applicable Restricted Share Unit Grant Letter with respect to Restricted Share Units granted to such Participant.

Section 5.06 **Adjustment in Number of Shares Subject to the Restricted Share Unit Plan**: In the event there is any change in the Common Shares, whether by reason of a share dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

(a) the number of Common Shares available under this Restricted Share Unit Plan; and

(b) the number of Common Shares subject to any Restricted Share Units.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Restricted Share Unit Plan.

Section 5.07 **No Representation or Warranty**: The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Restricted Share Unit Plan.

Section 5.08 **Compliance with Applicable Law**: If any provision of this Restricted Share Unit Plan or any Restricted Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.09 **Interpretation**: This Restricted Share Unit Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

Section 5.10 **Effective Date**: This Restricted Share Unit Plan is effective as of June 4, 2015.

APPENDIX D

CONTINENTAL GOLD LIMITED
INCENTIVE STOCK OPTION PLAN

ARTICLE 1
GENERAL

1.1 **Purpose**

The purpose of this Plan is to advance the interests of CONTINENTAL GOLD LIMITED (the "**Company**") by (i) providing Eligible Persons with additional incentive; (ii) encouraging stock ownership by Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of Continental Gold; (iv) encouraging Eligible Persons to remain with the Company or its Affiliates; and (v) attracting new employees, officers, directors and Consultants to the Company or its Affiliates.

1.2 **Administration**

(a) The Board or the Committee, as applicable, will administer this Plan. Where applicable all references hereinafter to the term "**Board**" will be deemed to be references to the Committee. Notwithstanding the foregoing, if at any time the Committee has not been appointed by the Board, this Plan will be administered by the Board and in such event references herein to the Committee shall be construed to be a reference to the Board.

(b) Subject to the limitations of this Plan, the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons; (ii) to determine the terms of the Options, including the limitations, restrictions and conditions, if any, upon such grants; (iii) to interpret this Plan and to adopt, amend and rescind this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority and/or stock exchange; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board's interpretations and determinations will be conclusive and binding upon all parties.

1.3 **Interpretation**

For the purposes of this Plan, the following terms will have the following meanings unless otherwise defined elsewhere in this Plan:

"Act" means the *Securities Act* (Ontario):

"Affiliate" means any corporation that is an Affiliated Entity of the Company;

"Affiliated Entity" means with respect to the Company, a person or company that controls or is controlled by the Company or that is controlled by the same person or company that controls the Company. A company shall be deemed to be controlled by another person or company or by two or more companies if,

(a) voting securities of the first-mentioned company carrying more than 50 per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company or by or for the benefit of the other companies; and

(b) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of the first-mentioned company.

"Associate" has the meaning ascribed thereto in the Act;

"Blackout Period" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of confidential information pertaining to the Company;

"Board" means the Board of Directors of the Company;

"Business Day" means a day on which trading occurs on the TSX;

"Change of Control" means the occurrence of any one or more of the following events:

(a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;

(b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its Subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-

owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries;

(c) a resolution is adopted to wind-up, dissolve or liquidate the Company;

(d) any person, entity or group of persons or entities acting jointly or in concert (an **"Acquiror"**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the Act) to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);

(e) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board (or replacements designated by such nominees) shall not constitute a majority of the Board; or

(f) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

"Committee" means the Company's Compensation Committee, duly appointed by the Board from time to time, or any committee of the Board to which the duties of the Board hereunder are delegated;

"Company" means Continental Gold Limited;

"Consultants" means individuals, including advisors, other than employees and officers and directors of the Company or an Affiliated Entity that are engaged to provide consulting, technical, management or other services to the Company or any Affiliated Entity for an initial, renewable or extended period of twelve months or more under a written contract between the Company or the Affiliated Entity and the individual or a company of which the individual consultant is an employee or shareholder or a partnership of which the individual consultant is an employee or partner;

"Eligible Person" means, subject to all applicable law and rules of any applicable stock exchange, any employee, officer, director, or Consultant of (i) the Company or (ii) any Affiliated Entity (and includes any such person who is on a leave of absence authorized by the Board or the board of directors of any Affiliated Entity);

"Holding Company" means a holding company wholly-owned and controlled by an Eligible Person;

"Insider" means an insider as defined in the Act;

"Option" means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan;

"Participant" means an Eligible Person to whom or to whose RRSP or to whose Holding Company an Option has been granted;

"Plan" means the Company's Incentive Stock Option Plan, as same may be amended from time to time;

"Retirement" in respect of a Participant means the Participant ceasing to be an employee, officer, director or Consultant of the Company or an Affiliated Entity after attaining a stipulated age in accordance with the Company's normal retirement policy or earlier with the Company's consent;

"Retirement Date" means the date that a Participant ceases to be an employee, officer, director or Consultant of the Company or an Affiliated Entity due to the Retirement of the Participant;

"RRSP" means a registered retirement savings plan;

"Shares" means the common shares in the capital of the Company;

"Subsidiary" means a corporation which is a subsidiary of the Company as defined under the Act;

"Termination" means : (i) in the case of an employee, the termination of the employment of the employee with or without cause by the Company or an Affiliated Entity or cessation of employment of the employee with the Company or an Affiliated Entity as a result of resignation or otherwise other than the Retirement of the employee; (ii) in the case of an officer or director, the resignation of, removal of, or failure to re-elect or re-appoint the individual as an officer or director of the Company or an Affiliated Entity (other than through the Retirement of an officer); and (iii) in the case of a Consultant, the termination of the services of a Consultant by the Company or an Affiliated Entity (other than through the Retirement of a Consultant);

"Termination Date" means: (i) the date on which a Participant ceases to be an Eligible Person due to the Termination of the Participant; and (ii) if the Participant is an employee or Consultant, the actual date of Termination specified in the written notice of resignation or termination (regardless of the period of notice provided, if any, and regardless of whether adequate notice of termination is given in accordance with statute, contract or the common law);

"Transfer" includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing;

"TSX" means the Toronto Stock Exchange; and

"Voting Securities" means Shares and/or any other securities (other than debt securities) that carry a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

This Plan is to be governed by and interpreted in accordance with the laws of the Province of Ontario.

1.4 **Shares Reserved under the Share Option Plan**

(a) The aggregate maximum number of Shares available for issuance under this Plan and all of the Company's other security based compensation arrangements at any given time is 10% of the Company's issued and outstanding Shares as at the date of grant of an Option under the Plan, subject to adjustment or increase of such number pursuant to Section 3.2. Any Shares subject to an Option which has been granted under the Plan and which have been exercised, cancelled, repurchased, expired or terminated in accordance with the terms of the Plan will again be available under the Plan.

(b) The aggregate number of Shares that may be issued to Insiders within any 12-month period, or issuable to Insiders at any given time under all security based compensation arrangements, shall not exceed 10% of the total number of Shares then issued and outstanding. The aggregate number of Shares reserved for issuance pursuant to Options granted to any one person or entity within any twelve-month period under all security based compensation arrangements shall not exceed 5% of the total number of Shares then outstanding.

(c) For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.

ARTICLE 2
OPTION GRANTS AND TERMS OF OPTIONS

2.1 **Grants**

Subject to this Plan, the Board will have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Eligible Person, an Eligible Person's RRSP and an Eligible Person's Holding Company may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

2.2 **Exercise of Options**

(a) Options granted must be exercised no later than 10 years after the date of grant or such lesser period as the applicable grant or Regulations may require.

(b) Where the expiry date for an Option occurs during, or within two (2) days of a Blackout Period, the expiry date for such Option shall be deemed to be extended to the date that is 10 Business Days following the end of such Blackout Period.

(c) The Board may determine when any Option will become exercisable and may determine that the Option will be exercisable in instalments or pursuant to a vesting schedule.

(d) No fractional Shares may be issued and the Board may determine the manner in which fractional Share value will be treated.

(e) The date on which an Option will be deemed to have been granted under this Plan will be the date on which the Committee authorizes the grant of such Option or such other future date as may be specified by the Committee at the time of such authorization.

2.3 **Option Price and Date**

The Board will establish the exercise price of an Option at the time each Option is granted provided that such price shall not be less than the closing price of the Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Shares occurs, on the trading day immediately preceding the day the Option is granted.

2.4 **Grant to Participant's RRSP or Holding Company**

Upon written notice from an Eligible Person, any Option that might otherwise be granted to that Eligible Person will be granted, in whole or in part, to an RRSP or a Holding Company established by and for the sole benefit of the Eligible Person.

2.5 **Termination, Retirement or Death**

(a) *Termination for Cause.* In the event of the Termination with cause of a Participant, each Option held by the Participant, the Participant's RRSP or the Participant's Holding Company will cease to be exercisable on the earlier of the expiry of its term and the Termination Date, or such longer or shorter period as determined by the Board.

(b) *Termination without Cause or Retirement.* In the event of the Termination without cause or Retirement of a Participant, each Option held by the Participant, the Participant's RRSP or the Participant's Holding Company will cease to be exercisable on the earlier of the expiry of its term and 90 days after the Termination Date or Retirement Date, as the case may be, or such longer or shorter period as determined by the Board. For greater certainty, such determination of a longer or shorter period may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such Option; and (ii) 36 months following the Termination Date or Retirement Date, as the case may be, of the Participants. The Board may delegate authority to the Chief Executive Officer of the Company to make any determination with respect to the expiry or termination date of Options held by any departing Participant, other than a departing non-management director or the Chief Executive Officer. If any portion of an Option has not vested on the Termination Date or Retirement Date, as the case may be, the Participant, the Participant's RRSP or the Participant's Holding Company may not, after the Termination Date or Retirement Date, as the case may be, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer to make any determination with respect to vesting of Options or any portion thereof held by any departing Participant, other than a departing non-management director or the Chief Executive Officer.

(c) *Death of Participant.* If a Participant dies, the legal representatives of the Participant may exercise the Options held by the Participant, the Participant's RRSP and the Participant's Holding Company within a period after the date of the Participant's death as determined by the Board, and for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months following the date of death of the Participant, but only to the extent the Options were by their terms exercisable on the date of death. The Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer to make any determination with respect to the expiry or termination date of Options or vesting of Options or any portion thereof held by any deceased Participant, other than a departing non-management director or the Chief Executive Officer. If the legal representative of a Participant who has died exercises the Option of the Participant or the Participant's RRSP or the Participant's Holding Company in accordance with the terms of this Plan, the Company will have no obligation to issue the Shares until evidence satisfactory to the Company has been provided by the legal representative that the legal representative is entitled to act on behalf of the Participant, the Participant's RRSP or the Participant's Holding Company to purchase the Shares under this Plan.

2.6 **Option Agreements**

Each Option must be confirmed, and will be governed, by an agreement in a form (which may, but need not be, in the form of Schedule "A" hereto) determined by the Board and signed on behalf of the Company and the Participant or an RRSP of which the Participant is an annuitant or the Participant's Holding Company.

2.7 **Payment of Option Price**

The exercise price of each Share purchased under an Option must be paid in full by wire transfer, bank draft or certified cheque at the time of exercise, and upon receipt of payment in full, but subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable. Share certificates representing the number of Shares in respect of which the Option has been exercised will be issued only upon payment in full of the relevant exercise price to the Company.

2.8 **Acceleration of Vesting**

In the event of a Change of Control, all Options outstanding shall be immediately exercisable, notwithstanding any determination of the Board pursuant to Section 2.2 hereof, if applicable. Notwithstanding the vesting schedule for an Option that is specified in an agreement granting an Option or in this Plan, the Committee shall have the right with respect to any one or more Participants in this Plan to accelerate the time at which an option may be exercised.

2.9 **Change of Control**

In the event of a transaction or proposed transaction that results or will result in a Change of Control:

(a) subject to Section 2.8, the Committee may, in a fair and equitable manner, determine the manner in which all unexercised Options granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such rights by the Participants, the time for the fulfillment of any conditions or restrictions on such exercise, and the time for the expiry of such Options;

(b) the Committee or any company which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the transaction becoming effective may offer any Participant the opportunity to obtain a new or replacement option over any securities into which the Options are exercisable, on a basis proportionate to the number of Shares under Option and at a proportionate Exercise Price (and otherwise substantially upon the terms of the Option being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Option may be exercised and expiry dates; and in such event, the Participant shall, if he accepts such offer, be deemed to have released his Option over the Shares and such Option shall be deemed to have lapsed and be cancelled; or

(c) the Committee may exchange for or into any other security or any other property or cash, any Option that has not been exercised, upon giving to the Participant to whom such Option has been granted at least 30 days written notice of its intention to exchange such Option, and during such notice period, the Option, to the extent it has not been exercised, may be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such notice period, the unexercised portion of the Option shall lapse and be cancelled.

Subsections (a), (b) and (c) of this Section 2.9 are intended to be permissive and may be utilized independently of, successively with, or in combination with each other and Section 2.8, and nothing therein contained shall be construed as limiting or affecting the ability of the Committee to deal with Options in any other manner. All determinations by the Committee under this Section 2.9 will be final, binding and conclusive for all purposes.

2.10 **Amendment of Option Terms**

Subject to the prior approval of any applicable regulatory authorities and/or stock exchange (as required) and the consent of the Participant affected thereby, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant the Option as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, an Option becomes exercisable, provided however, that the consent of the Participant shall not be required where the rights of the Participant are not adversely affected.

ARTICLE 3
MISCELLANEOUS

3.1 **Prohibition on Transfer of Options**

Options are personal to each Participant. Without the permission of the Company, no Participant or RRSP or Holding Company of a Participant may deal with any Options or any interest in them or Transfer any Options now or hereafter held by the Participant or RRSP or Holding Company of a Participant. If a Participant's Holding Company ceases to be wholly-owned and controlled by the Participant, such Participant will be deemed to have Transferred any Options held by such Holding Company. A purported Transfer of any Options without the permission of the Company will not be valid and the Company will not issue any Share upon the attempted exercise of improperly transferred Options.

3.2 **Capital Adjustments**

If there is any change in the outstanding Shares by reason of a share dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental or similar corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Company to issue or sell fractional shares. In the event of the reorganization of the Company or the amalgamation or consolidation of the Company with another corporation, the Board may make such provision for the protection of the rights of Eligible Persons, Participants, their RRSPs and their Holding Companies as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

The grant of an Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, amalgamate, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

3.3 **Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Eligible Person or Participant, subject to any required regulatory or shareholder approval.

3.4 Renegotiation of Options

Subject to the prior consent of the TSX, an Option, to the extent that it has not been exercised, may be renegotiated in accordance with the rules and policies of the TSX.

3.5 Amendment and Termination

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.5(a) and (b) below, the Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such amendment or revision may, without the consent of the Participant, in any manner adversely affect his rights under any Option theretofore granted under the Plan.

(a) The Board may, subject to receipt of requisite shareholder and regulatory approval, including disinterested shareholder approval where so required, make the following amendments to the Plan:

(i) any amendment to the number of securities issuable under the Plan, including an increase to the fixed maximum percentage of securities issuable under the Plan. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;

(ii) any change to the definition of the Eligible Persons which would have the potential of broadening or increasing insider participation;

(iii) the addition of any form of financial assistance;

(iv) any amendment to a financial assistance provision which is more favourable to Participants;

(v) any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;

(vi) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the Company (other than a cashless exercise as discussed in Section 3.5(b)(vi) of this Plan;

(vii) a discontinuance of the Plan;

(viii) with respect to Insiders, any of the following: (i) a reduction in the exercise price of options or other entitlements held by Insiders; (ii) extension to the term of options held by Insiders; and (iii) changes to the Insider participation limits;

(ix) any grant of additional powers to the board of directors to amend the Plan or entitlements not specifically referred to herein; and

(x) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Eligible Persons, especially insiders of the Company, at the expense of the Company and its existing shareholders.

(b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subparagraph 3.5(a) above including, without limitation:

(i) amendments of a "housekeeping" or clerical nature;

(ii) a change to the vesting provisions of a security or the Plan;

(iii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the TSX;

(iv) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date;

(v) amendments pursuant to Sections 2.8 and 2.9;

(vi) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve; and

(vii) amendments to reflect changes to applicable laws or regulations.

(c) Notwithstanding the provisions of subparagraph 3.5(b), the Company shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to section subparagraph 3.5(b), to the extent such approval is required by any applicable laws or regulations.

3.6 **No Rights as Shareholder**

Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Shares reserved for the purpose of any Option.

3.7 **Employment**

In the case of employees, nothing contained in this Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Company or any of its subsidiaries, or interfere in any way with the right of the Company or any of its subsidiaries to terminate the Participant's employment at any time. Participation in this Plan by a Participant is voluntary.

3.8 **Securities Regulation and Tax Withholding**

(a) Where necessary to effect exemption from registration of the Shares under securities laws applicable to the securities of the Company, a Participant shall be required, upon the acquisition of any Shares pursuant to the Plan, to acquire the Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the Board an undertaking to that effect in a form acceptable to the Board. The Board may take such other action or require such other action or agreement by such Participant as may from time to time be necessary to comply with applicable securities laws. This provision and/or the granting of any Option shall in no way obligate the Company to undertake the registration of any Options or the Shares under any securities laws applicable to the securities of the Company.

(b) For certainty and notwithstanding any other provision of the Plan, the Company may take such steps as it considers necessary or appropriate for the deduction or withholding of any income taxes or other amounts which the Company is required by any law or regulation or any governmental authority whatsoever to deduct or withhold in connection with the Plan, including without limiting the generality of the foregoing:

(i) withholding of all or any portion of any amount otherwise owing to a Participant;

(ii) the suspension of the issue of Shares to be issued under the Plan until such time as the Participant has paid to the Company an amount equal to any amount which the Company is required to deduct or withhold by law with respect to such taxes or other amounts; and/or

(iii) withholding and causing to be sold, by it as a trustee on behalf of the Participant, such number of Shares as it determines to be necessary to satisfy the withholding obligation.

By participating in the Plan, the Participant consents to such sale and authorizes the Company to effect the sale of such Shares on behalf of the Participant and to remit the appropriate amount to the applicable government authorities. The Company shall not be responsible for obtaining any particular price for the Shares nor shall the Company be required to issue any Shares under the Plan unless the Participant has made suitable arrangements with the Company to fund any withholding obligation.

(c) Issuance, transfer or delivery of certificates for Shares purchased pursuant to this Plan may be delayed, at the discretion of the Board, until the Board is satisfied that the applicable requirements of securities and income tax laws have been met.

3.9 No **Representation** or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of this Plan.

3.10 **Compliance with Legislation**

The Board may postpone or adjust any exercise of any Option or the issue of any Shares pursuant to this Plan as the Board in its discretion may deem necessary in order to permit the Company to effect or maintain registration of this Plan or the Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Shares and this Plan are exempt from such registration. The Company is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law. In addition, if the Shares are listed on a stock exchange, the Company will have no obligation to issue any Shares pursuant to this Plan unless the Shares have been duly listed, upon official notice of issuance, on a stock exchange on which the Shares are listed for trading.

3.11 **Effective Date**

This Plan is effective as of March 22, 2010.

3.12 **Amendment Date**

Amended by the Board on March 17, 2011.
Amended by the Board on June 7, 2011.
Amended by the Board on April 30, 2012.
Amended by the Board on April 23, 2015.

SCHEDULE "A"

CONTINENTAL GOLD LIMITED INCENTIVE STOCK OPTION PLAN - FORM OF AGREEMENT

OPTION AGREEMENT

This Option Agreement is entered into between CONTINENTAL GOLD LIMITED (the "Company") and the Participant named below pursuant to the CONTINENTAL GOLD LIMITED Incentive Stock Option Plan (the "Plan"). This Agreement witnesses that in consideration of the covenants and agreements herein contained and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as set forth and confirms that:

on

_____ (the "Grant Date");

_____ (the "Participant");

was granted _____ options (the "Options") to purchase _____

Common Shares (the "Optioned Shares") of the Company, exercisable [NTD: May insert vesting period such as: to •% on the Grant Date and •% on each of the•, • and • anniversary dates of the Date of Grant] on a cumulative basis;

at a price (the "Exercise Price") of $_____ per Optioned Share; and

for a term expiring at 5:00 p.m., Toronto time, on _____ (the "Expiry Date");

all on the terms set out in, and in accordance with, the Plan. By signing this Option Agreement, the Participant acknowledges that he or she has read and understands the Plan and accepts the Options in accordance with the terms and conditions of the Plan. All capitalized terms not defined herein have the meaning assigned to them in the Plan.

The undersigned Participant hereby authorizes the Company to withhold any remuneration payable to the undersigned for the purposes of paying any taxes owing as a result of the undersigned's participation in the Plan and hereby further authorizes the Company to remit such amounts owing to the relevant taxation authorities on the undersigned's behalf.

IN WITNESS WHEREOF the Corporation and the Participant have executed this Option Agreement as of _____, 20____.

CONTINENTAL GOLD LIMITED

By:_____
Name:

_____
Name of Participant

_____
Signature of Participant

CONTINENTAL GOLD LIMITED

INCENTIVE STOCK OPTION PLAN - FORM OF NOTICE OF EXERCISE

NOTICE OF EXERCISE

TO: CONTINENTAL GOLD LIMITED
Suite 2920 – 155 Wellington Street West
Toronto, Ontario Canada M5V 3H1

Attention: Chief Financial Officer

Reference is made to the Option Agreement made as of _____, 20___, between CONTINENTAL GOLD LIMITED (the "Company") and the Participant named below. The Participant hereby exercises the Option to purchase Shares of the Company as follows:

Number of Optioned Shares for which Options are being exercised:	•
Exercise Price per Optioned Share:	$•
Total Exercise Price (in the form of a certified cheque , bank draft or wire transfer tendered with this Notice of exercise):	$•
Name of Participant as it is to appear on share certificate	•
Address of Participant as it is to appear on the register of Shares of the Corporation [and to which a certificate representing the Shares being purchased is to be delivered]:	•

_____ _____
Dated Name of Participant

_____
Signature of Participant

APPENDIX E

SCHEME RESOLUTION

To consider, and if thought fit, approve a resolution in accordance with Section 99 of the Companies Act 1981 of Bermuda THAT:

1. the scheme of arrangement proposed between Continental Gold Limited (the "Company") and the holders of its common shares (the "Shareholders"), the terms of which are contained in Appendix G to the management information circular of the Company dated April 30, 2015 (the "Scheme of Arrangement") is hereby approved, with or without modification as approved by the Supreme Court of Bermuda; and

2. notwithstanding that this resolution has been passed, and the Scheme of Arrangement adopted and approved by the Shareholders or that the Scheme of Arrangement has been approved by the Supreme Court of Bermuda, the directors of the Company are hereby authorized and empowered, without further notice to or approval of any Shareholders: (i) to amend the scheme implementation agreement entered into between the Company and Continental Gold Inc. (the "Implementation Agreement") or the Scheme of Arrangement, to the extent permitted by the Implementation Agreement or the Scheme of Arrangement; and (ii) to not to proceed with the Scheme of Arrangement at any time prior to the Scheme of Arrangement becoming Effective (as defined in the Implementation Agreement).

APPENDIX F

SCHEME IMPLEMENTATION AGREEMENT

SCHEME IMPLEMENTATION AGREEMENT

BETWEEN

(1) CONTINENTAL GOLD LIMITED

AND

(2) CONTINENTAL GOLD INC.

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This **SCHEME IMPLEMENTATION AGREEMENT** is made the 27th day of April 2015 between:

1. **Continental Gold Limited** of Cumberland House, 1 Victoria Street, Hamilton HM11, Bermuda ("CGL"); and

2. **Continental Gold Inc.** of 155 Wellington Street West, Suite 2920, Toronto, Ontario Canada M5V 3H1 ("Continental Holdco").

WHEREAS:

(a) It is proposed that CGL effect an internal corporate reorganisation.

(b) The internal reorganisation involves the acquisition of CGL by Continental Holdco via the Scheme (as defined below). CGL has agreed to propose the Scheme to CGL Shareholders (as defined below) at the Scheme Meeting (as defined below) and to issue the Information Circular (as defined below) to CGL Shareholders, and CGL and Continental Holdco have agreed to implement the Scheme, upon and subject to the terms and conditions of this Agreement.

IT IS AGREED AS FOLLOWS:

PART 1 – INTRODUCTION

1.1 Definitions

3"Business Day"	means any day that banks are open for business in Bermuda and Toronto.:
"CGL Board"	means the board of directors of CGL from time to time.
"CGL Bye Laws"	means the bye-laws of CGL in effect from time to time.
"CGL Options"	means options to acquire CGL Shares.
"CGL Shareholder"	means any shareholder of CGL from time to time.
"CGL Shares"	means common shares of par value $0.000001 each in the capital of CGL.
"Companies Act"	means the Companies Act 1981 of Bermuda.
"Conditions Precedent"	has the meaning set out in clause 3.1.
"Consideration Options"	means the options to acquire Continental Holdco Shares to be granted to Scheme Optionholders in exchange for the Scheme Options pursuant to the Scheme.
"Consideration Securities"	means the Consideration Shares and the Consideration Options.
"Consideration Shares"	means the Continental Holdco Shares to be issued to Scheme Shareholders in exchange for the Scheme Shares pursuant to the Scheme.
"Continental Holdco"	means Continental Gold Inc., a company incorporated in Ontario on 27 April 2015.
"Continental Holdco Shares"	means common shares in the capital of Continental Holdco.
"Court"	means the Supreme Court of Bermuda.
"Court Order"	means the order of the Court sanctioning this Scheme made under section 99(2) of the Companies Act.
"Effective"	means, when used in relation to this Scheme, the Court Order in relation to this Scheme coming into effect pursuant to section 99(3) of the Companies Act by being delivered to the Bermuda Registrar of Companies for registration.
"End Date"	means 26 June 2015, or such later date as CGL may determine.
"First Court Date"	means the first day of hearing of an application made to the Court by CGL for orders to convene the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.
"Governmental Agency"	means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the

	avoidance of doubt, the TSX and any regulatory organisation established under statute or any stock exchange).
"Information Circular"	means the management information circular to be despatched to all CGL Shareholders, and approved by the Court, in connection with the Scheme.
"Register"	means CGL's share register maintained by the Registry.
"Registry"	means Computershare Investor Services Inc.
"Regulatory Approval"	means: (a) any approval, consent, authorisation, registration, filing, lodgment, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Governmental Agency; (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgment, filing, registration or notification, the expiry of that period without intervention or action; and (c) any amendments to any legislation.
"Scheme"	means a scheme of arrangement, pursuant to section 99 of the Companies Act between CGL and the CGL Shareholders substantially in the form agreement between CGL and Continental Holdco as set out in the Information Circular tabled to the CGL Board on 23 April 2015 (or in such other form as CGL and Continental Holdco may agree), subject to any alterations or conditions made or required by the Court and approved in writing by CGL and Continental Holdco.
"Scheme Implementation Agreement"	means the agreement of that name dated 27 April 2015 between CGL and Continental Holdco.
"Scheme Meeting"	means the annual general meeting of CGL Shareholders convened by CGL on the order of the Court in relation to, among other things, this Scheme pursuant to section 99(1) of the Companies Act, and includes any adjournment of such meeting.
"Scheme Options"	means the CGL Options outstanding at the time the Scheme becomes Effective.
"Scheme Optionholders"	means each holder of CGL Options at the time the Scheme becomes Effective.
"Scheme Resolution"	means the resolution to be put to CGL Shareholders to approve the Scheme (such resolution to be put to CGL Shareholders at the Scheme Meeting and that, to be passed, must be approved by the requisite majorities of CGL Shareholders under the Companies Act).
"Scheme Shareholder"	means each CGL Shareholder on the Register at the time the Scheme becomes Effective.
"Scheme Shares"	means the CGL Shares in issue at the time the Scheme becomes Effective.
"Second Court Date"	means the first day on which an application made to the Court for an order pursuant to section 99(2) of the Companies Act sanctioning this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.
"Section 3(a)(10) Exemption"	means the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.
"TSX"	means the Toronto Stock Exchange.
"U.S. Securities Act"	means the United States Securities Act of 193, as amended.

1.2 Interpretation

In this Agreement, except where the context otherwise requires:

(a) headings are for ease of reference only and do not affect interpretation;

(b) the singular includes the plural and vice versa;

(c) another grammatical form of a defined word or expression has a corresponding meaning;

(d) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Scheme, and a reference to this Scheme includes any schedule or annexure;

(e) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

(f) a reference to dollar or $ is to Canadian currency;

(g) a reference to time is to Hamilton, Bermuda time;

(h) a reference to a party is to a party to this Scheme, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

(i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

(j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(k) a word or expression defined in the Companies Act has the meaning given to it in the Companies Act;

(l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions; and

(m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

PART 2 – AGREEMENT TO PROCEED WITH SCHEME

2.1 CGL agrees to propose and implement the Scheme upon and subject to the terms and conditions of this Agreement.

2.2 Continental Holdco agrees to assist CGL to implement the Scheme upon and subject to the terms and conditions of this Agreement.

PART 3 - CONDITIONS PRECEDENT

3.1 **Conditions Precedent**

Subject to this clause 3, the obligations of CGL under clause 5.1(h) and Continental Holdco's obligation to issue the Consideration Shares in accordance with the clause 4.2 are subject to the satisfaction (or waiver in accordance with clause 3.2) of each of the following conditions precedent ("Conditions Precedent"):

(i) (**Regulatory Approvals**):

(i) before 8am (Bermuda time) on the Second Court Date, all Regulatory Approvals required to implement the Scheme are granted or obtained and those Regulatory Approvals are not withdrawn, cancelled or revoked; and

(ii) the TSX will have conditionally approved the listing thereon, in substitution for the listing thereon of the CGL Shares, of the Continental Holdco Shares (including the Consideration Shares to be issued pursuant to the Scheme) prior to the Effective Date, subject only to compliance with the usual requirements of the TSX;

(ii) (**CGL shareholder approval**) the Scheme Resolution is approved by the requisite majorities of CGL Shareholders under the Companies Act;

(iii) (**No injunction**) no preliminary or permanent injunction, temporary restraining order or other order have been issued by any court of competent jurisdiction which would prevent implementation of the Scheme;

(iv) (**Exemption from registratio**n) the Consideration Securities to be issued pursuant to the Scheme shall be exempt from the registration requirements of the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption; and

(v) (**Court sanction of Scheme**) the Scheme is sanctioned by the Court in accordance with section 99(2) of the Companies Act.

3.2 **Benefit and waiver of Conditions Precedent**

The Conditions Precedent are for the sole benefit of CGL, and (except in the cases of the Conditions Precedent in clauses 3.1(b), 3.1(c) and 3.1(e) which cannot be waived) any breach or non-fulfilment of any of those Conditions Precedent may only be waived ,in whole or in part, by CGL.

3.3 **Assistance and co-operation**

Each party must use its reasonable endeavours to assist, and co-operate with, the other party to procure the satisfaction of the Conditions Precedent. Continental Holdco will not take any action that will or is likely to hinder or prevent the satisfaction of any Condition Precedent, except to the extent that such action is required by law.

3.4 **Termination for failure of Conditions Precedent**

If:

(a) there is a breach or non-fulfilment of a Condition Precedent that is not waived in accordance with clause 3.2 before the End Date; or

(b) CGL determines that a Condition Precedent has become incapable of satisfaction,

CGL may terminate this Agreement by notice in writing to Continental Holdco. In the event of termination of this Agreement pursuant to clauses 3.4(a) and 3.4(b), this Agreement will have no further force or effect and the parties will have no further obligations under this Agreement, provided that this clause 3.4 and clauses 1 and 7 will survive termination.

3.5 **Certificates in relation to Conditions Precedent**

On the Second Court Date, CGL must provide to the Court a certificate confirming whether the Conditions Precedent have been satisfied or waived other than the condition in clause 3.1(e) (Court sanction of Scheme).

PART 4 – SCHEME

4.1 **Outline of Scheme**

(a) The parties agree that CGL will propose the Scheme.

(b) Subject to the Scheme becoming Effective, on the Effective Date the effect of the Scheme will be as follows:

(i) all of the Scheme Shares will be transferred to Continental Holdco in accordance with the terms of the Scheme;

(ii) in consideration for the transfer to Continental Holdco of all Scheme Shares held by the Scheme Shareholders, the Scheme Shareholders will receive the Consideration Shares in accordance with clause 4.2 and the terms of the Scheme; and

(iiI) each Scheme Option held by a Scheme Optionholder will be exchanged for a Consideration Option issued by Continental Holdco (entitling the holder to purchase the same number of Continental Holdco Shares for the same exercise price per Continental Holdco Share as provided for in the Scheme Option previously held by such Scheme Optionholder**)** in accordance with clause 4.2 and the terms of the Scheme.

4.2 **Scheme Consideration Securities**

Continental Holdco agrees in favour of CGL that, subject to the Scheme becoming Effective, in consideration of the transfer to Continental Holdco of each Scheme Share and the exchange of the Scheme Options under the Scheme, Continental Holdco will:

(a) accept such transfer of Scheme Shares and will issue to each Scheme Shareholder one Consideration Share for each Scheme Share held by such Scheme Shareholder; and

(b) will grant to each Scheme Optionholder one Consideration Option in exchange for each Scheme Option held by such Scheme Optionholder,

in accordance with the terms of the Scheme.

4.3 **U.S. Securities Act Exemption**

Notwithstanding any provision herein to the contrary, CGL and Continental Holdco agree that the Scheme will be carried out with the intention that all Consideration Securities upon completion of this Scheme of Arrangement will be issued by the parties in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof. In order to ensure the availability of Section 3(a)(10) Exemption, the parties agree that the Scheme will be carried out on the following basis:

(a) the Scheme will be subject to the approval of the Court;

(b) prior to the hearing required to approve the Scheme, the Court will be advised as to the intention of the parties to rely on the Section 3(a)(10) Exemption based on the Court's approval of the Scheme;

(c) the Court will be required to satisfy itself as to the fairness of the Scheme to each of the Scheme Shareholders and Scheme Optionholders;

(d) CGL will ensure Scheme Shareholders and Scheme Optionholders entitled to receive securities upon the completion of the Scheme will be given adequate notice advising them of their right to attend the hearing of the Court sanctioning the Scheme and providing them with sufficient information necessary for them to exercise that right;

(e) the parties entitled to receive such securities will be advised that the Consideration Securities issued pursuant to the Scheme have not been registered under the U.S. Securities Act or applicable state securities laws and will be issued in reliance on the Section 3(a)(10) Exemption; and

(f) the Court Order approving the Scheme that is obtained from the Court will expressly state that the Scheme is sanctioned by the Court.

PART 5 – STEPS FOR IMPLEMENTATION

5.1 Subject to clause 6, CGL must take all steps reasonably necessary to propose and implement the Scheme and, in particular, must:

(a) (**Information Circular**) prepare the Information Circular;

(b) (**Regulatory Approvals**) discuss and engage with regulators in relation to any Regulatory Approvals which are required to implement the Scheme;

(c) (**CGL Board approval**) procure that a meeting of the CGL Board is convened to approve the Information Circular;

(d) (**Court documents**) prepare all documents necessary for the Court proceedings (including any appeals) relating to the Scheme in accordance with all applicable laws;

(e) (**First Court hearing**) lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for orders under section 99(1) of the Companies Act directing CGL to convene the Scheme Meeting;

(f) (**Scheme Meeting**) comply with the orders of the Court, provided that if this Agreement is terminated under clause 7, it will take all steps reasonably required to ensure that the Scheme is not proposed to CGL Shareholders at the Scheme Meeting;

(g) (**Court sanction**) if the Scheme Resolution is passed by the requisite majorities of CGL Shareholders under the Companies Act, apply to the Court for orders sanctioning the Scheme; and

(h) (**Implementation of the Scheme**) if the Court sanctions the Scheme, do all things necessary to give effect to the Scheme and the orders of the Court sanctioning the Scheme and to transfer the Scheme Shares to Continental Holdco, including delivering the Court Order to the Bermuda Registrar of Companies for registration.

5.2 Continental Holdco must take all steps reasonably necessary to assist CGL with the steps described in clause 5.1.

PART 6 – SOLE DISCRETION OF CGL

6.1 Notwithstanding any other provision of this Agreement, or the adoption of the Scheme Resolution by CGL Shareholders, the obligations of CGL under this Agreement are subject to:

(a) CGL's sole and absolute right to determine whether to proceed with the Scheme and to determine the timing of the completion of the Scheme, or any prior condition thereto;

(b) CGL's sole and absolute right to terminate this Agreement pursuant to clause 7.1; and

(c) CGL's sole and absolute right to amend this Agreement or the Scheme of Arrangement, as applicable, pursuant to clause 8.4.

The CGL Board will have the authority to revoke the Scheme Resolution at any time prior to the scheduled time for implementation of the Scheme on the Effective Date without notice to or the further approval of the CGL Shareholders or Continental Holdco, and without any liability to any of them.

PART 7 –TERMINATION

7.1 This Agreement may be terminated unilaterally by CGL, in its sole and absolute discretion, at any time before the scheduled time for implementation of the Scheme on the Effective Date, without notice to or approval of Continental Holdco or the CGL Shareholders, and without liability to any of them. Nothing expressed or implied herein or in the Scheme of Arrangement will be construed as fettering the absolute discretion of the CGL Board to terminate this Agreement and discontinue efforts to effect the Scheme for whatever reason it may consider appropriate.

PART 8 – MISCELLANEOUS

8.1 **Notice**

(a) Any notice, demand, consent or other communication (a "Notice") given or made under this Agreement:

(i) must be in writing and signed by a person duly authorised by the sender;

(ii) must be delivered to the intended recipient by prepaid post or by hand or fax to the address referred to above or the fax number below or the address or fax number last notified by the intended recipient to the sender:

to CGL:	Attention: Ari Sussman Fax No: + 416-595-9918
to Continental Holdco:	Attention: Paul Begin Fax No: + 416-595-9918

(b) will be taken to be duly given or made:

(c) in the case of delivery in person, when delivered;

(d) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country); and

(e) in the case of fax, on receipt by the sender of a transmission control report from the dispatching machine showing the relevant number of pages and the correct destination fax machine number or name of recipient and indicating that the transmission has been made without error, but if the result is that a Notice would be taken to be given or made on a day that is not a Business Day in the place to which the Notice is sent or is later than 4.30pm (local time) it will be taken to have been duly given or made at the commencement of business on the next Business Day in that place.

8.2 **No waiver**

No failure to exercise nor any delay in exercising any right, power or remedy by a party operates as a waiver. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy.

8.3 **Entire agreement**

This Agreement contains the entire agreement between the parties as at the date of this Agreement with respect to its subject matter and supersedes all prior agreements and understandings between the parties in connection with it.

8.4 **Amendment**

No amendment or variation of this Agreement is valid or binding on a party unless made in writing executed by the parties.

8.5 **Assignment**

The rights and obligations of each party under this Agreement are personal. They cannot be assigned, encumbered or otherwise dealt with and no party may attempt, or purport, to do so without the prior consent of the other party.

8.6 **No merger**

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this Agreement.

8.7 **Costs**

CGL will pay all costs, charges and expenses arising out of or incidental to the preparation of this Agreement and the proposed, attempted or actual implementation of this Agreement.

8.8 **Severability of provisions**

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

8.9 **Governing law and jurisdiction**

This Agreement is governed by and shall be construed in accordance with Bermuda law. Each party submits to the non exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Agreement.

8.10 **Counterparts**

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Duly executed by **CONTINENTAL GOLD LIMITED**

Acting by:

(signed) *"Timothy Warman"*

Director Signature

Timothy Warman

Print Name

Duly executed by **CONTINENTAL GOLD INC.**

Acting by:

(signed) *"Paul Begin"*

Director Signature

Paul Begin

Print Name

APPENDIX G
SCHEME OF ARRANGEMENT

SCHEME OF ARRANGEMENT (PURSUANT TO SECTION 99 OF THE COMPANIES ACT 1981)

Between:

1. Continental Gold Limited ("CGL"); and
2. The holders of fully paid common shares of CGL

IT IS AGREED AS FOLLOWS:

PART 1 – INTRODUCTION

1.1 **Definitions**

"Business Day"	means any day that banks are open for business in Bermuda and Toronto:
"CGL Board"	means the board of directors of CGL from time to time.
"CGL Bye Laws"	means the bye-laws of CGL in effect from time to time.
"CGL Options"	means options to acquire CGL Shares.
"CGL Shareholder"	means any shareholder of CGL from time to time.
"CGL Shares"	means common shares of par value $0.000001 each in the capital of CGL.
"Companies Act"	means the Companies Act 1981 of Bermuda.
"Conditions Precedent"	means the conditions precedent set out in clause 3.1 of the Scheme Implementation Agreement.
"Consideration Options"	means the options to acquire Continental Holdco Shares to be granted to Scheme Optionholders in exchange for the Scheme Options pursuant to this Scheme.
"Consideration Shares"	means the Continental Holdco Shares to be issued to Scheme Shareholders in exchange for the Scheme Shares pursuant to the Scheme.
"Continental Holdco"	means Continental Gold Inc., a company incorporated in Ontario on 27 April 2015.
"Continental Holdco Board"	means the board of directors of Continental Holdco from time to time.
"Continental Holdco Shares"	means common shares in the capital of Continental Holdco.
"Court"	means the Supreme Court of Bermuda.
"Court Order"	means the order of the Court sanctioning this Scheme made under section 99(2) of the Companies Act.
"Effective"	means, when used in relation to this Scheme, the Court Order in relation to this Scheme coming into effect pursuant to section 99(3) of the Companies Act by being delivered to the Bermuda Registrar of Companies for registration.
"Effective Date"	has the meaning given in clause 3.3.
"End Date"	means 26 June 2015, or such later date as CGL may determine.
"Information Circular"	means the management information circular to be despatched to all CGL Shareholders, and approved by the Court, in connection with the Scheme.
"Register"	means CGL's share register maintained by the Registry.
"Registry"	means Computershare Investor Services Inc.

"Scheme"	means this scheme of arrangement, together with any alterations or conditions made or required by the Court and approved by CGL.
"Scheme Implementation Agreement"	means the agreement of that name dated 27 April 2015 between CGL and Continental Holdco.
"Scheme Meeting"	means the annual general meeting of CGL Shareholders convened by CGL on the order of the Court in relation to, among other things, this Scheme pursuant to section 99(1) of the Companies Act, and includes any adjournment of such meeting.
"Scheme Options"	means the CGL Options outstanding at the time this Scheme becomes Effective.
"Scheme Optionholders"	means each holder of CGL Options at the time this Scheme becomes Effective.
"Scheme Shareholder"	means each CGL Shareholder on the Register at the time this Scheme becomes Effective.
"Scheme Shares"	means the CGL Shares in issue at the time this Scheme becomes Effective.
"Second Court Date"	means the first day on which an application made to the Court for an order pursuant to section 99(2) of the Companies Act sanctioning this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.
“Section 3(a)(10) Exemption”	means the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof.
“U.S. Securities Act”	means the United States Securities Act of 1933, as amended.

1.2 **Interpretation**

In this Scheme, except where the context otherwise requires:

(a) headings are for ease of reference only and do not affect interpretation;

(b) the singular includes the plural and vice versa;

(c) another grammatical form of a defined word or expression has a corresponding meaning;

(d) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Scheme, and a reference to this Scheme includes any schedule or annexure;

(e) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

(f) a reference to dollar or $ is to Canadian currency;

(g) a reference to time is to Hamilton, Bermuda time;

(h) a reference to a party is to a party to this Scheme, and a reference to a party to a document includes the party’s executors, administrators, successors and permitted assigns and substitutes;

(i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

(j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(k) a word or expression defined in the Companies Act has the meaning given to it in the Companies Act;

(l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions; and

(m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

PART 2 – CONDITIONS PRECEDENT

2.1 **Conditions Precedent to this Scheme**

(a) This Scheme is conditional on the satisfaction of the following conditions precedent:

(i) as at 8am (Bermuda time) on the Second Court Date, all of the Conditions Precedent having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement;

(ii) as at 8am (Bermuda time) on the Second Court Date, the Scheme Implementation Agreement has not been terminated; and

(iii) such other conditions imposed by the Court (as are acceptable to CGL) have been satisfied.

(b) The fulfillment of each condition in clause 2.1(a) is a condition precedent to the binding effect of this Scheme.

(c) On the Second Court Date, CGL must provide to the Court a certificate confirming whether the conditions precedent to this Scheme have been satisfied or waived other than the condition in clause 3.1(e) (Court sanction of Scheme) of the Scheme Implementation Agreement.

(d) This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date or such later date as the Court, with the consent of CGL, may order.

2.2 **Termination of Implementation Scheme**

Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before 8am (Bermuda time) on the Second Court Date, CGL and Continental Holdco are released from:

(a) any further obligation to take steps to implement this Scheme; and;

(b) any liability with respect to this Scheme.

PART 3 – THE SCHEME

3.1 If this Scheme becomes Effective then at such time the events and transactions set out in clauses 3.1(a) to 3.1(h), inclusive, will occur and be deemed to occur, unless otherwise provided, in the order set out below, without further act or formality, and with each event or transaction occurring and being deemed to occur immediately after the occurrence of the immediately preceding event or transaction:

(a) all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) will be transferred to Continental Holdco;

(b) CGL will procure that the name of Continental Holdco is entered in the Register in respect of all the Scheme Shares;

(c) Continental Holdco will issue to each Scheme Shareholder one Consideration Share for each Scheme Share previously held by such Scheme Shareholder;

(d) each Scheme Option held by a Scheme Optionholder will be exchanged for a Consideration Option issued by Continental Holdco (entitling the holder to purchase the same number of Continental Holdco Shares for the same exercise price per Continental Holdco Share as provided for in the Scheme Option previously held by such Scheme Optionholder);

(e) CGL will surrender to Continental Holdco for cancellation the initial Continental Holdco Shares that were issued to CGL upon incorporation of Continental Holdco;

(f) the name of CGL will be changed from “Continental Gold Limited” to “CGL Buritica Limited”;

(g) the directors and officers of CGL will become the directors and officers of Continental Holdco, the committees of the CGL Board shall become the committees of the Continental Holdco Board, PricewaterhouseCoopers LLP, Chartered Accountants, the auditor of CGL, will become the auditor of Continental Holdco and the directors of Continental Holdco will be authorized to fix the remuneration of the auditor of Continental Holdco; and

(h) the corporate policies and board and committee charters of CGL will be assumed by and become the corporate policies and board and committee charters of Continental Holdco, and the mandates of the CGL Board and its committees will each be assumed by and become the mandates of the Continental Holdco Board and its committees,

in accordance with the provisions of this Scheme.

3.2 If this Scheme becomes Effective, it will:

(a) bind CGL and all Scheme Shareholders, including those who do not attend the Scheme Meeting, those who do not vote at that meeting and those who vote against this Scheme at that meeting; and

(b) override the CGL Bye-laws, to the extent of any inconsistency.

3.3 If the Court makes the Court Order, CGL will lodge with the Registrar of Companies in Bermuda a copy of that order as soon as practicable and by no later than 5.00pm (Bermuda time) on the first Business Day after the date on which the Court Order is made (or such other time as CGL may determine), such date being the Effective Date.

3.4 On the Effective Date, subject to Continental Holdco issuing the Consideration Shares and granting the Consideration Options in accordance with clause 4 and providing CGL with written confirmation of that issue and grant:

(a) all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares) as at that time will be transferred to Continental Holdco without the need for any further act by any Scheme Shareholder; and

(b) CGL will procure the delivery to Continental Holdco of a transfer of all the Scheme Shares to Continental Holdco and the Register will be updated once the transfer is signed by Continental Holdco on behalf of the Scheme Shareholders.

3.5 Notwithstanding any provision herein to the contrary, that this Scheme will be carried out with the intention that all Consideration Securities upon completion of this Scheme of Arrangement will be issued by Continental Holdco in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof. In order to ensure the availability of Section 3(a)(10) Exemption, this Scheme will be carried out on the following basis:

(a) this Scheme will be subject to the approval of the Court;

(b) prior to the hearing required to approve this Scheme, the Court will be advised as to the intention of the CGL and Continental Holdco to rely on the Section 3(a)(10) Exemption based on the Court's approval of this Scheme;

(c) the Court will be required to satisfy itself as to the fairness of this Scheme to each of the Scheme Shareholders and Scheme Optionholders;

(d) CGL will ensure Scheme Shareholders and Scheme Optionholders entitled to receive securities upon the completion of this Scheme will be given adequate notice advising them of their right to attend the hearing of the Court sanctioning this Scheme and providing them with sufficient information necessary for them to exercise that right;

(e) the persons entitled to receive such securities will be advised that the Consideration Securities issued pursuant to this Scheme have not been registered under the U.S. Securities Act or applicable state securities laws and will be issued in reliance on the Section 3(a)(10) Exemption; and

(f) the Court Order approving this Scheme that is obtained from the Court will expressly state that this Scheme is sanctioned by the Court.

PART 4 – SCHEME CONSIDERATION

Subject to this Scheme becoming Effective, each Scheme Shareholder will be entitled to receive one Consideration Share for each Scheme Share held and each Scheme Optionholder will be entitled to receive one Consideration Option for each Scheme Option held.

PART 5 – GENERAL

5.1 If the Court proposes to sanction this Scheme subject to alterations or conditions, CGL may, by its counsel or solicitors, consent on behalf of all Scheme Shareholders to those alterations or conditions.

5.2 Each Scheme Shareholder:

(a) agrees to the transfer of all of their Scheme Shares to Continental Holdco in accordance with this Scheme;

(b) agrees to the modification or variation (if any) of the rights attaching to their Scheme Shares arising from this Scheme;

(c) without the need for any further act, irrevocably appoints CGL and each of its directors and officers, jointly and severally, as that Scheme Shareholder's attorney and agent for the purpose of executing any document or doing any other act necessary to give full effect to this Scheme and the transactions contemplated by it; and

(d) consents to CGL doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

5.3 Scheme Shareholders are deemed to have warranted to CGL, in its own right and on behalf of Continental Holdco, that all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to Continental Holdco under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind and that they have full power and capacity to sell and to transfer such Scheme Shares (including any rights and entitlements attaching to such shares).

5.4 Continental Holdco will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration of Continental Holdco as the holder of the Scheme Shares.

5.5 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to CGL, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at CGL's registered office.

5.6 CGL must do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

5.7 CGL will pay the costs of this Scheme.

5.8 This Scheme will be governed by and shall be construed in accordance with Bermuda law.

APPENDIX H

COMPARISON OF SHAREHOLDER RIGHTS UNDER THE OBCA AND THE BERMUDA ACT

The following should be read together with the more detailed information and statements contained elsewhere in the management information circular of Continental Gold Limited, to which this Appendix H is attached (the "Circular"). The information contained in this Appendix H, unless otherwise indicated, is given as of the date of the Circular.

All capitalized terms used in this Appendix H and not defined herein have the meaning given to them in the "Glossary of Terms" or elsewhere in the Circular.

On completion of the Scheme, Shareholders will receive shares of Continental Holdco, a company incorporated under the OBCA, in exchange for securities of Continental Gold, a company incorporated under the Bermuda Act. Continental Holdco's corporate affairs will be governed by the OBCA. Shareholders should be aware that the OBCA differs in certain material respects from the Bermuda Act.

The following is a summary of certain differences between the OBCA and the Bermuda Act, **but it is not intended to be a comprehensive review of the two statutes. Reference should be made to the full text of both statutes and the regulations thereunder for particulars of any differences between them, and Shareholders should consult their legal or other professional advisors with regard to the implications of the share exchange contemplated under the Scheme which may be of importance to them**.

Charter Documents

Under the OBCA, a corporation's charter documents consist of "articles of incorporation," which set forth the name of the corporation and the amount and type of authorized capital, and the "by-laws," which govern the management of the corporation. The articles are filed with the Director under the OBCA and the by-laws are filed with the corporation's registered office, or at another location designated by the corporation's directors.

Under the Bermuda Act, a company limited by shares has a "memorandum of association", which sets forth the name of the company, the amount and type of its authorized share capital, the objects of the Company and its powers and "bye-laws" which, among other things, govern the management of the company. The memorandum of association is filed with the ROC and the bye-laws are filed with the company's registered office. The bye-laws of a Bermuda company are not a public document and are therefore not available for inspection by members of the public but are available to shareholders (referred to as members in the Bermuda Act) upon request.

Amendments to the Charter Documents of a Corporation

Under the OBCA, amendments to the articles of a corporation require a resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the amendments and, where certain specified rights of the holders of a class or series of shares are affected by the amendments differently than the rights of the holders of other classes or series of shares, such holders are entitled to vote separately as a class or series, whether or not such class or series of shares otherwise carry the right to vote.

Under the Bermuda Act, amendments to a company's memorandum of association must be approved by a resolution passed at a general meeting of the company's shareholders. The altered memorandum must be filed with the ROC and will become effective when registered by the ROC. An application to annul the amendment to the memorandum of association can be made to the Bermuda court within twenty-one (21) days of the resolution approving the amendment being passed. Unless the bye-laws specify otherwise, an amendment to the memorandum of association may be approved by a simple majority of the voting rights attaching to the shares voting in person or by proxy on such resolution. The bye-laws of a company may be amended by the directors of the company, provided the amendment is submitted and approved by a resolution of the shareholders at a general meeting of the company. Unless the bye-laws specify otherwise, an amendment to the bye-laws may be approved by a simple majority of the voting rights attaching to the shares voting in person or by proxy on such resolution.

Authorized Share Capital

The OBCA requires shares without nominal or par value.

The Bermuda Act requires shares of a Bermuda company to be issued with par value.

Directors

Under the OBCA a company must have at least one director, and if it is a public company, it must have at least three directors. The maximum number of directors may be set by the shareholders at a general meeting or in accordance with the articles of the company. The maximum number of directors is usually fixed by the shareholders at the annual general meeting and may be fixed at a special general meeting. Only the shareholders may increase or decrease the maximum number of directors. If the maximum number of directors fixed by the shareholders has not been elected by the shareholders, the shareholders may authorize the board of directors to fill any vacancies.

Under the Bermuda Act, the board of directors must consist of at least one member, although the minimum number of directors may be set higher. The maximum number of directors may be set by the shareholders at a general meeting or in accordance with the bye-laws. The maximum number of directors is usually fixed by the shareholders at the annual general meeting and

may be fixed at a special general meeting. If the maximum number of directors fixed by the shareholders has not been elected by the shareholders, the shareholders may authorize the board of directors to fill any vacancies.

Director Residency Requirements

The OBCA requires that at least 25% of directors be resident Canadians, unless the corporation has less than four directors, in which case at least one director must be a resident Canadian.

Under the Bermuda Act, there is no residency requirement on the board of directors. However, the Bermuda Act requires that each exempted company must have one representative of the company who is ordinarily resident in Bermuda. This requirement may be satisfied by the company having one of the following: (i) a minimum of one director, other than an alternate director, ordinarily resident in Bermuda; or (ii) a secretary who is ordinarily resident in Bermuda; or (iii) a resident representative who is ordinarily resident in Bermuda. A resident representative is an officer of the company and is entitled to attend, to be heard at, and to receive minutes of all proceedings of all meetings of the directors and shareholders of the company and act as agent for service of process in Bermuda. The resident representative also has certain obligations to report material breaches by a company of provisions of the Bermuda Act or regulations made thereunder or any issue or transfer of shares of the company affected in contravention of any statute.

Fiduciary Duties of Directors

Directors of corporations incorporated or organized under the OBCA and of Bermuda companies have fiduciary obligations to the company. Pursuant to these fiduciary obligations, the directors must act in accordance with the so-called duties of “due care” and “loyalty”.

The OBCA provides that every director and officer of a corporation governed by the OBCA, in exercising his or her powers and discharging his or her duties to the corporation shall act honestly and in good faith with a view to the best interests of the corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of a corporation governed by the OBCA must comply with the provisions of the OBCA, the regulations thereunder, and the articles and by-laws and any unanimous shareholder agreement of such corporation. No provision in a contract, the articles, the by-laws or a resolution relieves a director or officer from the duty to act in accordance with the OBCA or the regulations thereunder, or relieves him or her from liability for a breach thereof, except where a unanimous shareholder agreement restricts the discretion or powers of the directors to manage or supervise the management of the business and affairs of a corporation in which case the shareholders incur the liabilities of the directors to the extent to which said powers are restricted and the directors are thereby relieved of their duties and liabilities.

The Bermuda Act provides that every officer of a company incorporated under the Bermuda Act in performing his functions, shall act honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Common law duties also apply to directors of Bermuda companies.

Conflict of Interest of Directors and Officers

Subject to certain specified exceptions, the OBCA restricts interested directors from voting on any transactions in which such director has an interest. Interested directors and officers must disclose in writing to the corporation or request to have entered in the minutes of meetings of directors the nature and extent of their interest.

Under Bermuda law, a director will be deemed not to be acting honestly and in good faith if he fails to disclose at the first opportunity, at a meeting of the board or in writing, his interest in any material contract or his material interest in any person that is a party to a material contract.

Director Liability

Under the OBCA, directors who vote for or consent to a resolution authorizing the issue of a share of a corporation for consideration other than money are jointly and severally liable to the corporation to make good any amount by which the consideration received by the corporation is less than the fair equivalent of the money that the corporation would have received if the share had been issued for money on the date of the resolution, provided that a director is not liable pursuant to the foregoing if he or she proves he or she did not know and could not reasonably have known that the share was issued for consideration less than the fair equivalent of the money that the corporation would have received if the share been issued for money. In addition, directors who vote or consent to certain resolutions involving payments or distributions by the corporation contrary to the OBCA are jointly and severally liable to restore to the corporation any amounts so paid and not otherwise recovered by the corporation. The OBCA does not otherwise permit the substantive limitation of a director’s liability for breach of fiduciary obligations to the corporation, whether through the articles or otherwise.

The Bermuda Act does not permit the limitation of a director’s liability for breach of fiduciary obligations to the company of which he is a director, whether through the bye-laws or otherwise.

Indemnification

The OBCA permits indemnification of a director or officer of the corporation, a former director or officer of the corporation or another individual who acts or acted at the corporation’s request as a director or officer, or an individual acting in a similar capacity (an “Indemnifiable Person”), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative or other

proceeding in which the individual is involved because of that association with the corporation or other entity, if (i) he or she acted honestly and in good faith with a view to the best interests of the corporation, and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

Under the OBCA, a corporation may also, with the approval of the Ontario Superior Court of Justice (the "Ontario Court"), indemnify an Indemnifiable Person in respect of an action by or on behalf of the corporation or other entity to obtain a judgment in its favour, to which the individual is made a party because of the individual's association with the corporation or other entity, against all costs, charges and expenses reasonably incurred by the person in connection with such action if he or she fulfills the conditions set out in clauses (i) and (ii) above. In any event, an Indemnifiable Person is entitled to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred by him or her in connection with the defense of any civil, criminal, administrative, investigative or other proceeding to which he or she is made a party because of the individual's association with the corporation or other entity, if the Indemnifiable Person was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done and fulfills the conditions set out in clauses (i) and (ii) above.

Pursuant to the Bermuda Act, a company's bye-laws may contain provisions excluding personal liability of a director, alternate director, officer, member of a committee authorized under the company's bye-laws, resident representative or their respective heirs, executors or administrators to the company for any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty provided that such indemnification shall not extend to any matter involving any fraud or dishonesty. Companies also have the power, generally, to indemnify directors, alternate directors and officers of a company and any member of a committee authorized under the company's bye-laws, resident representatives or their respective heirs, executors or administrators if any such person was or is a party or threatened to be made a party to a threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a director, alternate director or officer of the company or member of a committee authorized under the company's bye-laws, resident representative or their respective heirs, executors or administrators or was serving in a similar capacity for another entity at the company's request.

Removal of Directors

The OBCA provides that the shareholders of a corporation may by ordinary resolution at an annual or special meeting remove any director or directors from office. An ordinary resolution under the OBCA requires the resolution to be passed, with or without amendment, at the meeting by at least a majority of the votes cast. The OBCA further provides that where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

The Bermuda Act provides that, subject to the company's bye-laws, the shareholders of the company may remove a director at a special general meeting called for that purpose, provided that not less than fourteen (14) days' notice of the special general meeting has been served on the director concerned and that the director shall be entitled to be heard at such meeting.

Directorship Vacancies

Under the OBCA, a quorum of directors may fill a vacancy among the directors, except for the following vacancies, which must be filled by the shareholders: (i) a vacancy resulting from an increase in the number or maximum number of directors, and (ii) a vacancy resulting from a failure to elect the number of directors required to be elected at any meeting of shareholders.

Under the Bermuda Act, the shareholders of the company may fill vacancies created by the removal of a director at the special general meeting called to remove the director. A vacancy may be filled by the election of another director, or in the absence of any such election, by the other directors of the company.

Quorum of Directors' Meetings

Under the OBCA quorum at a directors meeting, subject to the articles or by-laws of the corporation, is a majority of the number of directors or minimum number of directors required by the articles, but in no case shall quorum be less than 2/5 of the number of directors or minimum number of directors, as the case may be.

Under the Bermuda Act, the minimum number of directors a company must have is one. Therefore, quorum can be set to one director but a company is free to specify the quorum it wants in its bye-laws.

Corporate Records

The OBCA and related Ontario statutes require a corporation to prepare and maintain various corporate documents at its registered office or at such other place in the Province of Ontario designated by the directors.

The Bermuda Act requires certain records to be kept at the registered office of the company in Bermuda including the certificate of incorporation, the memorandum of association, register of shareholders, register of directors and officers, minutes of general meetings of shareholders, minutes of meetings of directors and bye-laws. A Bermuda company must also keep proper records of account with respect to its business activities. These records must be kept at the registered office or at such other place as the directors think fit. The records are required to be available for inspection by the directors or a resident representative at any time. Where the records of account are kept outside Bermuda, the company must maintain sufficient records in Bermuda as will enable the directors or a resident representative to ascertain with reasonable accuracy the financial position of the company at the end of each three-month period.

Registered Office

Under the OBCA, a corporation's registered office must be in Ontario and may be relocated to a different municipality within Ontario only with a shareholders' special resolution.

Under the Bermuda Act, a company's registered office must be in Bermuda. A company can change its registered office from time to time to another Bermuda address by giving notice to the ROC in the prescribed form.

Requisition of Shareholders' Meetings

The OBCA permits the holders of not less than 5% of the issued shares of a corporation that carry the right to vote to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. Subject to certain exceptions, if the directors fail to provide notice of a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

Under the Bermuda Act, shareholders of a company holding not less than 10% of the paid up shares that carry a right to vote at general meetings of the company at the date of the requisition deposit may requisition the directors to call a special general meeting of the company. Where a company does not have share capital, shareholders representing not less than 10% of the voting rights of all the shareholders having a right to vote at general meetings of the company may requisition a special general meeting of the company. The directors have to proceed to convene a meeting within twenty one (21) days from the requisition deposit date and failure to convene such a meeting allows requisitioning shareholders representing more than one half of the total voting rights of all the requisitionists to convene the meeting themselves, provided it is held within three (3) months from the said date.

Place of Shareholders' Meetings

The OBCA provides that, subject to the articles and any unanimous shareholder agreement, meetings of shareholders may be held either inside or outside Ontario as the directors determine, or in the absence of such a determination, at the place where the registered office of the corporation is located.

Under the Bermuda Act, there is no requirement that general meetings be held in Bermuda. Shareholder meetings may be held at such times and places as designated in the bye-laws. A company may, by resolution of its shareholders, elect to dispense with the holding of annual general meetings (for the year in which the election is made and any subsequent year(s), for a specified number of years, or indefinitely). In any year in which an annual general meeting would be required to be held but for the above election to dispense with the holding, and in which no general meeting has been held, any shareholder or shareholders of the company may, by notice to the company not later than three (3) months before the end of the year, require the holding of an annual general meeting in that year.

Record Date for Shareholders' Meetings

Under the OBCA, the directors of a corporation may fix in advance a date as the record date for the purpose of determining shareholders entitled to receive notice of a meeting of shareholders, but the record date shall not precede by more than 60 days or by less than 30 days the date on which the meeting is to be held. If no record date is fixed, the record date for determining the shareholders who are entitled to receive notice of a meeting is the close of business on the day immediately preceding the date on which the notice is given, or where no notice is given, on the day on which the meeting is held.

The Bermuda Act does not provide for a record date for a meeting of shareholders but such process would typically be specified in the bye-laws.

Notice of Shareholders' Meetings

Under the OBCA, notice of a meeting of shareholders for public corporations must be provided not less than twenty-one (21) days and not more than fifty (50) days before the meeting.

Under the Bermuda Act, irrespective of any provisions in the company's bye-laws, notice of a general meeting of a company must be given at least five (5) days before the meeting is to be held, other than an adjourned meeting. An annual general meeting may be called on short notice (the "95% Short Notice") if that shorter notice is agreed to by all the shareholders entitled to vote at such meeting and any special general meeting may be held on shorter notice if this is agreed to by a majority of the shareholders holding at least 95% in nominal value of the shares giving such holders the right to attend and vote at general meetings.

Notwithstanding the above Bermuda Act provisions, a reporting issuer in British Columbia, Alberta and Ontario, which Continental Holdco would become upon completion of the Scheme, is required to provide at least 21 days' notice of a shareholders meeting pursuant to NI 54-101.

Quorum for Meetings of the Shareholders

Under the OBCA, unless otherwise provided by the by-laws of the corporation, quorum is established by the presence of the holders of a majority of the shares entitled to vote at the meeting of shareholders whether in person or by proxy. Pursuant to the OBCA, if quorum is present at the opening of a meeting of shareholders, the shareholders present may, unless the bylaws provide otherwise, proceed with the business of the meeting even if quorum is not present throughout the meeting.

Under the Bermuda Act, a company is to make provision for the number of shareholders required to constitute quorum at any general meeting of the company in its bye-laws. The quorum for most meetings of shareholders is typically set at two (2) shareholders in the bye-laws but this could be one (1) shareholder.

Shareholder Proposals

Under the OBCA, a registered holder of shares or a beneficial holder of shares that are entitled to be voted at a meeting of shareholders, may submit to the corporation notice of a proposal and discuss at the meeting any matter in respect of which the registered holder or beneficial owner would have been entitled to submit a proposal. If the corporation solicits proxies in connection with the meeting, the corporation shall set out the proposal in the management information circular for the meeting provided that, among other things: (i) it is submitted at least 60 days before the anniversary of the date of the previous annual meeting, (ii) it has not been submitted in the last two years and was not defeated, or (iii) the right to submit a proposal is not being used to enforce a personal claim or redress a personal grievance. A proposal may include nominations for the election of directors if it is signed by one or more holders representing in aggregate not less than 5% of the shares or 5% of the shares of a class of shares of the corporation entitled to vote at the meeting to which the proposal is to be presented.

The Bermuda Act does not have a process for shareholder proposals.

Certain Voting Requirements

Under the OBCA, certain extraordinary corporate actions, such as amalgamations, continuances, reorganizations and other extraordinary corporate actions such as liquidations (winding-ups) and arrangements, require approval by special resolutions. In addition, certain fundamental changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration at a special meeting of shareholders. Such fundamental changes include the amendment of the corporation's articles, the sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of business, the amalgamation of the corporation with another entity, the continuance of the corporation to another jurisdiction, or the dissolution or liquidation of the corporation. In certain instances, where the rights of the holders of a class or series of shares are affected by the alteration differently than those of the holders of other classes or series of shares, the alteration is also subject to approval by a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote.

Under the Bermuda Act, certain extraordinary corporate actions including amalgamations, mergers, continuances, discontinuances, arrangements and reconstructions require shareholder approval. If not otherwise specified in the bye-laws, an amalgamation or merger requires the approval of three-fourths of those shareholders voting on such actions and an arrangement or reconstruction requires the approval of a majority of the shareholders voting on such actions who represent three-fourths in value of the shares being voted on such actions.

A Bermuda company may enter into certain business transactions with its significant shareholders, including asset sales, in which a significant shareholder receives, or could receive, a financial benefit that is greater than that received, or to be received, by other shareholders with prior approval from the board of directors but without obtaining prior approval from its shareholders.

Notwithstanding the above Bermuda Act provisions, a reporting issuer in Ontario, which Continental Holdco would become upon completion of the Scheme, is subject to MI 61-101. MI 61-101 provides certain voting requirements for minority shareholder approval of certain related party transactions of the company whereby the company (i) acquires assets for a related party for valuable consideration, (ii) sells or transfers assets to a related party, (iii) leases property to or from a related party, (iv) acquires a related party, (v) combines with a related party through an amalgamation, arrangement or otherwise, (vi) issues securities to a related party or subscribes to the securities of the related party, (vii) becomes subject to a liability of a related party, or (viii) borrows money from or lends money to a related party. Minority shareholder approval is also required for business combinations of a company whereby, as a result of an amalgamation, arrangement, consolidation, amendment to the terms of a class of securities, or other transaction, the rights of certain shareholders would be potentially terminated without their consent.

Rights of Dissent and Appraisal

Under the OBCA, subject to specified exceptions, dissent rights are available where the corporation resolves to:

a) amend its articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

b) amend its articles to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

c) amalgamate with another corporation;

d) be continued under the laws of another jurisdiction; or

e) sell, lease or exchange all or substantially all its property.

The Bermuda Act provides that in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favour of the amalgamation or merger and is not satisfied that fair value has been offered for such shareholder's shares may, within one (1) month of notice of the shareholders'

meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares. Further, the shareholders of a Bermuda company are entitled, by application to the Bermuda Court, to exercise dissent rights in the event of a compulsory acquisition of shares in the circumstances described under the subheading “Compulsory Acquisition” below

Compulsory Acquisition

Under the OBCA, where over 90% of the shares of a corporation (other than shares held at the date of the bid by or on behalf of the offeror or an affiliate or associate of the offeror) are acquired pursuant to a take-over bid or issuer bid, the offeror, by complying with the provisions of the OBCA, can force the non-tendering shareholders to either sell their shares on the same terms as the tendering shareholders, or to demand payment from the offeror of the fair value of their securities in exchange for the surrender of their securities to the offeror.

Pursuant to the Bermuda Act, where a scheme or contract involving the transfer of shares of a Bermuda company has been approved by the holders of 90% of the shares, the offeror can then give notice in the prescribed form to any dissenting shareholder(s) and, unless on an application made by the dissenting shareholder (within one month from the date on which the notice was given) the Bermuda Court thinks fit to order otherwise, the offeror shall be entitled and bound to acquire the holdings of the dissenting shareholder(s).

Pursuant to the Bermuda Act, a holder(s) of 95% of the shares of a Bermuda company can, on giving notice to the minority shareholders, force them to sell their interest to the 95% holder(s) provided that the terms offered are the same for all of the holders of the shares whereupon the acquiring shareholder is bound to acquire the outstanding shares on the terms set out in the notice. The 5% shareholders can apply to the Bermuda Court for an appraisal of their shares, and to be paid the fair value of their shares.

Oppression Remedies

Under the OBCA a registered shareholder, beneficial shareholder, former registered shareholder or beneficial shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of an offering corporation, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates:

a) any act or omission of a corporation or its affiliates effects or threatens to effect a result;

b) the business or affairs of a corporation or its affiliates are or have been or are threatened to be carried on or conducted in a manner; or

c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner,

that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of any security holder, creditor, director or officer of the corporation.

On such an application, the court may make such order as it sees fit, including but not limited to, an order restraining the conduct complained of.

The Bermuda Act provides that the Minister of Finance may on his or her own volition or on application of that proportion of the shareholders of the company as in the Minister of Finance’s opinion warrants the application appoint one of more inspectors to investigate the affairs of the company. Further, any shareholder of a company who complains that the affairs of the company are being conducted or have been conducted in a manner oppressive or prejudicial to the interests of some part of the shareholders including such shareholder, or where a report has been provided to the Minister of Finance pursuant to the Bermuda Act, the ROC on behalf of the Minister, may make an application to court. On such an application, the court may make such order as it sees fit, including an order for the purchase of the shares of any shareholder by other shareholders or by the company.

Shareholder Derivative Actions

Under the OBCA a registered shareholder, beneficial shareholder, former registered shareholder or beneficial shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek a derivative action may apply to the court for leave to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries. The complainant must provide the directors of the corporation or its subsidiary with fourteen days’ notice of the complainant’s intention to apply to the court to bring a derivative action, unless all of the directors of the corporation or its subsidiary are defendants in the action.

Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. However, the Bermuda courts ordinarily would be expected, but are not required as a matter of law, to follow English case law precedent, which would permit a shareholder to commence an action in the company’s name to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power or illegal or would result in the violation of a company’s memorandum of association or bye-laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of shareholders than actually approved it.

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