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CONTINENTAL
GOLD
CORP.



WRIGHT ENGINEERS LIMITED



Phone (604) 684-9371 • Fax (604) 687-6130 • Telex 04-54367

1444 Alberni Street, Vancouver, British Columbia, Canada, V6G 2Z4

Project 998-413

April 13, 1989

Mr. Jeff Franzen P. Eng.
Vice President, Engineering
Continental Gold Corp.
Suite 1020 - 800 W. Pender Street
Vancouver, B.C.
V6C 2V6

Dear Jeff,

This document is conceptual in nature. The report contains an analysis of the Mt. Milligan Project using data provided to Wright Engineers by Continental Gold Corp. Wright Engineers has calculated cashflows using this information.

This project has been analysed using a discounted cashflow approach. This method of analysis requires projecting yearly cash inflows or revenue, and subtracting yearly cash outflows such as operating costs, capital costs and taxes and discounting the difference back to the date of the analysis. Each of the components of the cashflow is discussed below, followed by a tabulated and graphical summary of the results. The cashflow analysis is also attached.

Should you have any questions or comments please do not hesitate to contact me.

Yours very truly,

WRIGHT ENGINEERS LIMITED

A handwritten signature in black ink, appearing to read 'Robert Mouat', with a long horizontal stroke extending to the right.

Robert Mouat
Manager Valuations

RM:srm
Encl.

Mt. Milligan Project

Data and Assumptions

1.0 Reserves

200,000,000 tons

1.1 Milling Rate

13,000,000 tons per year

1.2 Grades

<u>Copper</u>	<u>Gold</u>
0.30%	0.025 oz/ton

1.3 Recovery

Copper	85%
Gold	90%

1.4 Concentrate Grade

Copper	28% (8% moisture)
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1.5 Smelter Terms

Copper	deduct 1 unit treatment U.S.\$60/SDT refining U.S.\$0.085/lb
Gold	pay for 95%

1.6 Freight

U.S.\$50 /SWT

1.7 Metal Prices (base case)

Copper U.S.\$1.00 /lb

Gold U.S.\$400 /oz

1.8 Exchange Rate

\$0.82 U.S./CAN

1.9 Operating Cost

35,000 Tons per Day
(13 million tpy) \$5.00/ton

1.10 Capital Cost

35,000 Tons per Day
(13 million tpy) \$230 million

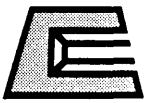
Mt. Milligan Project

13 million tpy

<u>13 million tons</u>	Rate of Return (%)	Payback Period (Years)	Net Present Value (millions \$) at discount rates of			
			0%	5%	10%	15%
Base Case(Cu \$1.00/Au \$400)	31.3	1.9	890.9	504.1	291.2	166.5
Copper \$1.20 Gold \$450	37.2	1.7	1138.7	658.8	394.4	239.3
Copper \$1.00 Gold \$450	34.6	1.8	1026.4	588.7	347.6	206.3
Copper \$0.80 Gold \$450	31.8	1.9	911.3	516.9	299.7	172.5
Copper \$1.20 Gold \$400	34.0	1.8	1003.2	574.2	337.9	199.5
Copper \$1.00 Gold \$400	31.3	1.9	890.9	504.1	291.2	166.5
Copper \$0.80 Gold \$400	28.1	2.2	774.2	430.8	241.8	131.4
Copper \$1.20 Gold \$350	30.7	2.0	867.2	489.3	281.2	159.4
Copper \$1.00 Gold \$350	27.6	2.3	753.9	418.0	233.2	125.3
Copper \$0.80 Gold \$350	24.3	2.7	638.6	345.4	184.3	90.3
Capital +15%	27.7	2.3	872.5	484.1	270.5	145.7
-15%	35.6	1.8	907.6	522.4	310.1	185.7
Operating +15%	28.9	2.1	802.2	448.4	253.8	139.9
-15%	33.4	1.8	978.4	558.8	327.6	192.2
Grade +15%	37.0	1.7	1130.2	653.5	390.8	236.8
-15%	24.6	2.7	650.1	352.7	189.2	93.8

CASHFLOW SUMMARY - PAGE 1
\$ MILLION CAN.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	ACCUM
ORE MILLED (MILLION T)	13.000	13.000	13.000	13.000	13.000	13.000	13.000	5.000	0.000	200.000
ORE GRADE:COPPER (%)	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
:GOLD (OZ/T)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
RECOVERY:COPPER (%)	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
:GOLD (%)	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
COPPER CONCENTRATE (000'S SDT)	118.4	118.4	118.4	118.4	118.4	118.4	118.4	45.5	0.0	1821.4
PAYABLE :COPPER (000'S LBS)	63932	63932	63932	63932	63932	63932	63932	24589	0	983571
:GOLD (000'S OZ)	277.9	277.9	277.9	277.9	277.9	277.9	277.9	106.9	0.0	4275.0
COPPER PRICE (US\$/LB)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
GOLD PRICE (US\$/OZ)	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00
COPPER REVENUE (US\$ MILLIONS)	63.932	63.932	63.932	63.932	63.932	63.932	63.932	24.589	0.000	983.571
GOLD REVENUE (US\$ MILLIONS)	111.150	111.150	111.150	111.150	111.150	111.150	111.150	42.750	0.000	1710.000
TOTAL GROSS REVENUE	175.082	175.082	175.082	175.082	175.082	175.082	175.082	67.339	0.000	2693.571
-COPPER SMELTING (\$60/SDT)	7.104	7.104	7.104	7.104	7.104	7.104	7.104	2.732	0.000	109.286
-COPPER TREATMENT (\$.085/LB)	5.434	5.434	5.434	5.434	5.434	5.434	5.434	2.090	0.000	83.604
-TRANSPORTATION (\$50/SWT)	6.434	6.434	6.434	6.434	6.434	6.434	6.434	2.475	0.000	98.991
NET MINEGATE REVENUE (MILLION US)	156.110	156.110	156.110	156.110	156.110	156.110	156.110	60.042	0.000	2401.692
X EXCHANGE RATE	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220	1.220
NET MINEGATE REVENUE (MILLION CA)	190.378	190.378	190.378	190.378	190.378	190.378	190.378	73.222	0.000	2928.892
-OPERATING COST	65.000	65.000	65.000	65.000	65.000	65.000	65.000	25.000	0.000	1000.000
-FEDERAL INCOME TAX	26.329	26.329	26.329	26.329	26.329	26.329	26.329	10.127	0.000	355.834
-PROVINCIAL INCOME TAX	17.553	17.553	17.553	17.553	17.553	17.553	17.553	6.751	0.000	237.378
-MINING TAX	15.986	15.986	15.986	15.986	15.986	15.986	15.986	5.673	0.000	214.794
CASH FLOW BEFORE CAPITAL COSTS	65.510	65.510	65.510	65.510	65.510	65.510	65.510	25.671	0.000	1120.886
-MINE CAPITAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	100.000
-MILL CAPITAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	130.000
-WORKING CAPITAL REQUIRED	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.000
+WORKING CAPITAL RECOVERY	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.000	0.000	7.000
TOTAL CAPITAL COSTS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-7.000	0.000	230.000
NET EQUITY CASH	65.510	65.510	65.510	65.510	65.510	65.510	65.510	32.671	0.000	890.886
ACCUMULATIVE TOTAL	465.155	530.665	596.175	661.685	727.195	792.705	858.215	890.886	890.886	0.000
DISCOUNTED NCF (5.0 %)	38.302	36.478	34.741	33.087	31.511	30.011	28.582	13.576	0.000	504.115
DISCOUNTED NCF (10.0 %)	22.961	20.874	18.976	17.251	15.683	14.257	12.961	5.876	0.000	291.155
DISCOUNTED NCF (15.0 %)	14.081	12.244	10.647	9.258	8.051	7.001	6.088	2.640	0.000	166.481
DISCOUNTED NCF (20.0 %)	8.817	7.347	6.123	5.102	4.252	3.543	2.953	1.227	0.000	89.520
RATE OF RETURN (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.3
CONTINENTAL CASHFLOW BEFORE TAX	87.765	87.765	87.765	87.765	87.765	87.765	87.765	38.656	0.000	1189.224
CONTINENTAL CASHFLOW AFTER TAX	45.857	45.857	45.857	45.857	45.857	45.857	45.857	22.870	0.000	623.620



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DEAR INVESTOR:

Re: Continental Gold Corp.

Continental Gold Corp. (69.84%) and BP Resources Canada Limited (30.16%) have discovered one of the world's largest gold-copper deposits at Mt. Milligan, British Columbia, Canada. Successful development of the project will vault Continental Gold Corp. into the position of a top North American gold producer. Forecast annual project production is 400,000 ounces of gold and 83,000,000 pounds of copper.

Enclosed is a concise package of information on Continental Gold Corp. and the Mt. Milligan Project.

Rio Algom Limited has announced the purchase of about 9% and Hemlo Gold Mines Inc. about 4% of Continental Gold Corp.'s 8,153,000 issued shares. Continental Gold Corp. may be the focus of one of the most spectacular takeover battles in Canadian mining history.

Yours truly,

CONTINENTAL GOLD CORP.

Robert A. Dickinson
President

Encl.



NEWS RELEASE

AUGUST 1, 1989

GRADES RISE - TONNAGE BUILDS AT MT. MILLIGAN

Robert G. Hunter, Chairman of Continental Gold Corp. (CNT:V; CNTVF:NASDAQ) is pleased to announce further diamond drill hole results from the Mt. Milligan Project near Prince George, B.C. The project is a Continental Gold Corp. (70%) - BP Resources Canada Limited (30%) joint venture. Continental Gold Corp. is operator.

Delineation drill holes recently completed within the massive, blanket-shaped Mt. Milligan deposit have returned outstanding gold and gold-copper grades over long core lengths. Notable new results include:

<u>Zone</u>	<u>Hole No.</u>	<u>Intercept (Feet)</u>	<u>Copper %</u>	<u>Gold oz/ton</u>
66	89-184	297.1	0.02	0.107
MBX	89-185	1089.0	0.30	0.011
VEIN	89-192	45.9	0.34	0.325
MBX	89-197	498.6	0.43	0.053
MBX	89-198	531.4	0.44	0.052

Results confirm excellent reserve continuity and indicate a significant upgrading of the deposit's gold content. The deposit measures 4,300 feet long, up to 3,100 feet wide and up to 880 feet thick (Figure 1). Current reserves are in excess of 4,000,000 ounces of gold and 1.2 billion pounds of copper. Deposit geometry is ideally suited for low cost open pit mine development. Engineering studies under the direction of Cominco Engineering Services Limited are now in progress.

In addition, wide spaced drill holes have identified several radiating, high grade gold veins peripheral to the large scale disseminated deposit. A new vein discovery was made by drill hole

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mt Milligan

- 2 -

89-192 which cut 90.5 feet of 0.191 ounces gold/ton and 0.44% copper. Further work is required to establish continuity of veins on the property.

New results from widely spaced sites in the MBX Zone are:

MBX ZONE

Hole No.	Azimuth (Degrees)	Dip (Degrees)	Hole Length (Feet)	Interval (Feet)		Intercept (Feet)	Copper %	Gold oz/ton
				From	To			
89-178	089	-63	896.8	137.1	528.1	391.0	0.37	0.015
			(including)	137.1	298.5	161.4	0.54	0.024
89-179	088	-47	626.8	150.9	626.8	475.9	0.35	0.017
			(including)	387.0	626.8	239.8	0.55	0.025
89-181	270	-46	1273.3	160.1	724.9	564.8	0.38	0.012
89-182	181	-45	836.7	16.1	98.4	82.3	0.32	0.011
			(including)	551.0	695.4	144.4	0.22	0.009
89-183	090	-70	1117.7	111.9	242.7	130.8	0.68	0.030
89-185	269	-46	1446.8	206.6	1295.6	1089.0	0.30	0.011
89-186	089	-45	1806.5	944.6	1193.9	249.3	0.36	0.032
				1331.7	1745.0	413.3	0.28	0.015
89-188	000	-90	897.8	120.1	164.0	43.9	0.28	0.009
				577.3	770.8	193.5	0.25	0.004
89-190	270	-45	1326.8	1036.5	1292.3	255.8	0.34	0.008
89-191	270	-45	164.0	hole lost				
89-194	270	-45	1226.7	225.0	574.0	349.0	0.40	0.020
				790.5	1066.0	275.5	0.22	0.009
89-196	180	-45	806.8	13.1	357.5	344.4	0.10	0.010
89-197	270	-45	1226.7	84.9	951.2	866.3	0.42	0.036
			(including)	84.9	400.2	315.3	0.47	0.016
				452.6	951.2	498.6	0.43	0.053
89-198	92	-44	1386.8	275.5	1115.2	839.7	0.39	0.039
			(including)	275.5	806.9	531.4	0.44	0.052

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192 VEIN ZONE

<u>Hole No.</u>	<u>Azimuth (Degrees)</u>	<u>Dip (Degrees)</u>	<u>Hole Length (Feet)</u>	<u>Interval (Feet)</u>		<u>Intercept (Feet)</u>	<u>Copper %</u>	<u>Gold oz/ton</u>
				<u>From</u>	<u>To</u>			
89-192	266	-47	1386.8 (including)	509.7	600.2	90.5	0.44	0.191
				554.3	600.2	45.9	0.34	0.325

New results from widely spaced sites within the 66 Zone are:

66 ZONE

<u>Hole No.</u>	<u>Azimuth (Degrees)</u>	<u>Dip (Degrees)</u>	<u>Hole Length (Feet)</u>	<u>Interval (Feet)</u>		<u>Intercept (Feet)</u>	<u>Copper %</u>	<u>Gold oz/ton</u>
				<u>From</u>	<u>To</u>			
89-180	267	-46	664.8	249.3	305.0	55.7	0.41	0.008
				370.6	636.3	265.7	0.14	0.046
89-184	268	-45	929.8	558.3	855.4	297.1	0.02	0.107
			(including)	558.3	776.7	218.4	0.03	0.132
89-187	270	-44	102.0	hole lost				
89-189	270	-46	1011.6	no significant values - in intrusive				
89-193	268	-41	605.8	226.3	605.8	379.5	0.16	0.017
			(including)	226.3	488.7	262.4	0.20	0.018
89-195	267	-45	1149.7	633.0	908.6	275.6	0.02	0.012

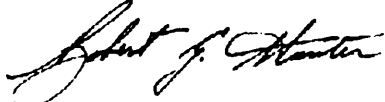
Drilling with four rigs is continuing. Engineering, environmental and socioeconomic studies are in progress. A recent airborne geophysical survey over the entire 42 square mile property identified many anomalous areas for follow up work. Further, recent ground geophysical surveys south and west of the Mt. Milligan deposit, over broad soil geochemical anomalies, have identified new deposit targets as follows:

1. a 1200 foot southern extension to the 66 gold zone (drill testing in progress)
2. a major sulphide system centered 3,300 feet southwest of the Mt. Milligan deposit (drill testing in progress)
3. a major sulphide system centered 5,500 feet west of the Mt. Milligan deposit (drilling to commence soon)

- 4 -

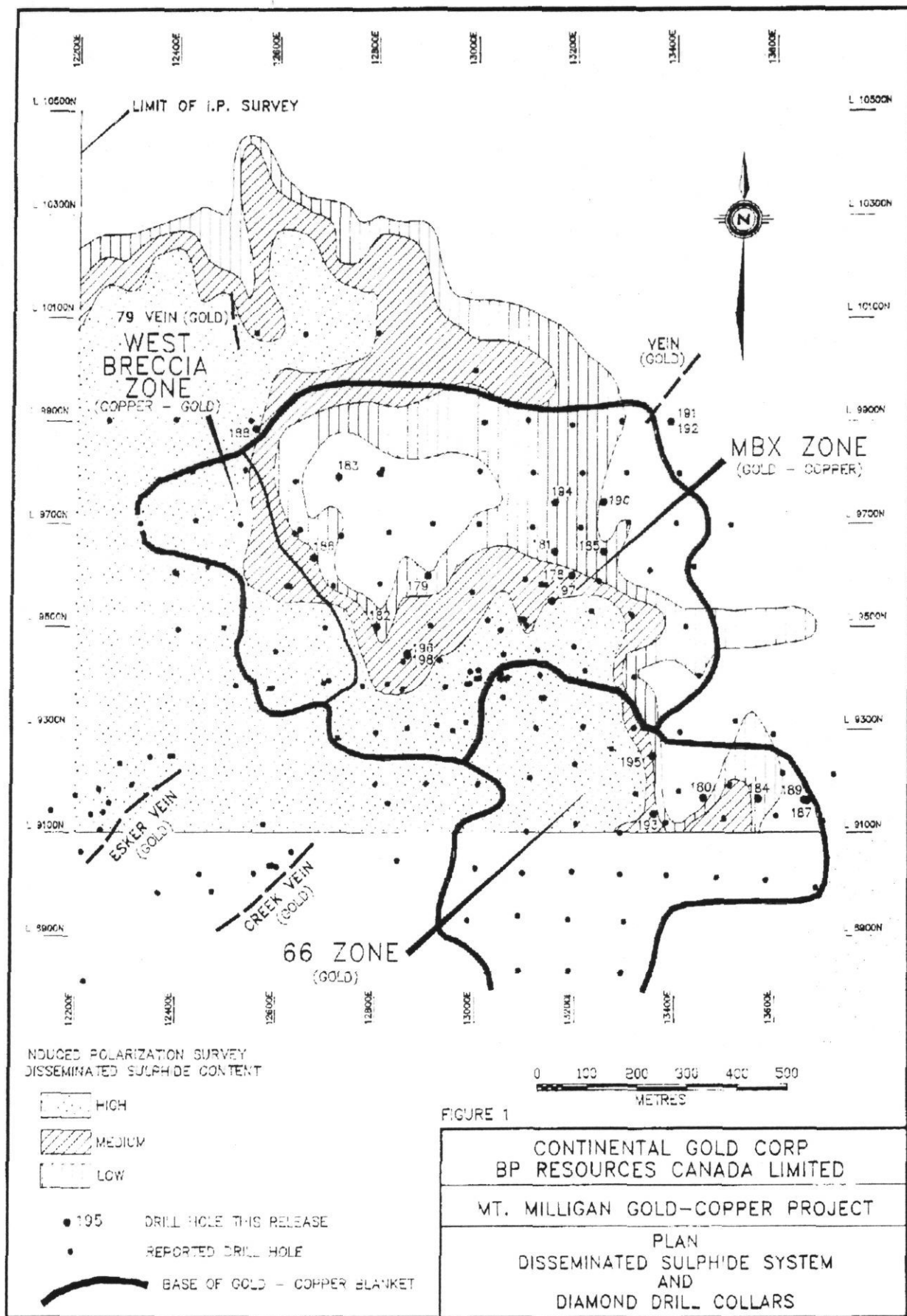
There is no doubt that, although over 160,000 feet of drilling in 210 holes has been completed with a success ratio of over 90% in recent months at Mt. Milligan, exploration of this immense gold-copper system has just begun.

ON BEHALF OF THE BOARD



Robert G. Hunter
Chairman

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.





NEWS RELEASE

AUGUST 3, 1989

NEW DEPOSIT DISCOVERED AT MT. MILLIGAN

Robert G. Hunter, Chairman of Continental Gold Corp. (CNT:V; CNTVF:NASDAQ) is pleased to announce the results of an exploration hole drilled 2,000 feet southwest of the large scale Mt. Milligan gold-copper deposit.

Hole 89-200 was spotted to test a recently established geophysical anomaly indicating a major sulphide system. The hole assayed:

Hole No.	Azimuth (Degrees)	Dip (Degrees)	Hole Length (Feet)	Interval (Feet)		Intercept (Feet)	Copper %	Gold oz/ton
				From	To			
89-200	271	-46	1044.7	291.9	1044.7	752.8	0.32	0.007
			(including)	547.8	803.6	255.8	0.39	0.009

The hole bottomed in mineralization with the last 6 feet assaying 0.37% copper.

These results indicate the discovery of a major new copper-gold deposit. Further drilling is underway to establish the extent of this zone.

ON BEHALF OF THE BOARD

Robert G. Hunter

Robert G. Hunter
Chairman

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FILE NO:

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.

CONTINENTAL GOLD CORP.

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MT MILLIGAN

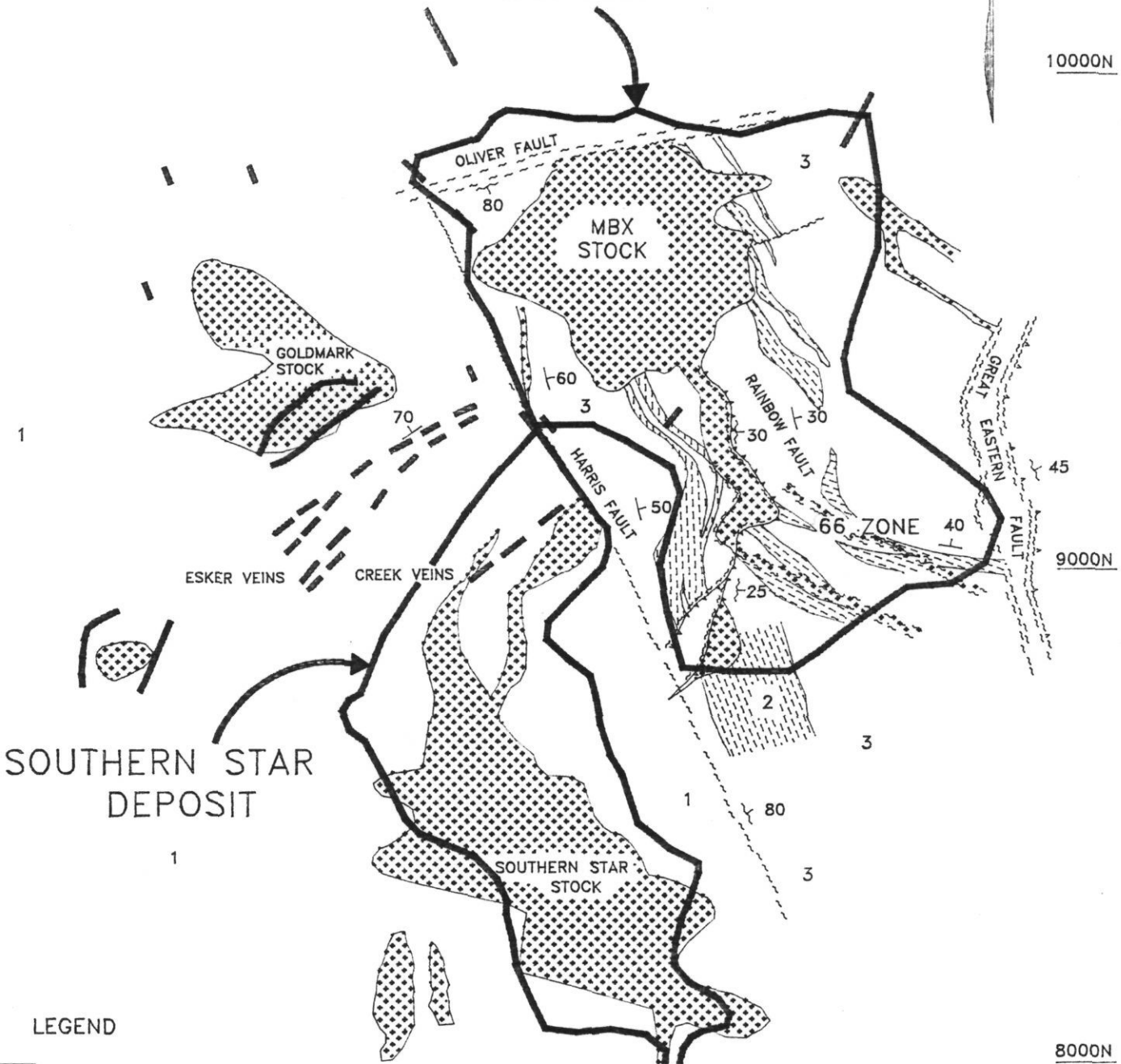
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MT. MILLIGAN DEPOSIT



SOUTHERN STAR DEPOSIT

LEGEND

 POLYMETALLIC SULPHIDE VEIN


 DEPOSIT OUTLINE

GEOLOGY

EARLY JURASSIC

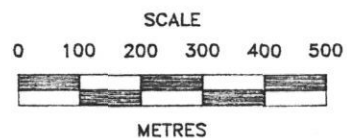
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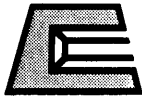


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CONTINENTAL GOLD CORP.
BP RESOURCES CANADA LIMITED

MT. MILLIGAN PORPHYRY
GOLD - COPPER DEPOSIT
GEOLOGY

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DEAR INVESTOR:

Re: Continental Gold Corp.

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Yours truly,

CONTINENTAL GOLD CORP.

Robert A. Dickinson
President

Encl.

CONTINENTAL GOLD OFFERS NO ILLUSIONS NO DREAMS NO FANTASIES

MT. MILLIGAN: A FOUR BILLION DOLLAR REALITY

A massive gold and copper discovery

Five million ounces of gold and two billion pounds of copper have recently been discovered at Continental Gold's 70%-controlled Mt. Milligan property near Prince George, British Columbia. More than 300,000 feet of drilling has revealed over four billion dollars of metal wealth ready to be recovered.

An industry leader in the making

This dual-metal deposit forms a secure cornerstone for unprecedented corporate growth. The substantial cash flows from Mt. Milligan production will vault Continental Gold to industry leadership. Major corporations with output comparable to projected annual production of 400,000 ounces gold and 100,000,000 pounds copper command market valuations well over one billion dollars.

A low-cost, long-life development

Located at surface, the Mt. Milligan deposit is ideal for a high-volume, low-cost, open pit operation using



standard and reliable extraction processes. The 300 million ton plus gold-copper deposit promises continuous metal production well into the next century.

Project infrastructure is in place

Here in British Columbia's mining country, large-scale open pit mines are the norm. After decades of

production some mines are nearing exhaustion, freeing experienced personnel and equipment for Mt. Milligan's development. Nearby communities combine with available roads, rail lines, electric power, water and gentle topography to establish a low-cost formula for profits.

Continental Gold's production team is moving fast

Last year at Mt. Milligan, Canada's largest development program was initiated. Completion of Government permits and site engineering, coupled with a sound financial base, will lead to a construction startup in 1991. Large-scale gold and copper production will quickly follow.

You can participate now

Continental Gold Corp's shares clearly rank among the most powerful growth investments available today. Speak to your broker, or contact Robert Dickinson and Robert Hunter at Continental Gold.
Be part of the reality.



**CONTINENTAL
GOLD CORP.**

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**VSE : CNT, NASDAQ : CNTVF, Contact : Robert Dickinson or Robert Hunter
Tel. 604/684-6365 Fax. 604/684-8092**



ScotiaMcLeod

MINING BRIEF



G. Thomas Komlos

August 22, 1989

Toronto 416-862-3066

Montreal 514-287-3600

New York 212-804-5400

London, UK 1-256-5656

Zurich 1-221-3021

Tokyo 3-592-3870

Continental Gold Corporation **(CNT-V \$8 5/8)**

Recommendation: Speculative Buy

The company recently discovered the large low-grade Mt. Milligan copper-gold deposit near Prince George, B.C.. The project is a 70% Continental Gold and 30% BP Resources Canada joint venture. Continental is the project operator.

Ongoing core drilling, currently in excess of 150,000 feet in 200 holes, has outlined a massive, blanket-shaped deposit 4,300 feet long, up to 3,100 feet wide and up to 880 feet thick. The deposit is still open to extension. The deposit is suited for large-scale open pit mine development. The currently indicated 150-200 million tons reserves, grading 0.3% copper and 0.02 ounces of gold per ton, could easily be expanded and the grade could move up as well.

Pre-feasibility projections show that based on a 35,000 tons/day operation, the open pit mine would produce 278,000 ounces of gold and 64 million pounds of copper annually over a 15-year-plus mine life. Capital cost of approximately \$230 million would be raised following completion of a feasibility study by mid-1990. Production could commence in late 1992 or early 1993. At an estimated US\$1.00 per pound copper price and US\$400 per ounce gold price, net revenue would amount to US\$14.60 per ton with a cash cost of \$5.00 per ton or a net production cost equalling US\$30 per ounce of gold. This would make Mt. Milligan probably the lowest cost gold producer in North America. On a more conservative price forecast basis of US\$0.80 per pound of copper and \$350 per ounce of gold, the pay-back period would rise from 1.9 to 2.7 years and the company's portion of pre-tax but after payback cash flow would decline from \$87.8 million to \$65.8 million, or from \$11 to \$8 per share on the fully diluted 8.2 million shares outstanding.

Ground and airborne geophysical exploration surveys have recently been completed over a region south and west of the current deposit area, indicating at least two new major sulphide systems on the property. Drills are being moved to these deposit targets.

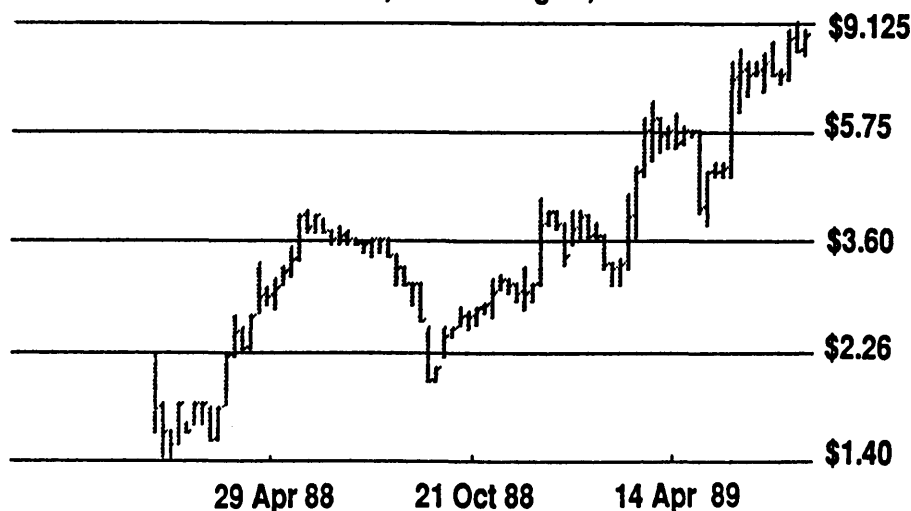
Rio Algom (ROM \$26 3/4) owns 628,053 shares of Continental Gold. This position was recently purchased for \$8 per share from Homestake Mining Company. (The latter company holds a right which states that if Rio Algom or any third party were to complete a formal bid for the shares of Continental Gold, it would receive until April 1990 75%-100% of the bid price in excess of \$8 per share.)

Continental Gold is definitely a take-over candidate. Aside from Rio Algom, which appears to have an upper hand, other potential bidders include: Noranda (NOR \$24 7/8) with the large, closely situated, Bell mine closing down operations in 1992 and Brenda in 1990 and; Placer Dome (PDG \$18 3/8) which has the

wherewithal, the presence in British Columbia as well as excellent expertise in these types of operations.

Under the fluid nature of the exploration program and its excellent potential for sizeable expansion of reserves, it is extremely difficult to put a sensible value on the shares of Continental Gold. The stock at the current level is definitely undervalued. As a matter of interest, Hemlo Gold at \$14 3/4 sells at \$203 per ounce of its gold reserves. In the meanwhile, Continental Gold at \$8 5/8 reflects little over \$25 per ounce value on its current ownership of 2.8 million ounces in place. We do not suggest an eight times catch-up potential, as the numbers seem to suggest, but just brought the foregoing comparison forth to demonstrate the existence of a reasonable potential for meaningful capital appreciation in the stock price. The company has \$3.5 million in the bank and no debt. The management of Continental Gold has a proven record and good reputation.

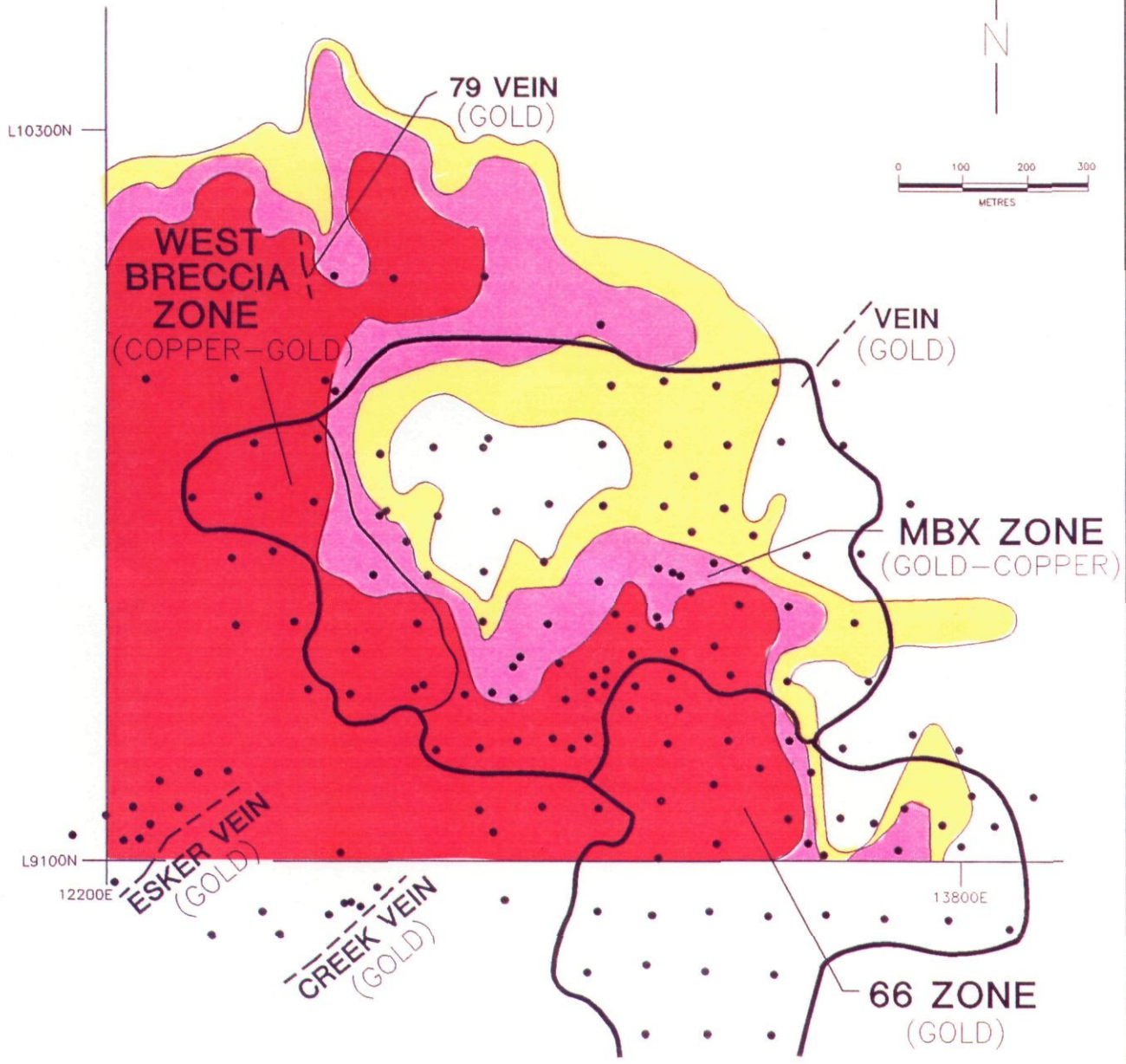
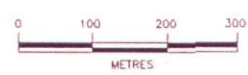
**Continental Gold Corp
Jan 29, 1988 to Aug 18, 1989**



MLN -- 106

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MT. MILLIGAN PLAN



(I.P. SURVEY) RESPONSE

- HIGH
- MEDIUM
- LOW

- DRILL HOLE.....●
- BASE OF GOLD COPPER BLANKET.....—

SOURCE: MODIFIED FROM CONTINENTAL GOLD CORP NEWS RELEASE AUG. 1st 1989



N E W S R E L E A S E

JANUARY 30, 1990

CONTINENTAL GOLD TEAM PUTS MT. MILLIGAN DEVELOPMENT INTO HIGH GEAR

Robert G. Hunter, Chairman of Continental Gold Corp. (CNT:V; CNTVF:NASDAQ) announced today that the Company's development team has commenced a \$7,100,000 feasibility and government permitting program for the Mt. Milligan gold-copper project near Prince George, British Columbia. In addition he announced that Rio Algom Limited has agreed to purchase an additional 24,997 shares at a price of \$10.00 per share pursuant to Rio Algom's pre-emptive right to participate in approximately 7.7% of all share issuances of the Company.

The Mt. Milligan project is a Continental Gold Corp. 69.84% - BP Resources Canada Limited 30.16% joint venture. Continental Gold is the operator. On-site, five drill rigs are completing condemnation, infill, delineation and bulk sample drilling. Off-site, mine, mill and feasibility engineering studies are underway. In the next few weeks the Company will begin the British Columbia Government production permitting process with the submittal of the project's first formal document.

Mt. Milligan is the largest undeveloped gold-copper deposit in North America. A project mineral reserve in excess of 300 million tons in two deposits has been established by 310,000 feet of drilling in 406 holes. The current mineral reserve, which contains over 5 million ounces of gold and 2 billion pounds of copper should generate revenues in excess of \$4 billion upon commercial production.

At a milling rate of 50,000 tons per day, the Mt. Milligan project will produce up to 400,000 ounces of gold and 100,000,000 pounds of copper on an annual basis. Established infrastructure, excellent deposit geometry, topography and metallurgy favorably combine at Mt. Milligan for large scale, low cost open pit mine development.

Continental Gold Corp. has 7,957,799 shares outstanding and trades in Canada on the Vancouver Stock Exchange with symbol CNT and in the United States on NASDAQ with symbol CNTVF.

ON BEHALF OF THE BOARD

Robert G. Hunter
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.

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N E W S R E L E A S E

DECEMBER 21, 1989

MT. MILLIGAN TO MORE THAN DOUBLE BRITISH COLUMBIA'S GOLD OUTPUT

Robert G. Hunter, Chairman of Continental Gold Corp. (CNT:V; CNTVF:NASDAQ), 69.84% owner and operator of the Mt. Milligan gold-copper property near Prince George, British Columbia is pleased to provide an update of developments.

Systematic drilling within the eastern one-third of a 6 square mile gold-copper sulphide system has delineated the largest undeveloped gold-copper deposit in North America. A project mineral reserve in excess of 300 million tons in two deposits has been established by 310,000 feet of drilling in 406 holes. The current mineral reserve, which contains over 5 million ounces of gold and 2 billion pounds of copper should generate revenues in excess of \$4 billion upon commercial production. Further drilling is planned after the Christmas holiday which should expand this reserve base (see Figure 1).

Fast track engineering, environmental and socio-economic studies are underway for a mine in the 50,000 ton per day range which is expected to produce up to 400,000 ounces of gold and 100,000,000 pounds of copper on an annual basis. Established infrastructure, combined with excellent deposit geometry, metallurgy and topography are well suited for large scale, low cost open pit mine development.

Within the 200 million ton Mt. Milligan gold-copper deposit an initial in-fill drill program has been completed. This program has confirmed excellent reserve continuity and grade (see Figure 2). New results include:

<u>Hole No.</u>	<u>Intercept Feet</u>	<u>Copper %</u>	<u>Gold oz/ton</u>
89-314	413.3	0.30	0.033
89-354	433.1	0.45	0.022
89-360	1265.7	0.27	0.016
89-368	1202.4	0.44	0.020
89-373	1069.2	0.21	0.036
89-380	846.5	0.37	0.014

The blanket-shaped Mt. Milligan deposit measures 4500 feet long 3100 feet wide and up to 880 feet thick.

.../2

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At least 7 high grade gold veins radiate from the Mt. Milligan disseminated gold-copper deposit. The average gold vein intercept is 15.6 feet with an average grade of 0.30 ounces gold/ton. Further drilling of gold veins is required to assess their extent. A recent vein intercept encountered in Hole 89-341 assayed 0.283 oz gold/ton over 59.1 feet.

In addition, 100 metre spaced drilling has begun to outline the Southern Star deposit, a newly discovered disseminated gold-copper deposit, located south of the Mt. Milligan deposit (see Figure 3). The Southern Star currently measures 3800 feet long and 1600 feet wide. Its present 100 million ton mineral reserve is open to further expansion. New results in the Southern Star area include:

<u>Hole No.</u>	<u>Intercept Feet</u>	<u>Copper %</u>	<u>Gold oz/ton</u>
89-330	597.1	0.27	0.008
89-339	341.2	0.25	0.013
89-359	249.3	0.30	0.014
89-363	408.1	0.45	0.010
89-365	242.8	0.34	0.011
89-367	275.6	0.40	0.013
89-369	164.0	0.56	0.014
89-381	278.2	0.34	0.008
89-382	484.6	0.46	0.031
89-386	190.3	0.29	0.021

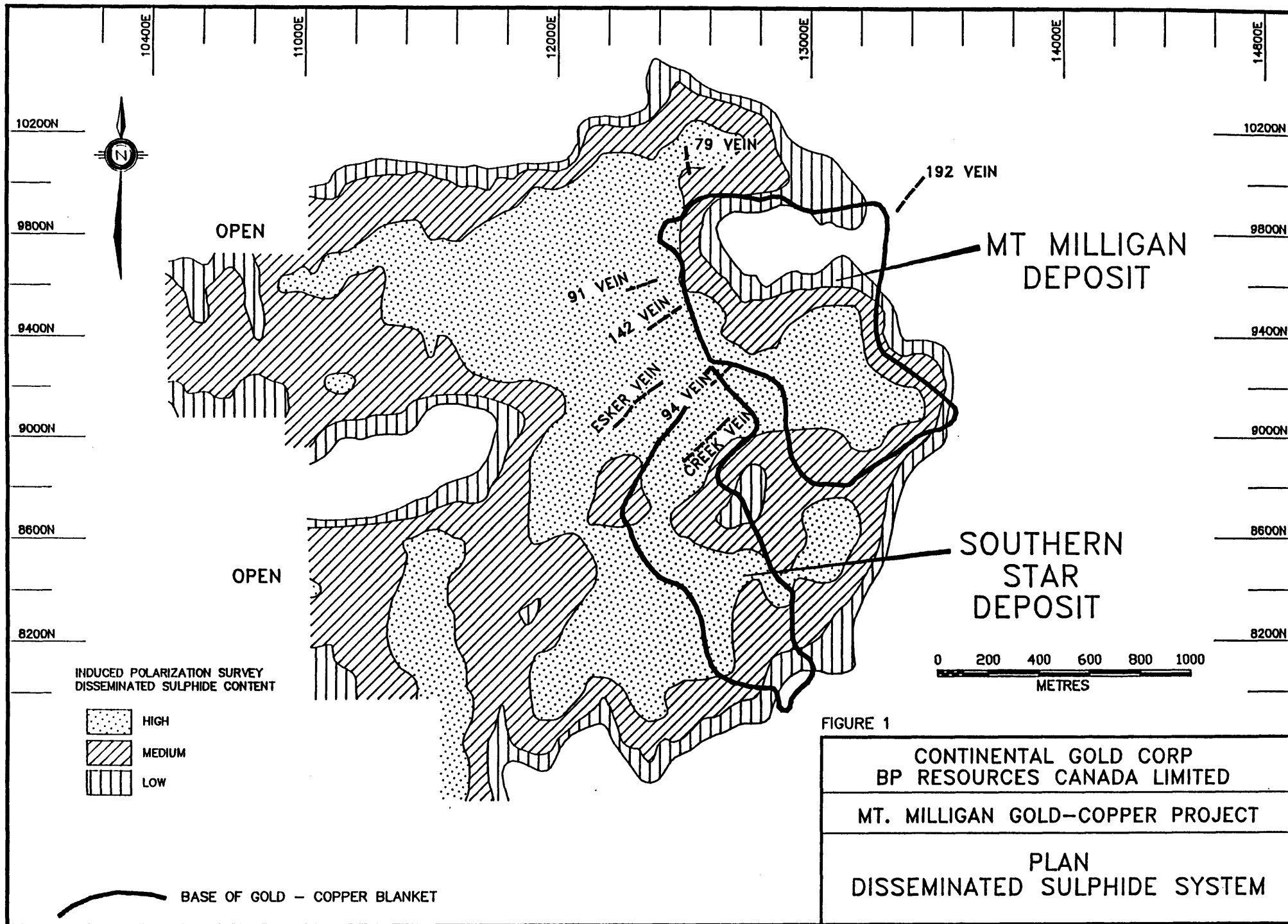
Continental Gold is attempting to rapidly move BP Resources Canada Limited's law suit through the court process. The Company's legal advisors continue to be of the opinion that based on the facts BP's allegation is completely without merit.

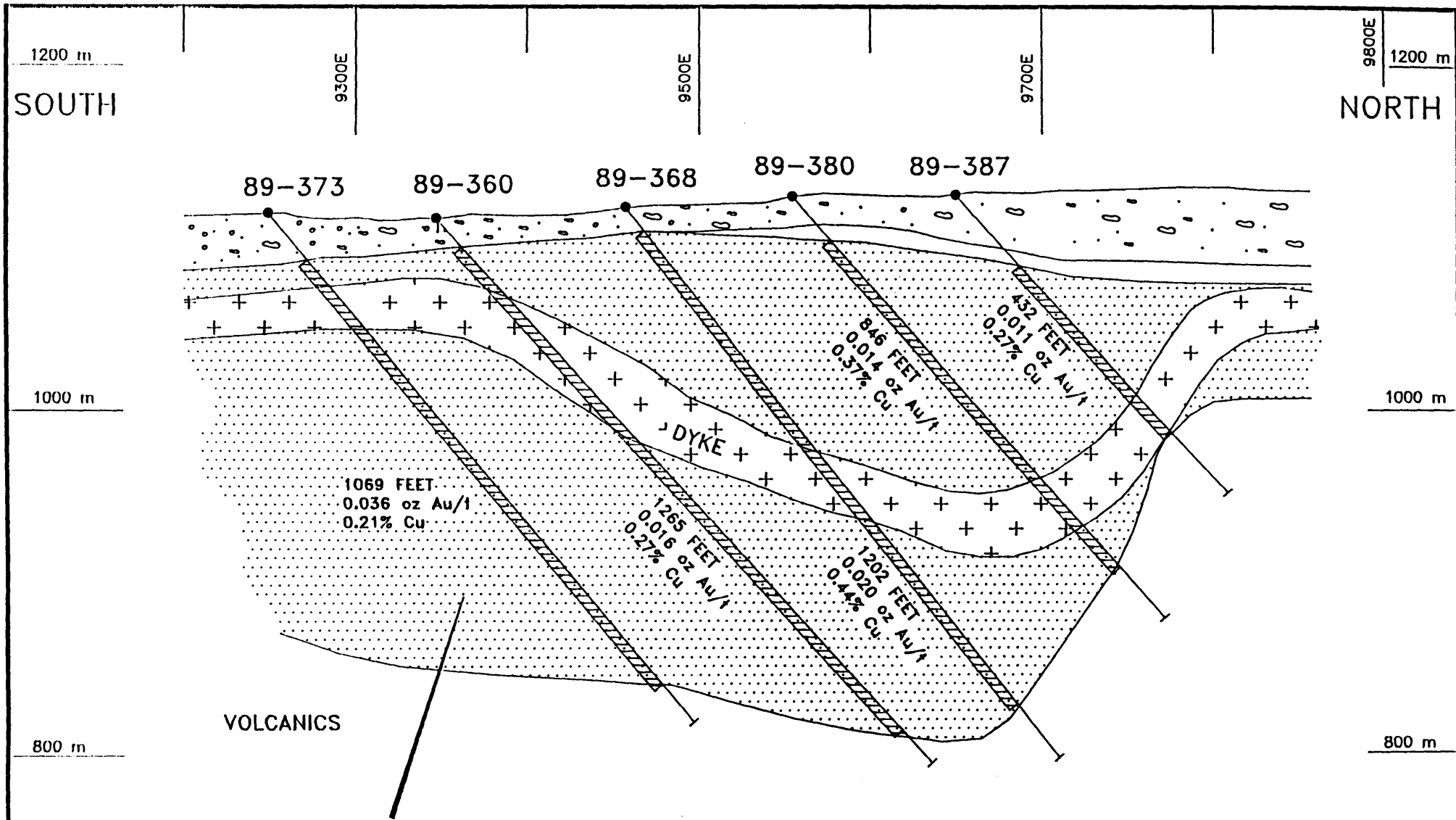
ON BEHALF OF THE BOARD



Robert G. Hunter
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.





GOLD-COPPER DEPOSIT

FIGURE 2

CONTINENTAL GOLD CORP BP RESOURCES CANADA LIMITED
MT. MILLIGAN GOLD-COPPER PROJECT
VERTICAL LONG SECTION L 130+50E (LOOKING WEST) DRILL HOLES 89-360, 368, 373, 380, 387



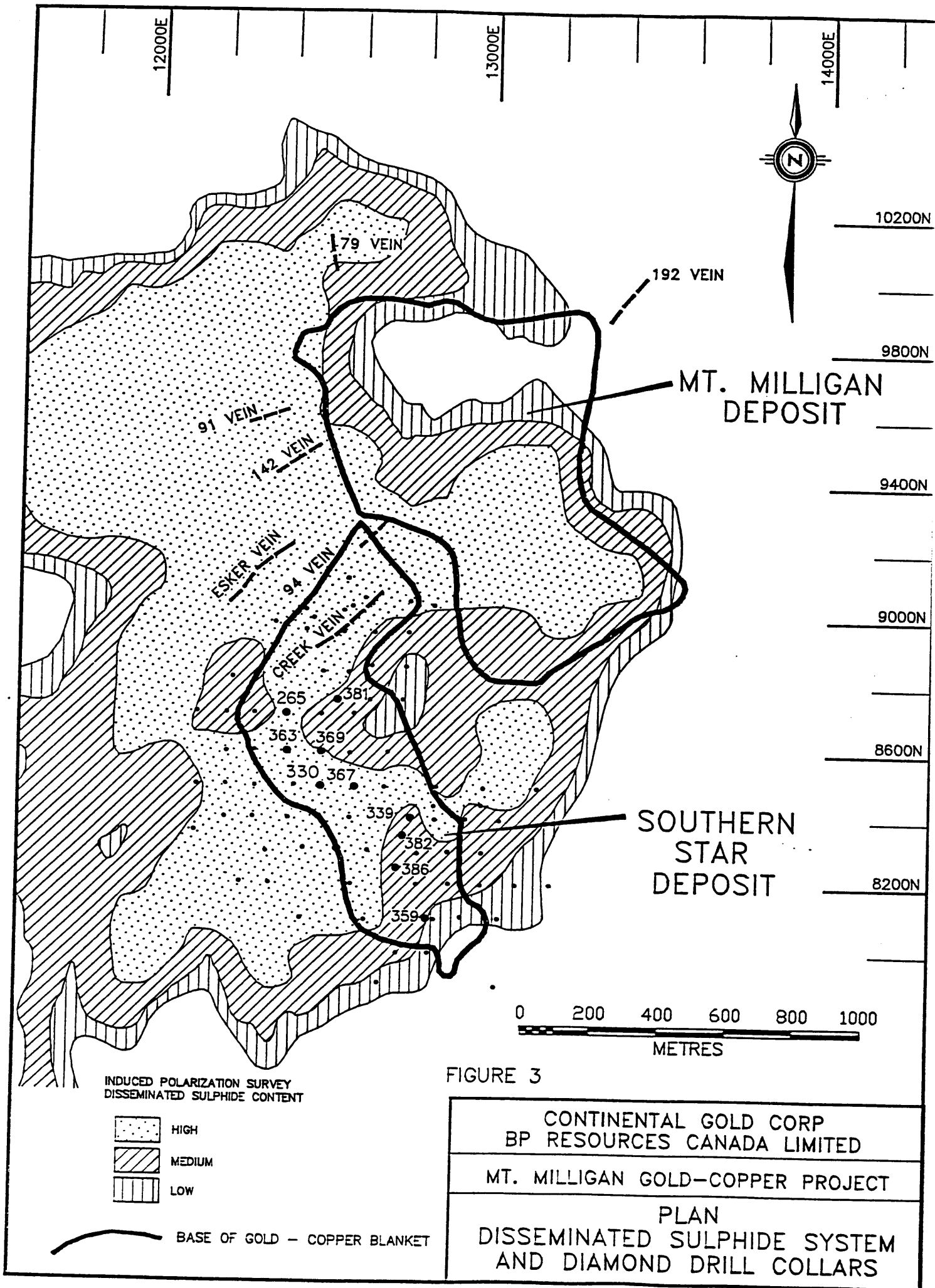


FIGURE 3

CONTINENTAL GOLD CORP BP RESOURCES CANADA LIMITED
MT. MILLIGAN GOLD-COPPER PROJECT
PLAN DISSEMINATED SULPHIDE SYSTEM AND DIAMOND DRILL COLLARS



N E W S R E L E A S E

OCTOBER 6, 1989

BRITISH PETROLEUM ATTEMPTS TO SQUEEZE MINE FINDING CANADIAN JUNIOR

Robert G. Hunter, Chairman of Continental Gold Corp. (CNT:V; CNTVF:NASDAQ) advises that the Company has received notice from BP Resources Canada Limited ("BP") that BP intends to file an action against the Company alleging that the Company breached the terms of its 1986 joint venture agreement ("Agreement") with BP. Continental Gold has conferred with its legal advisors and has been advised that based on the facts BP's allegation is completely without merit.

Continental Gold Corp. understands that BP's allegation is that a simple corporate procedural step, which was part of the March 15, 1989 amalgamation between Continental Gold Corp. and its 69% subsidiary United Lincoln Resources Inc., somehow gave rise to a first right of refusal in favour of BP to acquire an additional interest in the Mt. Milligan property. The BP position is wholly without merit on the basis that it is clearly contrary to the intent of the Agreement and relies on taking a word out of context within the Agreement and unreasonably applying it to the procedural step.

Six weeks prior to the amalgamation BP was provided with all documentation relating to the Continental Gold/United Lincoln amalgamation including those aspects of the procedural step which BP has now taken issue with. During this period BP raised no complaints, issues or objections and for six months after the amalgamation continued to act in accordance with the joint venture terms before raising a complaint. The complained of procedure, did not in any way reduce or adversely affect BP's continuing rights under the Agreement.

The BP position has caused a major Canadian mining company to suspend discussions with the senior officers of Continental relating to a proposed offer for all the outstanding shares of Continental Gold Corp. at a substantial premium over current market price. In the event that BP's actions cause damage to the Company's shareholders, a multimillion dollar counter-suit will be prepared. Further details regarding this matter will be released when available.

.../2

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Continental Gold Corp., operator of the Mt. Milligan project, continues to rapidly advance exploration and development work on the property. The main 200 million ton Mt. Milligan deposit is currently being engineered for a 50,000 TPD open pit mine which is expected to produce up to 400,000 ounces gold and 100,000,000 pounds copper on an annual basis. In addition six diamond drill rigs (36,000 feet/month) are delineating three newly discovered gold-copper deposits elsewhere on the property. A full project update will be released shortly.

ON BEHALF OF THE BOARD



Robert G. Hunter
Chairman

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.



N E W S R E L E A S E

August 10, 1989

CONTINENTAL GOLD NAMES NEW DIRECTOR

Mr. Robert G. Hunter, Chairman of Continental Gold Corp. (CNT:V; CNTVF:NASDAQ) announced today the appointment of Mr. Ray W. Ballmer to the Board of Directors of Continental Gold Corp.

Mr. Ray Ballmer is Vice-Chairman and Chief Executive Officer of Rio Algom Limited.

Rio Algom Limited recently announced the purchase of 628,053 shares or 8.6% of Continental Gold Corp. In addition, to purchasing some 573,353 of these Continental Gold shares from Homestake Mining Company, Rio Algom purchased the rights within a June 30, 1988 - Continental Gold Corp. - Homestake Mining Company private placement share purchase agreement which included the right to Board representation and the right to purchase approximately 8% of future Continental Gold Corp. share issuances.

Rio Algom is one of several major mining companies that are closely following developments at Continental Gold's 70% controlled Mt. Milligan gold-copper deposit near Prince George, B.C. Rio Algom is a recognized leader in the operation of large-scale open pit mines and is a partner in Highland Valley Copper which operates Canada's largest open pit base metal mine.

On-going drilling at Mt. Milligan has outlined a world class, disseminated gold-copper deposit. The deposits's geometry and massive reserves make it ideally suited for large-scale open pit development. Prefeasibility projections indicate average annual gold production in the range of 200,000 to 300,000 ounces and average annual copper production in the range of 60,000,000 to 100,000,000 pounds over a 10 to 15 year mine life.

CONTINENTAL GOLD CORP.

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Continental Gold Corp. has 7,396,114 shares outstanding and trades in Canada on the Vancouver Stock Exchange with symbol CNT and in the United States on NASDAQ with symbol CNTVF.

ON BEHALF OF THE BOARD

A handwritten signature in cursive script, appearing to read "Robert G. Hunter".

Robert G. Hunter
Chairman

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.



**CONTINENTAL GOLD CORP.
PROGRESS REPORT FOR SHAREHOLDERS**

August 1, 1989

Dear Shareholder:

The Board of Directors and Management of Continental Gold Corp. are pleased to inform shareholders of important new developments affecting your Company.

THE MT. MILLIGAN DISCOVERY

Your Company has recently discovered the world class Mt. Milligan gold-copper deposit near Prince George, B.C. The Project is a 70% Continental Gold Corp. - 30% BP Resources Canada Limited joint venture. Continental is project operator. On-going core drilling, currently in excess of 150,000 feet in 200 holes, has outlined a massive, blanket shaped deposit 4,300 feet long, up to 3,100 feet wide and up to 880 feet thick. The deposit is still open to extension. The Mt. Milligan deposit's geometry and massive reserves make it ideally suited for large-scale open pit mine development. Prefeasibility projections show average annual gold production of 200,000 to 300,000 ounces and average annual copper production of 60,000,000 to 100,000,000 pounds over a 10 to 15 year mine life. At this scale of production Mt. Milligan will rank third in Canadian gold production after Lac Minerals Ltd.'s Page Williams Mine (379,000 oz/year) and Hemlo Gold Mines Inc.'s Golden Giant Mine (337,000 oz/year). Operating costs to produce an ounce of gold will compare favourably with these major mines. Both comparable companies have market capitalizations in the \$1 billion range. Drilling, engineering, environmental and socio-economic studies to support development and permitting of the Mt. Milligan project into production are now in progress.

MAJOR NEW SULPHIDE SYSTEMS DISCOVERED

Ground and airborne geophysical exploration surveys have just been completed over a region south and west of the current deposit area. These surveys have identified at least two new major sulphide systems on the property with response magnitudes similar to that of the massive Mt. Milligan gold-copper deposit. Drills are being moved to these deposit targets.

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GOLD AND COPPER GRADES ON THE RISE

Mt. Milligan reserves are currently in the 150-200 million ton range at an average grade for the whole deposit of 0.30% copper and 0.02 ounces gold/ton. Results from an in-fill drill program now underway indicate that average gold and copper grades for the deposit will increase. Recent results from the in-fill program include:

<u>Hole Number</u>	<u>Intercept Length (Feet)</u>	<u>Gold (oz/ton)</u>	<u>Copper (%)</u>
89-184	297.1	0.107	0.02
89-197	498.6	0.053	0.43
89-192	90.5	0.191	0.44

MINING INDUSTRY CLOSELY FOLLOWS DEVELOPMENTS

Mt. Milligan's established infrastructure, massive reserves and excellent metallurgy have placed Continental Gold Corp. in the position of being North America's leading, development stage gold company. This enviable position has resulted in your Company's activities being closely followed by the North American mining industry. The Board of Directors anticipates that this interest will soon lead to the receipt of various proposals which could strongly impact the Company.

RIO ALGOM REACHES AGREEMENT WITH HOMESTAKE MINING COMPANY FOR SHARE PURCHASE

Your company was recently notified by Rio Algom Limited that it had purchased a minority interest in Continental Gold Corp. Rio Algom has purchased 573,353 shares of Continental Gold Corp. at a price of \$8 per share from Homestake Mining Company and bought 54,700 shares of the Company in the open market giving it a total holding of 628,053 shares or 8.6% of Continental Gold.

Rio Algom's purchase of Continental shares from Homestake included an agreement whereby, should Rio Algom or any third party complete a formal bid for shares of Continental Gold Corp., Homestake will receive for a period of nine months, 75% - 100% of the bid price in excess of \$8 per share.

Rio Algom is one of several major mining companies that are closely following developments at Mt. Milligan. Rio Algom, whose parent is RTZ Corporation, is a recognized leader in the operation of large-scale open pit mines and is a partner in Valley Copper which operates Canada's largest open pit base metal mine.

Rio Algom obviously shares management's view that commercial development of Mt. Milligan would strongly impact on the bottom line of even the largest of mining companies. The purchase of Continental Gold's shares by Rio Algom is a signal to management that Rio Algom may continue acquisition of the Company's shares.

FINANCING AT \$9.50 COMPLETED

A recent private placement to NIM and Company at \$9.50 per share netted \$2,000,000. With corporate working capital of over \$3.5 million, the Company is well positioned to advance the Mt. Milligan Project through final feasibility and to a production decision. The Company has also opened discussions with leading Bank, Smelter and Engineering groups with regard to major interim and capital debt financing for the Project. At this stage further dilution to shareholder equity is not anticipated. The Company has 7,300,000 shares issued and outstanding.

INTERNATIONAL TRADE FOLLOWS MT. MILLIGAN PROJECT

The Company is pleased to provide the following information which has been extracted from a feature story on the Company's Mt. Milligan Project. International Mining of London, England recently stated the following:

MT. MILLIGAN, THE GOLDEN CHILD

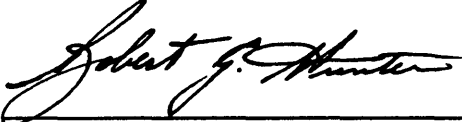
This recent discovery by Continental Gold (70%) and partner BP Resources Canada Limited (30%) though barely eight months old, is already being hailed as western Canada's largest gold deposit . . .

As further drilling continues, the reserves grow and the production costs fall - some child! When production starts in late 1992 the mine's annual output is expected to be 278,000 oz of gold and 29,000 tonnes of copper. At an estimated copper price of \$1.00/lb. the cash costs for gold production at today's prices will only be \$50/oz. This will make Mt. Milligan the lowest cost gold producer in North America and a leading Canadian gold producer, third only to Lac's Page Williams Mine (379,000 oz/yr) and Hemlo Gold's Golden Giant Mine (337,000 oz/yr). Mt. Milligan will also produce significant copper . . .

In the case of Mt. Milligan the facts speak for themselves. There is a solid and experienced management team, money in the bank, gold in the ground and a host of anxious senior mining companies waiting in the wings for an opportunity to become involved in what can only be described as a bonanza. It is no wonder that Mt. Milligan is the best kept secret to come out of a continent famous for its lack of quiet humility. BRAVO!

Enclosed with this update are a number of press articles and news releases which we hope will help shareholder's appreciate why Management of Continental Gold Corp. is extremely excited about the prospects for your Company.

Should you have any questions or require additional information, we encourage you to contact us. We value your continued support as a shareholder in Continental Gold Corp.



Robert G. Hunter, Chairman



Robert A. Dickinson, President



N E W S R E L E A S E

JULY 18, 1989

RIO ALGOM ACQUIRES CONTINENTAL SHARE BLOCK FROM HOMESTAKE

Robert G. Hunter, Chairman of Continental Gold Corp. announced today that Rio Algom Limited has notified the Company and the SEC by way of a Schedule 13D filing that it has reached an agreement to purchase 573,353 Continental Gold shares at a price of \$8 per share from Homestake Mining Company. In addition Rio Algom discloses purchases of 54,700 Continental Gold shares in the open market for a total holding of 628,053 shares or 8.6% of Continental Gold. The Rio Algom-Homestake agreement is to close July 24, 1989. Under the Agreement, should Rio Algom or any third party complete a formal bid for shares of Continental Gold Corp., Homestake will receive for a period of nine months subject to certain conditions, 75% - 100% of the bid price in excess of \$8 per share. In addition to the share purchase, Rio Algom has also purported to purchase Homestake's other rights pursuant to a June 30, 1988 agreement with the Company, which rights include Board representation and a pre-emptive right to purchase approximately 8% of future Continental Gold share issuances.

Rio Algom is one of several major mining companies that are closely following developments at Continental Gold's 70% controlled Mt. Milligan gold-copper deposit near Prince George, B.C. Rio Algom and parent RTZ Corporation are recognized world leaders in the operation of large-scale open pit mines. Rio Algom is a partner in Highland Valley Copper which operates Canada's largest open pit base metal mine. Rio Algom obviously shares management's view that commercial development of Mt. Milligan would strongly impact on the bottom line of even the largest of mining companies.

On-going drilling at Mt. Milligan has outlined a world class, disseminated gold-copper deposit 4,300 feet long, up to 3,100 feet wide and up to 880 feet thick. The deposit's geometry and massive reserves make it ideally suited for large-scale open pit development. Prefeasibility projections indicate average annual gold production in the range of 200,000 to 300,000 ounces and average annual copper production in the range of 60,000,000 to 100,000,000 pounds over a 10 to 15 year mine life.

Continental Gold Corp. has 7,367,923 shares outstanding and trades in Canada on the Vancouver Stock Exchange with symbol CNT and in the United States on NASDAQ with symbol CNTVF.

ON BEHALF OF THE BOARD

Robert G. Hunter
Chairman

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.

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BACKGROUND

Rio Algom Limited

Rio Algom is the sixth-largest mining group in Canada. The company lost some of its status as one of Canada's largest miners during a do nothing period in the late '70s and early '80s. However, it is still an active participant in the minerals scene. Rio is the 51% owned subsidiary of RTZ Plc and with a recent change in senior management is planning to grow its mining interests through exploration, development and acquisitions.

Rio's strategic plan for the 1990s is to re-focus their efforts on the mining business, their traditional area of expertise. Principal mining interests are in uranium, potash, tin, and now copper, with the purchase of Lornex's share of the HVCJV. Rio's manufacturing interests in stainless and speciality steels are now available for sale and under option to Sammi of South Korea.

Rio allowed its exploration efforts to run down to almost nothing a decade ago. Today, the company does not have the pool of opportunities that some other firms have and will in all probability need to buy into new projects. Base and precious metals properties in North America are their preferred targets. With its own control secure, Rio Algom can be expected to be a buyer of mining assets when they become available.

Rio has plenty of cash, over \$400 million, plus the proceeds from the sale of the Atlas stainless steel business. With significant untapped financing ability Rio could undertake a sizeable acquisition. The current view is that their parent company, RTZ plc, would participate in an equity issue and keep its 50% ownership intact.

Philip S. Martin, Gordon Capital Corporation
The Canadian Mining Industry - Corporate
Development Strategies for the 1990's,
May 1989

Porphyry Talk

CONTINENTAL GOLD CORP
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UNITED LINCOLN RESOURCES INC.
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MARCH 6, 1989

Ministry of Energy, Mines
Dr. W.R. Smyth
Fax: 1-656-8153

NEWS RELEASE

SUCCESSFUL DRILLING CONTINUES AT MT. MILLIGAN

Robert G. Hunter, Chairman of Continental Gold Corp. (CUG:V) and United Lincoln Resources Inc. (ULN:V, ULNNF:NASDAQ) announced today that an on-going, wide spaced, three drill program at Mt. Milligan continues to dramatically expand open pit reserves of the 66 Zone gold deposit and adjacent MBX Zone gold-copper deposit.

In addition to the 66 and MBX Zones, the program has discovered two new zones; a bulk tonnage copper-gold zone and a high-grade gold vein system. All of the deposits are open to extension within a large, circular sulphide system measuring over 2 miles in circumference. Drilling is continuing.

The Mt. Milligan property is a 70% United Lincoln Resources Inc., 30% BP Resources Canada Limited joint venture. United Lincoln is project operator.

66 ZONE

The 66 Zone is a disseminated gold deposit that currently measures 1300 feet long and 1600 feet wide (Figure 1). The Zone is open to extension in two directions and at depth (Figures 1 and 2). The 66 Zone grades into the gold-copper MBX Zone to the north. Extensive drilling is planned to determine the south and west limits of the 66 Zone. Untested gold-copper soil anomalies extend for 5000 feet south and west of the current 66 Zone drill area (Figure 3).

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WJMC
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file

New results from the 66 Zone are:

Hole No.	Azimuth (Degrees)	Dip (Degrees)	Hole Length (Feet)	Interval (Feet)		Intercept (Feet)	Copper %	Gold oz/ton
				From	To			
89-81	261	-45	912.8	56.7	912.8	856.1	0.09	0.014
			(including)	56.7	462.5	405.8	0.15	0.012
				739.0	912.8	173.8	0.04	0.029
89-83	257	-45	965.3	170.9	965.3	794.4	0.03	0.020
			(including)	457.6	899.4	441.8	0.01	0.029
				951.9	965.3	13.4	0.15	0.094
89-84	259	-45	1127.7	123.0	1127.7	1004.7	0.07	0.023
			(including)	314.9	938.1	623.2	0.08	0.035
				469.0	752.8	283.8	0.06	0.063
89-88	276	-45	816.7	142.0	816.7	674.7	0.11	0.029
			(including)	142.0	223.0	81.0	0.44	0.013
				373.9	754.4	380.5	0.06	0.042
				459.2	669.1	209.9	0.06	0.067

MBX ZONE

The MBX gold-copper zone is located on the eastern side of the circular sulphide system and currently measures 1600 feet long and up to 1200 feet wide. Two deep drill tests have intersected gold-copper mineralization to depths of over 850 feet. The deposit is open. New results from the eastern edge of the MBX Zone are:

Hole No.	Azimuth (Degrees)	Dip (Degrees)	Hole Length (Feet)	Interval (Feet)		Intercept (Feet)	Copper %	Gold oz/ton
				From	To			
89-71	270	-45	1114.2	254.9	1114.2	859.3	0.24	0.010
89-72	270	-45	987.6	299.8	987.6	687.8	0.18	0.007
89-73	270	-45	1203.8	315.9	1203.8	887.9	0.12	0.009
			(including)	437.2	764.2	327.0	0.19	0.015
89-76	270	-45	1134.9	293.9	1134.9	841.0	0.24	0.012
89-80	270	-45	985.6	252.9	985.6	732.7	0.20	0.015
			(including)	433.0	832.5	399.5	0.22	0.023

A new bulk tonnage copper-gold zone located 1,200 feet west of the MBX Zone and on the western side of the circular sulphide system has been intersected by hole 89-87 (Figure 2). Results are:

Hole No.	Azimuth (Degrees)	Dip (Degrees)	Hole Length (Feet)	Interval (Feet)		Intercept (Feet)	Copper %	Gold oz/ton
				From	To			
89-87	260	-48	516.9	202.7	386.7	184.0	0.32	0.006

79 VEIN

A high-grade gold vein system is indicated by drill hole 89-79 located 2600 feet northwest of the MBX Zone. Results are:

Hole No.	Azimuth (Degrees)	Dip (Degrees)	Hole Length (Feet)	Interval (Feet)		Intercept (Feet)	Copper %	Gold oz/ton
				From	To			
89-79	288	-45	586.8	505.1	518.2	13.1	0.20	0.64

OUTSIDE OF ZONES

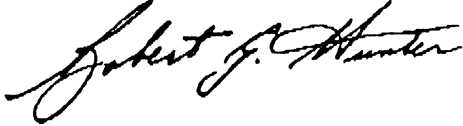
Recent exploratory drill holes which did not intersect significant mineralization are:

Hole No.	Azimuth (Degrees)	Dip (Degrees)	Hole Length (Feet)	Interval (Feet)		Intercept (Feet)	Copper %	Gold oz/ton
				From	To			
89-75	288	-45	665.2	216.0	665.2	449.2	anomalous values	
89-78	288	-45	500.0	74.0	500.0	426.0	anomalous values	
89-82	270	-45	586.8	216.9	537.9	321.0	0.13	0.006
89-85	270	-45	536.9	95.0	536.9	441.9	anomalous values	
89-86	270	-45	506.8	23.0	506.8	483.8	anomalous values	

Preliminary metallurgical testwork on samples from the 66 Zone has shown gold to occur as fine free grains or on the boundaries of pyrite grains which indicates high gold recoveries can be expected.

The shareholders of United Lincoln and its parent Continental Gold Corp. have approved the amalgamation of the two companies. Regulatory approval is expected shortly. The new amalgamated entity will be called Continental Gold Corp.

ON BEHALF OF THE BOARD

A handwritten signature in cursive script, appearing to read "Robert G. Hunter".

Robert G. Hunter
Chairman

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.

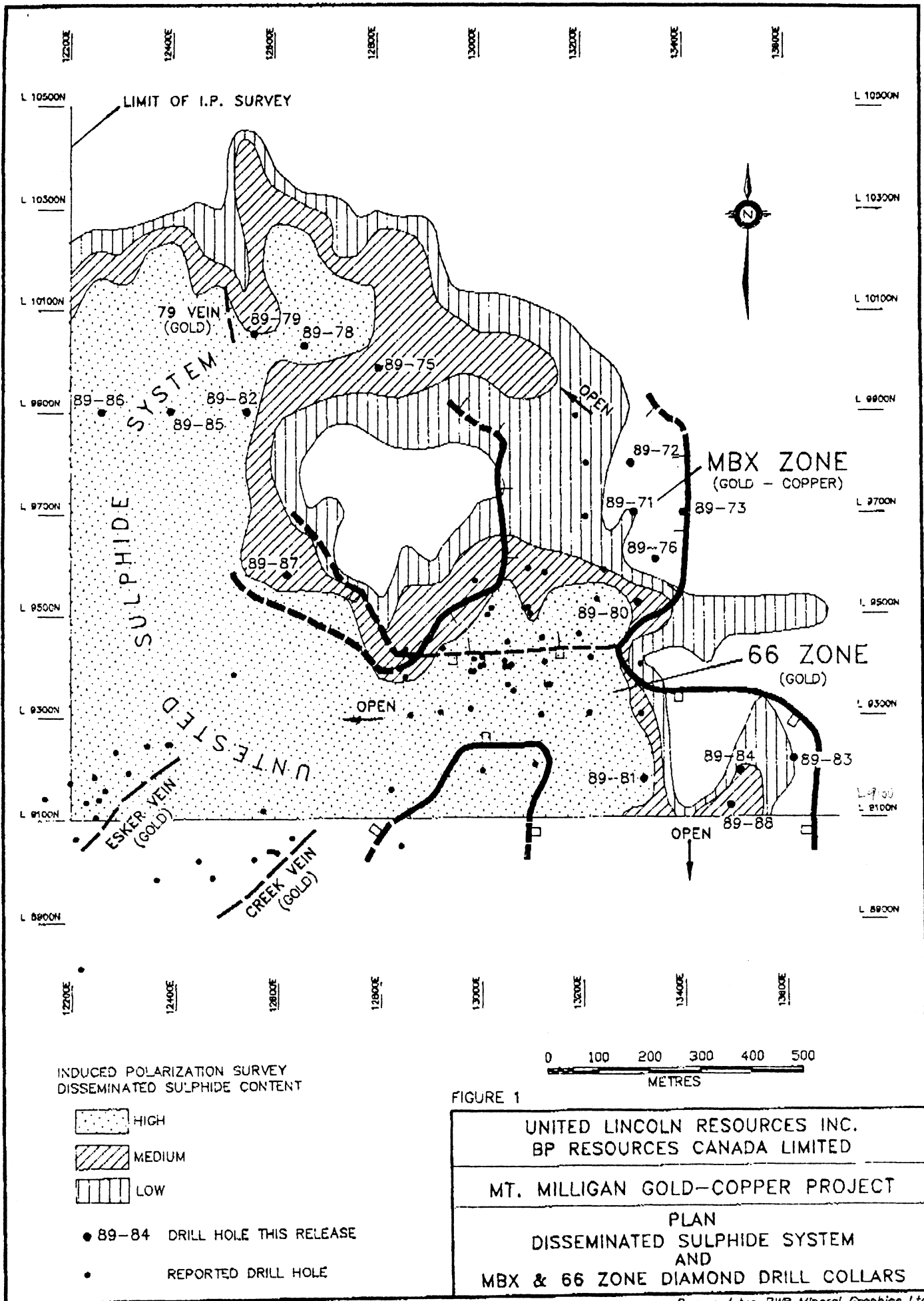


FIGURE 1

UNITED LINCOLN RESOURCES INC. BP RESOURCES CANADA LIMITED
MT. MILLIGAN GOLD-COPPER PROJECT
PLAN DISSEMINATED SULPHIDE SYSTEM AND MBX & 66 ZONE DIAMOND DRILL COLLARS

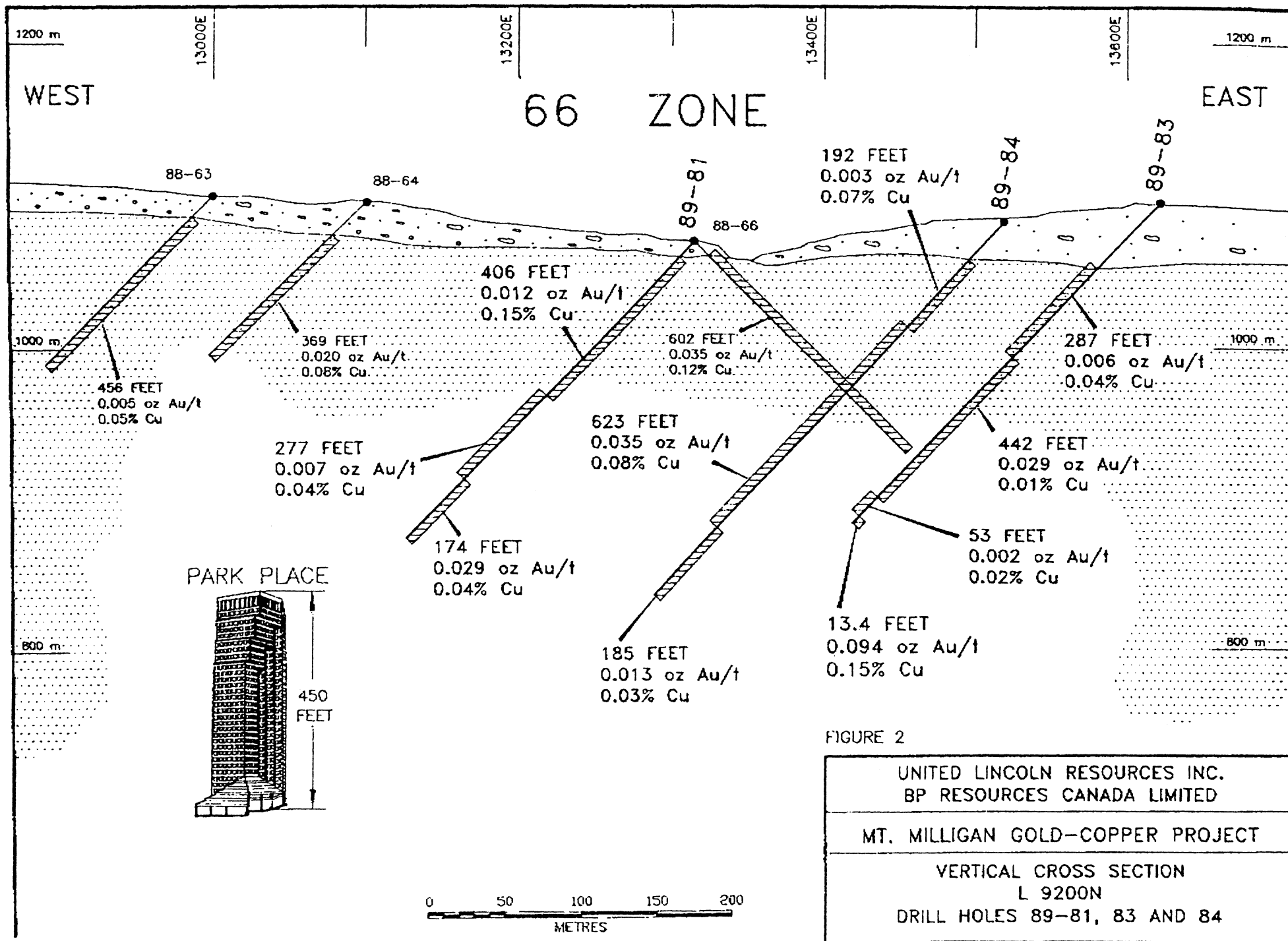


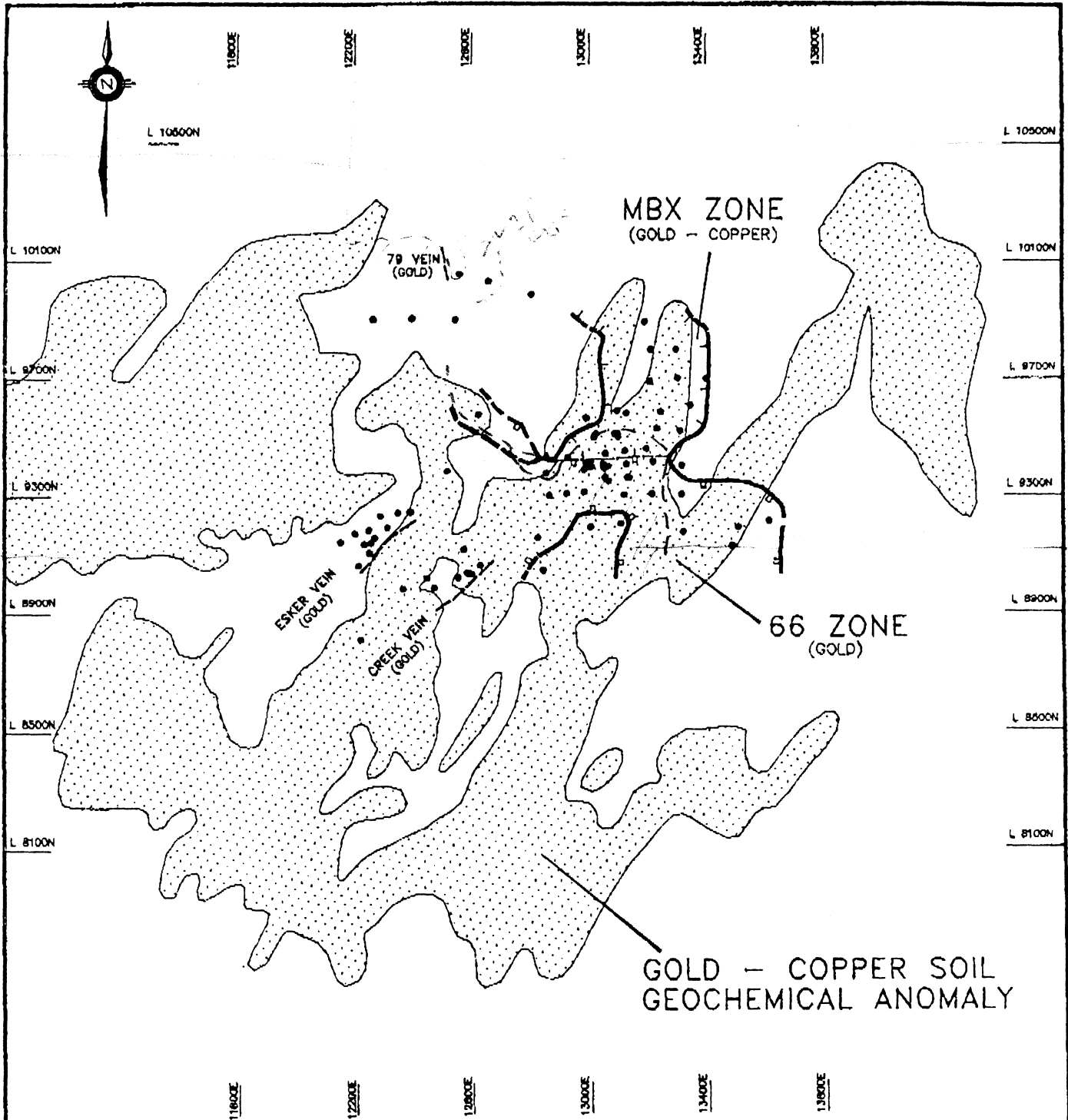
FIGURE 2

UNITED LINCOLN RESOURCES INC.
BP RESOURCES CANADA LIMITED

MT. MILLIGAN GOLD-COPPER PROJECT

VERTICAL CROSS SECTION
L 9200N

DRILL HOLES 89-81, 83 AND 84



• REPORTED DRILL HOLE

FIGURE 3

UNITED LINCOLN RESOURCES INC. BP RESOURCES CANADA LIMITED
MT. MILLIGAN GOLD-COPPER PROJECT
PLAN DISSEMINATED SULPHIDE SYSTEM AND MBX & 66 ZONE DIAMOND DRILL COLLARS

Prepared by: RWR Mineral Graphics Ltd.



ScotiaMcLeod

MINING BRIEF

G. Thomas Komlos



August 22, 1989

*Toronto 416-862-3066
Montreal 514-287-3600
New York 212-804-5400
London, UK 1-256-5656
Zurich 1-221-3021
Tokyo 3-592-3870*

Continental Gold Corporation (CNT-V \$8 5/8)

Recommendation: Speculative Buy

The company recently discovered the large low-grade Mt. Milligan copper-gold deposit near Prince George, B.C.. The project is a 70% Continental Gold and 30% BP Resources Canada joint venture. Continental is the project operator.

Ongoing core drilling, currently in excess of 150,000 feet in 200 holes, has outlined a massive, blanket-shaped deposit 4,300 feet long, up to 3,100 feet wide and up to 880 feet thick. The deposit is still open to extension. The deposit is suited for large-scale open pit mine development. The currently indicated 150-200 million tons reserves, grading 0.3% copper and 0.02 ounces of gold per ton, could easily be expanded and the grade could move up as well.

Pre-feasibility projections show that based on a 35,000 tons/day operation, the open pit mine would produce 278,000 ounces of gold and 64 million pounds of copper annually over a 15-year-plus mine life. Capital cost of approximately \$230 million would be raised following completion of a feasibility study by mid-1990. Production could commence in late 1992 or early 1993. At an estimated US\$1.00 per pound copper price and US\$400 per ounce gold price, net revenue would amount to US\$14.60 per ton with a cash cost of \$5.00 per ton or a net production cost equalling US\$30 per ounce of gold. This would make Mt. Milligan probably the lowest cost gold producer in North America. On a more conservative price forecast basis of US\$0.80 per pound of copper and \$350 per ounce of gold, the payback period would rise from 1.9 to 2.7 years and the company's portion of pre-tax but after payback cash flow would decline from \$87.8 million to \$65.8 million, or from \$11 to \$8 per share on the fully diluted 8.2 million shares outstanding.



Ground and airborne geophysical exploration surveys have recently been completed over a region south and west of the current deposit area, indicating at least two new major sulphide systems on the property. Drills are being moved to these deposit targets.

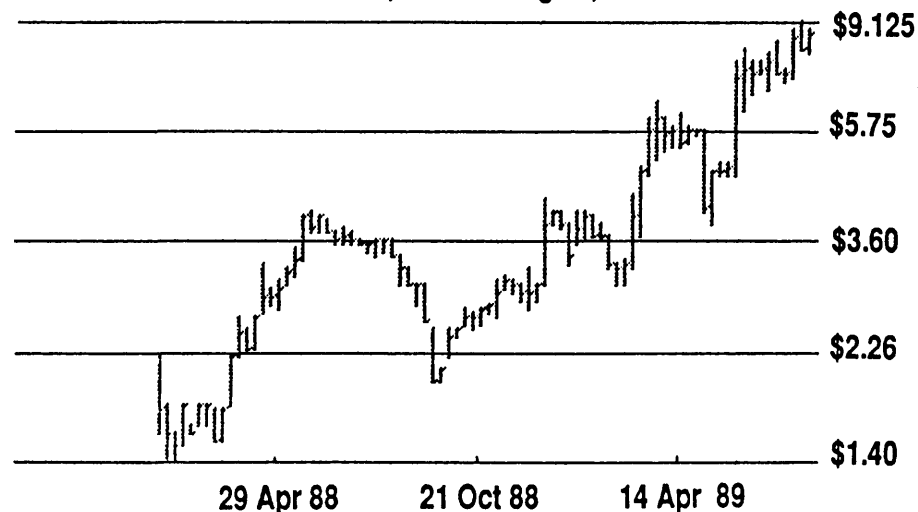
Rio Algom (ROM \$26 3/4) owns 628,053 shares of Continental Gold. This position was recently purchased for \$8 per share from Homestake Mining Company. (The latter company holds a right which states that if Rio Algom or any third party were to complete a formal bid for the shares of Continental Gold, it would receive until April 1990 75%-100% of the bid price in excess of \$8 per share.)

Continental Gold is definitely a take-over candidate. Aside from Rio Algom, which appears to have an upper hand, other potential bidders include: Noranda (NOR \$24 7/8) with the large, closely situated, Bell mine closing down operations in 1992 and Brenda in 1990 and; Placer Dome (PDG \$18 3/8) which has the

wherewithal, the presence in British Columbia as well as excellent expertise in these types of operations.

Under the fluid nature of the exploration program and its excellent potential for sizeable expansion of reserves, it is extremely difficult to put a sensible value on the shares of Continental Gold. The stock at the current level is definitely undervalued. As a matter of interest, Hemlo Gold at \$14 3/4 sells at \$203 per ounce of its gold reserves. In the meanwhile, Continental Gold at \$8 5/8 reflects little over \$25 per ounce value on its current ownership of 2.8 million ounces in place. We do not suggest an eight times catch-up potential, as the numbers seem to suggest, but just brought the foregoing comparison forth to demonstrate the existence of a reasonable potential for meaningful capital appreciation in the stock price. The company has \$3.5 million in the bank and no debt. The management of Continental Gold has a proven record and good reputation.

Continental Gold Corp
Jan 29, 1988 to Aug 18, 1989



MLN -- 106

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CONTINENTAL GOLD CORP.

**THE
GOLD & COPPER
GROWTH
INVESTMENT
IN
PERSPECTIVE**

***Developing
Mt. Milligan
To Production***

***Canada's
Largest
Gold-Copper
Deposit***



**THIS STUDY
PLACES
CONTINENTAL
GOLD CORP.
AND ITS 69.84%
CONTROLLED
MT. MILLIGAN
GOLD-COPPER
PROJECT IN
PERSPECTIVE**

1 Describes

*The massive scale Mt. Milligan
gold-copper project.*

6 Highlights

*Mt. Milligan's importance to
Canada and British Columbia.*

10 Compares

*Mt. Milligan to leading Canadian
gold mines and to major British
Columbia copper mines.*

12 Evaluates

*Continental Gold Corp. in
relation to North America's top
gold companies.*

14 Summarizes

*The unprecedented
growth potential for Continental
Gold Corp.*

MT. MILLIGAN GOLD-COPPER PROJECT

A SUMMARY

Continental Gold Corp. (69.84%) and BP Resources Canada Limited (30.16%) have discovered North America's largest undeveloped gold-copper deposit at Mt. Milligan, British Columbia, Canada.

Introduction

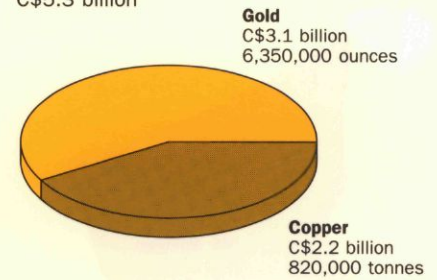
The Mt. Milligan project is a world class, open pit mine development in the engineering stage. Current drill indicated metal content of reserves is 6,350,000 ounces of gold and 820,000 tonnes of copper. Milling at a rate of 55,000 tonnes per day would produce 400,000 ounces of gold and 38,000 tonnes of copper annually.

The Mt. Milligan project has many similarities to the world's largest gold-copper projects and will provide, from one mine, world class gold and base metal production.

Mt. Milligan

Gross Value of Contained Metal

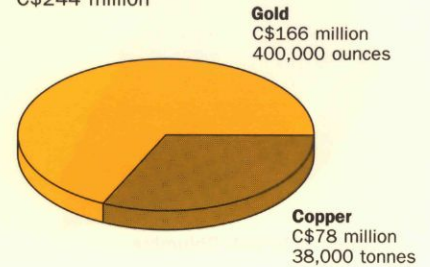
C\$5.3 billion



Mt. Milligan

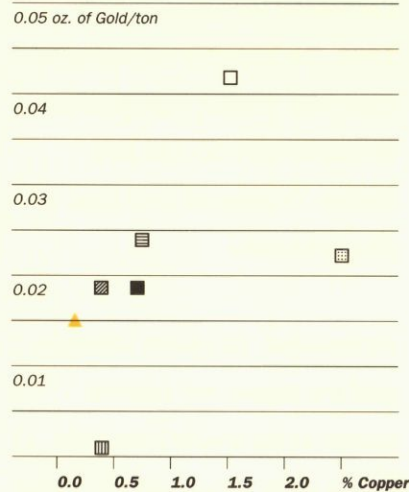
Projected Annual Smelter Return

C\$244 million

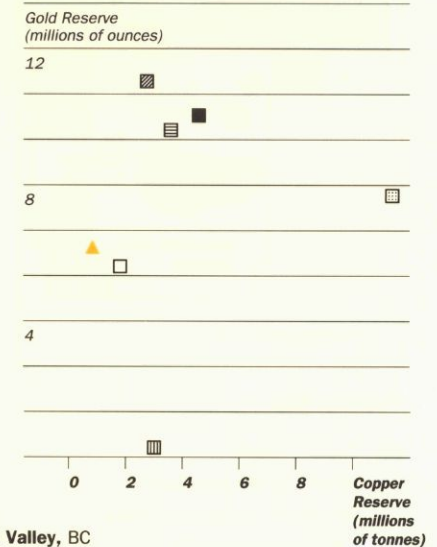


World Class Gold-Copper Deposits

Metal Grades



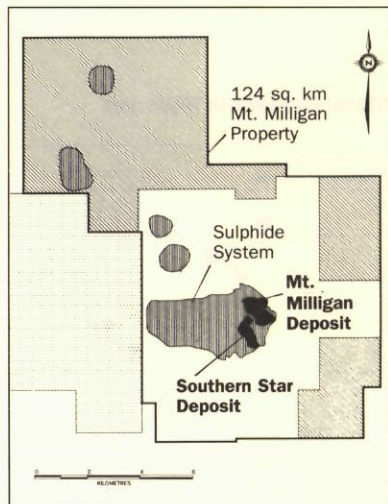
Metal Content in Reserves



- ▲ Mt. Milligan, BC
- Grasberg, Indonesia
- Bingham, USA
- ▨ Bougainville, Papua New Guinea
- ▩ Highland Valley, BC
- ▧ Ok Tedi, Papua New Guinea
- ▦ Olympic Dam, Australia



Location & British Columbia Open Pit Mines



Property Map

- Deposit Targets
- 69.84% Continental Gold
30.16% BP Resources Canada
- ▨ 100% Continental Gold
- BP Resources Canada 100% Option

Location

The Mt. Milligan deposit is located 150 kilometres north of Prince George, at an elevation of 1,100 metres in an area of logged, gently rolling country. Climate is moderate. The resource based region hosts large pulp mills, sawmills and open pit mines such as Bell (copper), Endako (molybdenum) and Equity Silver (copper-silver-gold).

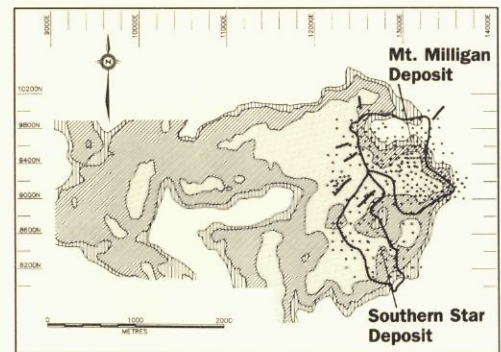
History, Geology & Exploration

In 1984, BP Resources Canada Limited acquired the Mt. Milligan property. After completing surface surveys BP Resources Canada Limited optioned the property in 1986 to United Lincoln Resources Inc. which amalgamated with Continental Gold Corp. in early 1989. The project is a Continental Gold Corp. 69.84% – BP Resources Canada Limited 30.16% joint venture. Continental Gold Corp. is project operator.

An immense, 10 square kilometre, gold and copper rich sulphide system exists around monzonite stocks which intrude volcanic strata. Drilling of 120,000 metres in 540 holes within the eastern portion of this system has confirmed two major bulk tonnage gold-copper

deposits and numerous high grade gold veins. The balance of the sulphide system and other targets on the 124 square kilometre property remain to be drill tested.

The Mt. Milligan gold-copper deposit measures 1,200 metres by 800 metres and is up to 400 metres deep. The Southern Star deposit is 1,300 metres by 400 metres, extends to 400 metres in depth and remains open. Deposits are capped by overburden which averages 25 metres thick. Mineralization is stockworks and disseminated grains of chalcopyrite, pyrite and minor bornite. Native gold occurs as fine free grains and associated with sulphides.



Deposit Plan & Disseminated Sulphide System

- Sulphide Content –
- ▨ High
 - ▨ Medium
 - ▨ Low
 - Vein
 - Drill Hole Location

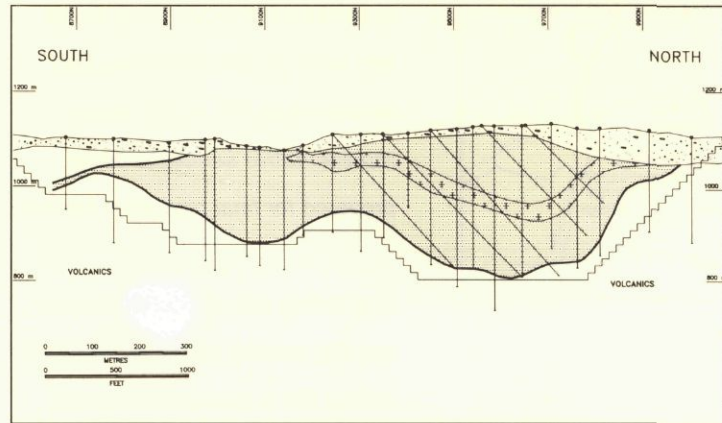
Reserves & Mining

The Mt. Milligan deposits rank among the world's largest gold-copper deposits. Additional drilling, presently underway, is expected to further increase reserves. Current drill indicated reserves are shown in the table to the right. Engineering of mineable reserves is in progress.

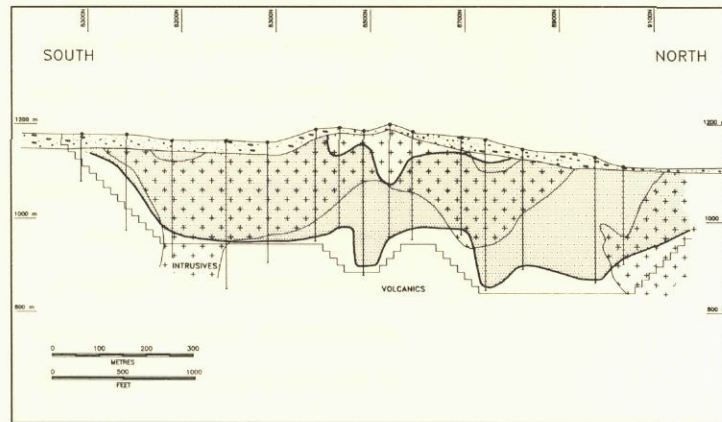
The massive size, blanket-shaped configuration and uniform distribution of gold and copper make the deposits ideally suited for high volume, low cost, open pit mine development. Stripping ratios are in the 1.2:1 range. Mining will commence within a near surface, relatively higher grade zone.

Drill Indicated Reserves

Deposit	Tonnes	Grade		Contained Metal	
		Gold oz./ton	Copper %	Gold oz.	Copper tonnes
Mt. Milligan	265,000,000	0.016	0.19	4,700,000	510,000
Southern Star	135,000,000	0.011	0.23	1,650,000	310,000
Total	400,000,000	0.014	0.20	6,350,000	820,000



Mt. Milligan Gold-Copper Deposit



Southern Star Gold-Copper Deposit

Metallurgy & Milling

Extensive metallurgical programs have been successfully completed. Coarse grinding of the low work index ore followed by standard flotation extraction processes recover 80% of the gold and 88% of the copper. A premium copper concentrate averaging 25% copper with 1.5 to 5.5 ounces gold/ton is produced. In-progress optimization work is expected to improve recoveries by 5%. A 200 tonne representative sample is being prepared for final pilot plant testing.

At a milling rate of 55,000 tonnes per day, current reserves provide for a mine life in excess of 15 years.

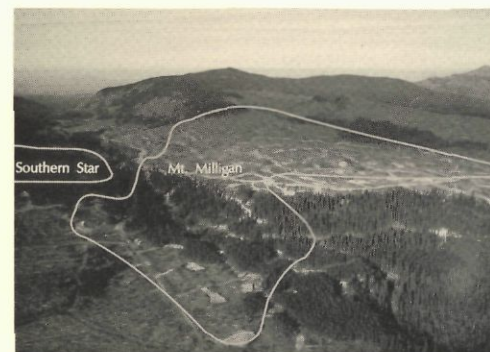
Infrastructure

Mt. Milligan is centred in British Columbia's mining country. Large scale open pit mines are the norm. After decades of production some of these mines are nearing exhaustion, freeing skilled personnel and equipment for Mt. Milligan's development. Nearby communities of Mackenzie (pop. 5,600), Fort St. James (pop. 2,500), and the major supply and service centre of Prince George (pop. 70,000) support the project's development.

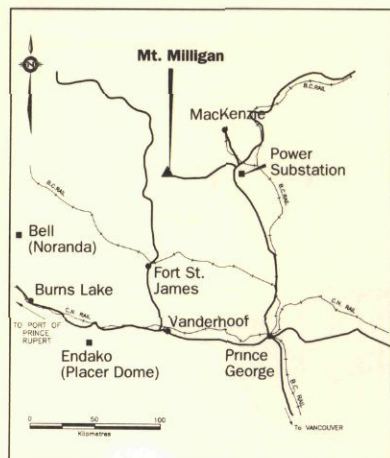
A developed road network and bulk container railroad system for deep sea port shipping of concentrate to smelters is in place. Electric power and water resources are available nearby.

Environment

Environmental surveys for the project are advanced, with government permitting programs underway. Uses for the provincially owned land are forestry, wildlife habitat with lesser potential for trapping, hunting and recreation. Since most of the Mt. Milligan site has been clear-cut logged, forestry and wildlife factors are less critical. Salmon do not inhabit the region's watersheds and there are no recorded heritage sites. Waste dump and tailings impoundments will be acid consuming and reagents used to recover metals will be conventional.



Mt. Milligan Project Site



Site Location

Countdown To Production

Exploration expenditures to 1989 totalled \$11.6 million. An accelerated, \$7.1 million feasibility, engineering and permitting program is underway for a construction start-up in 1991 of the estimated C\$325 million project. Employing some 350 people, large scale production of gold and copper would follow in early 1993.

Mt. Milligan Mine Model

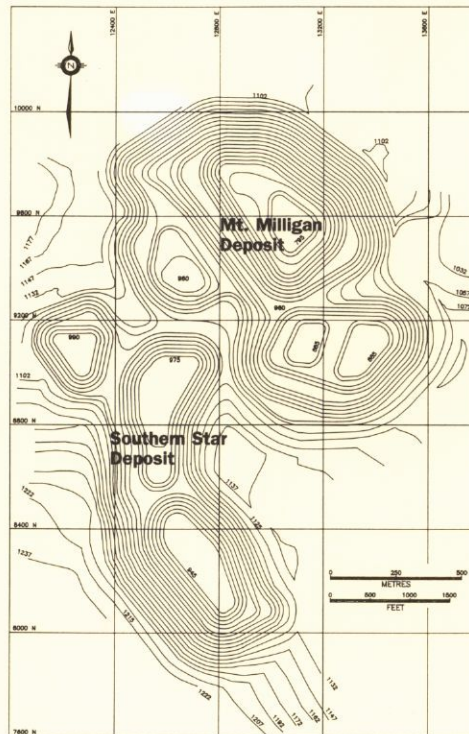
Milling Rate (tonnes/day)	55,000
Milling Rate (tonnes/year)	20,000,000
Mine Life (years)	15+
Project Capital Cost (C\$)	325,000,000
Operating Cost (C\$/tonne)	5.00

Projected Annual Operations

Gold Production (oz.)	400,000
Copper Production (tonnes)	38,000
Cost Gold Production (US\$/oz.)	140
Cost Copper Production (US\$/lb.)	0.34
Cost Gold Production Net of Copper Revenues (US\$/oz.)	40

Development Schedule

	1990	1991	1992	1993
Additional Drilling	██████████			
Metallurgical Testing	██████████			
Mine Planning	██████████	██████████		
Pilot Plant	██████████			
Permitting	██████████			
Feasibility		██████████		
Design Engineering		██████████		
Construction			██████████	
Production				██████████



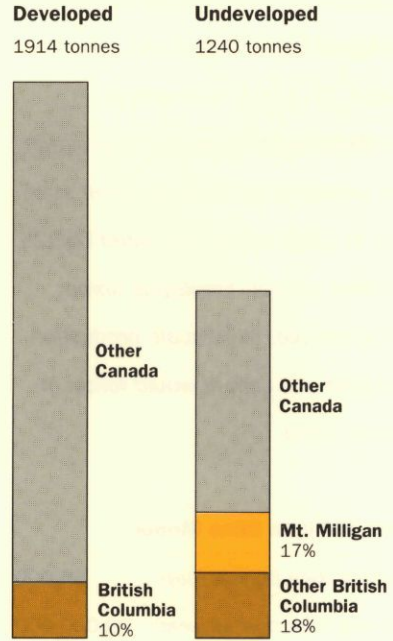
Open Pit Plan

**MT. MILLIGAN
IS IMPORTANT
TO CANADA**

**Mt. Milligan Will Meet the
Challenge of Canada's Dwindling
Mineral Supply.**

*Mt. Milligan contains 17% of
Canada's undeveloped gold reserves
and 20% of its undeveloped copper
reserves at a time when metal
reserves are in dramatic decline.*

Canadian Gold Reserves



Canadian Copper Reserves



**MT. MILLIGAN
IS IMPORTANT
TO BRITISH
COLUMBIA**

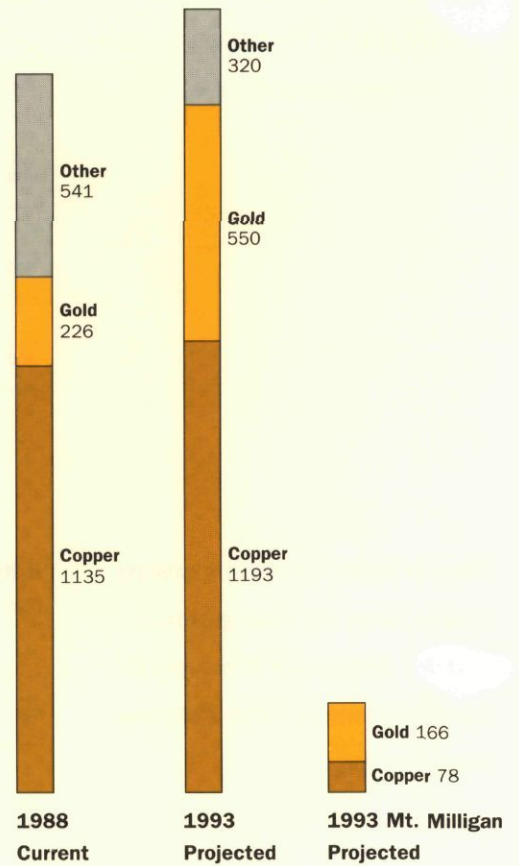
**British Columbia Is Mining
Country and Mt. Milligan Will**

Keep It That Way...

Mt. Milligan production will add 13% to the total value of British Columbia metal mining.

**Annual Value – British Columbia
Metal Production**

Millions C\$



**... While Changing the Structure
of the Province's Metal Output.**

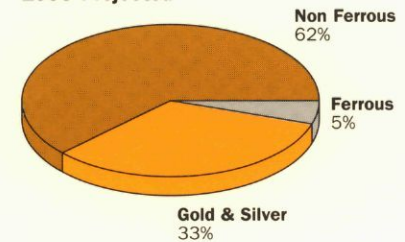
Mt. Milligan production will double British Columbia's precious metal output.

**Relative Value – British Columbia
Metal Production**

1988 Current



1993 Projected



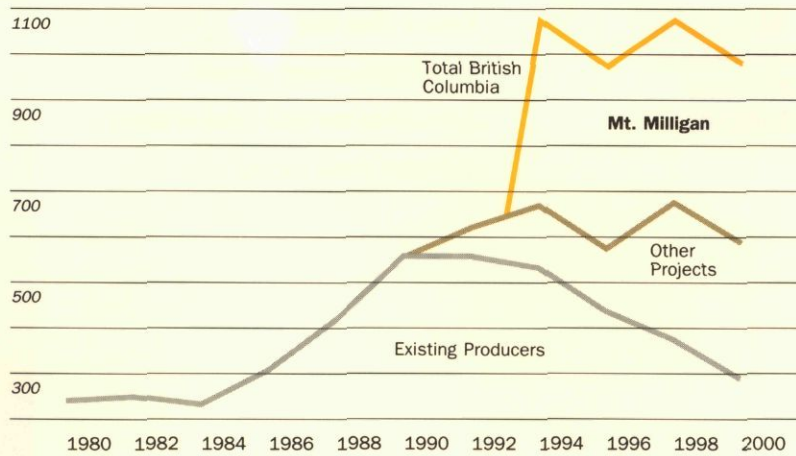
**Creating New Wealth for
British Columbia and Canada.**

Startup at Mt. Milligan will usher in a major gold era for British Columbia as provincial output doubles.

Many of British Columbia's existing copper mines are nearing exhaustion. Mt. Milligan will fill the gap for renewed growth in British Columbia copper mining.

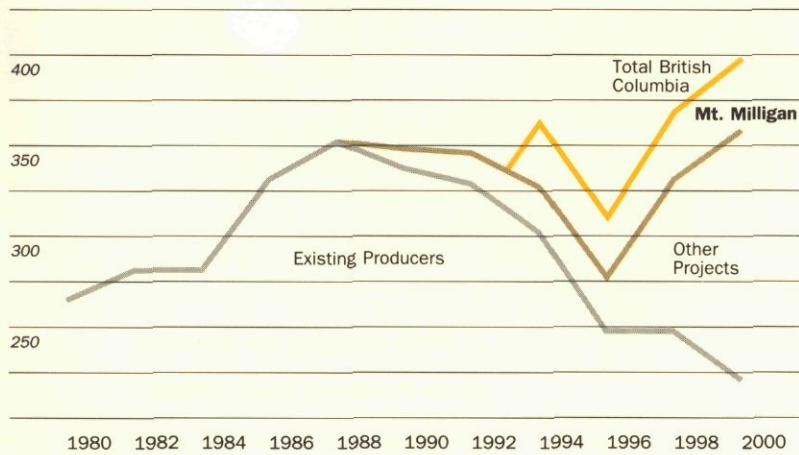
British Columbia Gold Production 1980-2000

(thousand ounces gold)



British Columbia Copper Production 1980-2000

(thousand tonnes copper)

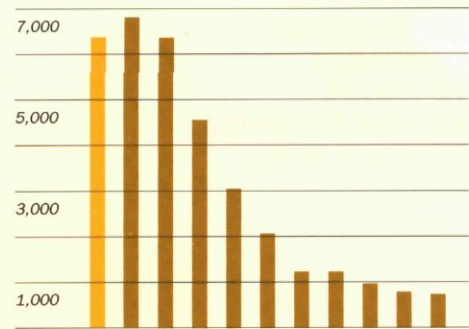


**MT. MILLIGAN
COMPARED
TO LEADING
CANADIAN
GOLD MINES**

Reserves

With 6.35 million ounces of contained gold, Mt. Milligan has the reserve base to support a long life gold mining venture.

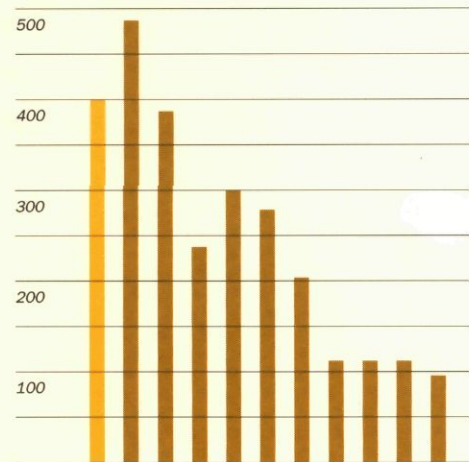
Gold Reserves
(thousand ounces)



Production

Mt. Milligan's annual gold output will be among the most significant in Canada, with projected annual production of 400,000 ounces of gold.

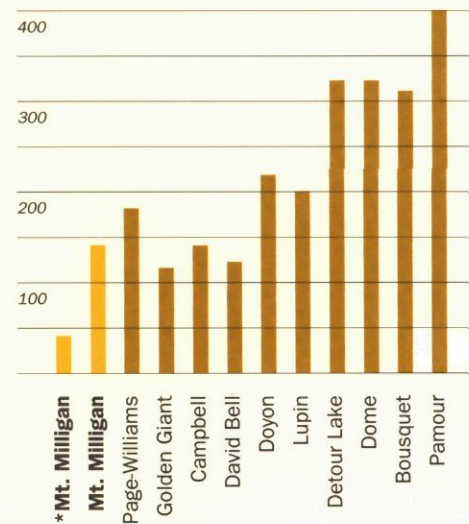
Gold Production
(thousand ounces)



Operating Cost

Mt. Milligan will be set apart from other gold mines by additional revenue from copper sales, which will generate increased profit for every ounce of gold produced.

Operating Cost
(US\$/ounce)



Leading Canadian Gold Mines

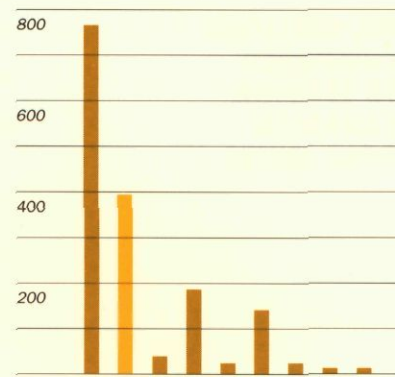
*Cost of gold net of copper revenues

**MT. MILLIGAN
COMPARED
TO MAJOR
BRITISH COLUMBIA
OPEN PIT MINES**

Reserves

The Mt. Milligan gold-copper deposit rivals the largest deposit in British Columbia, which is also the third largest in the world.

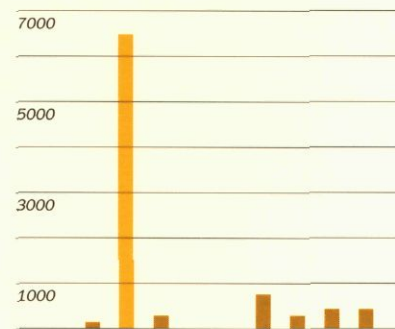
Reserves
(million tonnes)



Gold Content of Reserves

Mt. Milligan's gold inventory ensures many years of profitable production.

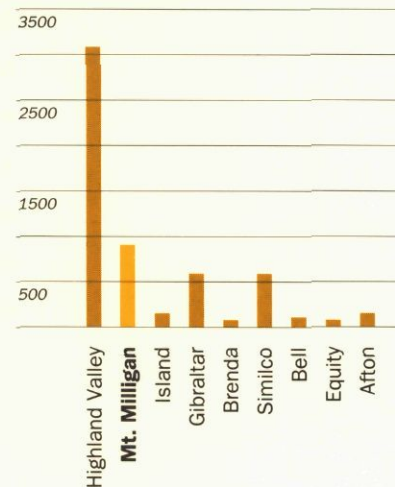
Gold Content of Reserves
(thousand ounces)



Copper Content of Reserves

As a dual metal project additional benefits accrue from significant copper reserves.

Copper Content of Reserves
(thousand tonnes)

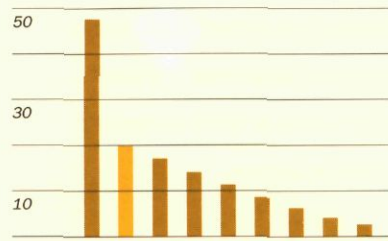


**British Columbia
Open Pit Mines**

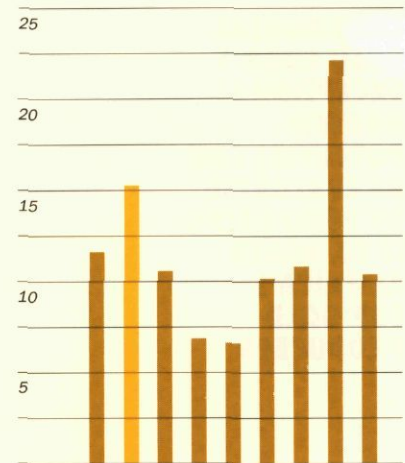
Milling Capacity

Mt. Milligan will be British Columbia's second largest, low cost mine.

Milling Capacity
(million tonnes/year)



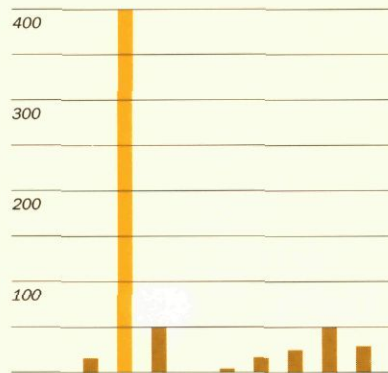
Gross Metal Value
(C\$/tonne)



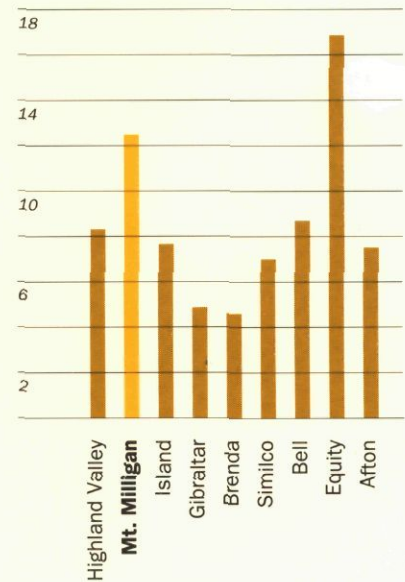
Gold Production

As a world class gold producer, Mt. Milligan will dwarf all of British Columbia's major open pit mines.

Gold Production
(thousand ounces/year)



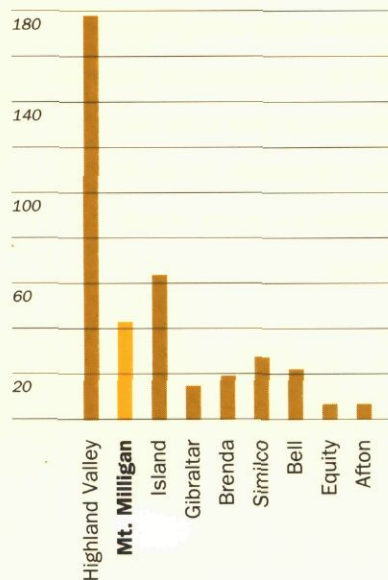
Net Smelter Return
(C\$/tonne)



Copper Production

At the same time, Mt. Milligan's copper production will compare favourably with British Columbia's leading copper mines.

Copper Production
(thousand tonnes/year)



Metal Sales

Profit margins from Mt. Milligan will be exceptionally high compared to the British Columbia industry norm.

British Columbia Open Pit Mines

British Columbia Open Pit Mines

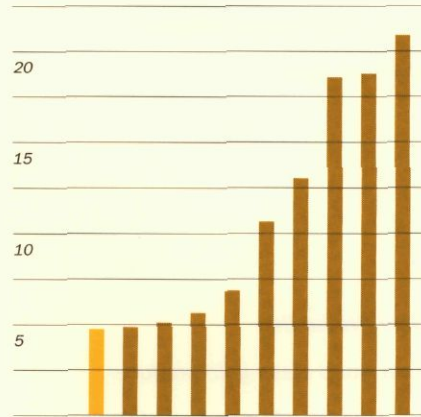
CONTINENTAL GOLD CORP.'S EXCEPTIONAL GROWTH POTENTIAL CAN BE EVALUATED BY COMPARING IT TO NORTH AMERICA'S TOP GOLD PRODUCERS

Based on its 69.84% share of Mt. Milligan's gold reserves and on its anticipated annual gold output, Continental Gold Corp. will vault into the ranks of North America's top gold producers.

Due to dramatically lower gold production costs arising from offsetting copper revenue, investors in Continental Gold Corp. will receive significantly increased profitability per ounce of gold produced.

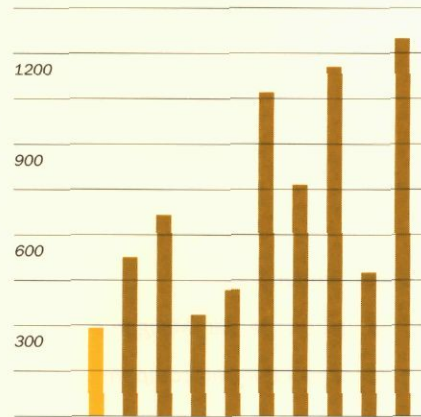
Gold Reserves

(million ounces)



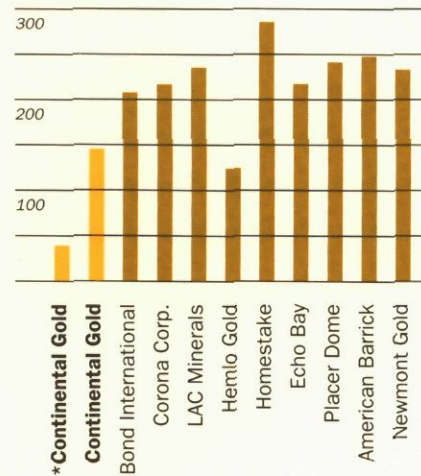
Gold Production

(thousand ounces/year)



Cash Cost

(US\$/ounce)

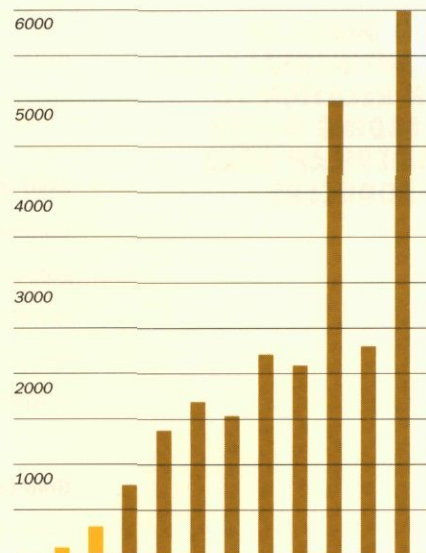


Top Gold Producers

*Cost of gold net of copper revenues

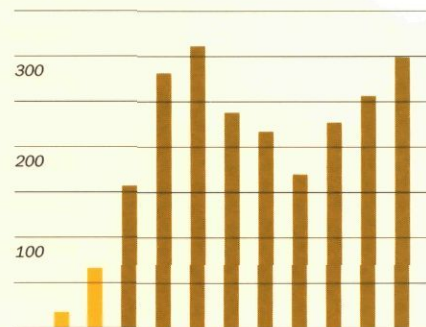
Continental Gold Corp.'s unprecedented growth potential is clearly seen by comparing the market capitalizations of North America's top gold producers.

Market Capitalization – Dec. 1989
(C\$ millions)

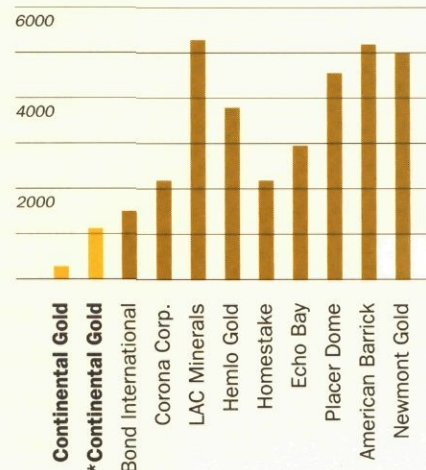


A key to Continental Gold Corp.'s investment appeal is its low market capitalization relative to its immense gold holdings.

Market Capitalization/Ounce Gold Reserves (C\$)



Market Capitalization/Ounce Gold Production (C\$)



*Market Capitalization adjusted for Capital Cost

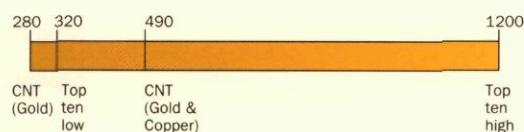
SUMMARY OF CONTINENTAL GOLD IN RELATION TO LEADING NORTH AMERICAN GOLD PRODUCERS

Gold Production

Continental Gold Corp. through its investment in Mt. Milligan, is expected to be among the top ten gold companies in North America.

Gold Production

(thousand ounces/year)

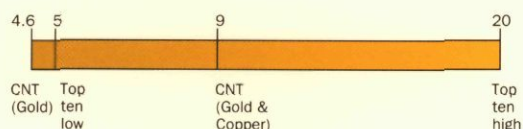


Gold Reserves

Continental Gold Corp.'s massive gold reserves provide a secure base to establish its position as one of the quality, long life gold producers in North America.

Gold Reserves

(million ounces)



Gold Leverage

Current shareholders own 63 ounces of gold for every \$1000 invested in Continental Gold Corp. Allowing for the capital cost required to bring Mt. Milligan to production, shareholders will own 15 ounces of gold for every \$1000 invested.

Ounces Reserves/\$1000 Invested

(ounces)

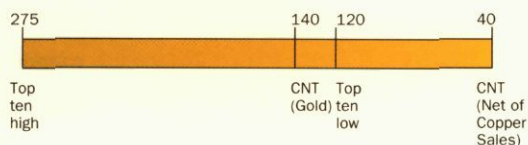


Cash Cost Per Ounce

Continental Gold Corp.'s unique position among the major gold producers will be enhanced by its copper production. Gold will be produced for less than \$40 per ounce, when profit generated from copper sales is deducted from costs.

Cash Cost/Ounce

(US\$/ounce)



Market Capitalization Per Ounce of Annual Gold Production

The market value of Continental Gold Corp. does not yet reflect the anticipated gold production from Mt. Milligan. North America's top gold companies support an investment of up to \$5000 for every ounce of annual gold production.

Market Capitalization/Annual Ounce Gold Production

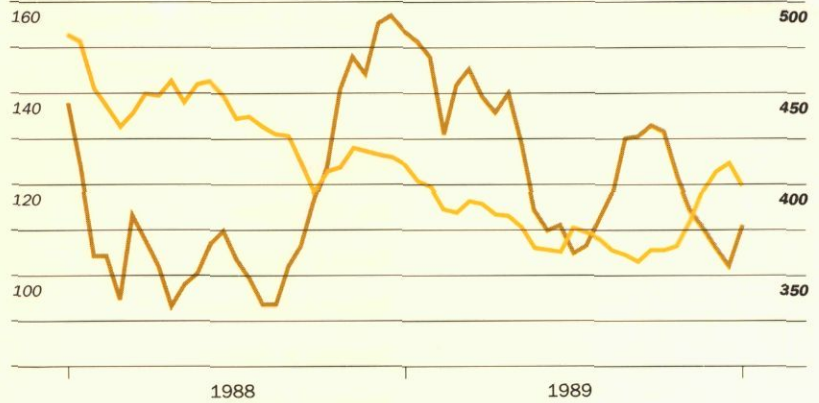
(C\$/ounce)



**CONTINENTAL GOLD
CORP.'S GOLD &
COPPER RESERVES
PROVIDE ADDED
BENEFITS FROM
DIVERSIFICATION**

Gold & Copper Prices

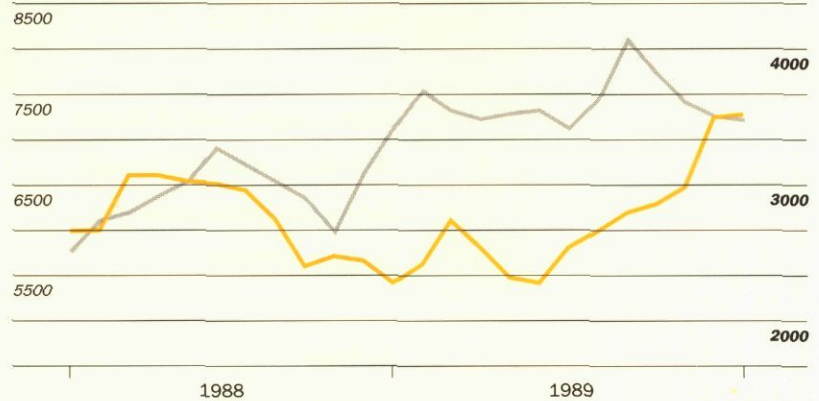
— LME Copper US\$/lb.
— London Gold US\$/ounce



Investors in Continental Gold Corp. shares will be protected from the extremes of metal price highs and lows.

Stock Market Indices

— TSE Gold & Silver Index
— TSE Metals & Minerals Index



Continental Gold Corp. has a built in hedge against swings in investor sentiment towards base or precious metals.

CORPORATE INFORMATION

Officers

Robert G. Hunter, Chairman
Robert A. Dickinson, President
Douglas B. Forster, Vice-President,
Secretary

Directors

Ray W. Ballmer
David J. Copeland
Robert A. Dickinson
Douglas B. Forster
Harold H. Forzley
Jeffery P. Franzen
Robert G. Hunter
Barry D. McKnight
Ronald W. Thiessen

Solicitors

Sobolewski, Anfield
Suite 1600, 609 Granville Street
Vancouver, British Columbia
Canada V7Y 1C3

Farris, Vaughn, Wills & Murphy
26th Floor, 700 West Georgia
Vancouver, British Columbia
Canada V7Y 1B3

Auditors

Coopers & Lybrand
1111 West Hastings Street
Vancouver, British Columbia
Canada V6E 3R2

Transfer Agent

Montreal Trust Company
2nd Floor, 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

or

66 Temperance Street
Toronto, Ontario
Canada M5H 1Y7

Bank

Canadian Imperial Bank of Commerce
400 Burrard Street
Vancouver, British Columbia
Canada V6C 3A6

Trades

Vancouver Stock Exchange (CNT:V)
NASDAQ (CNTVF)

Capitalization – as at March 15, 1990

Common authorized	
100,000,000	
Issued	8,152,799
Fully diluted	8,466,185

For further information contact:

Robert A. Dickinson, President
Suite 1020, 800 West Pender Street
Vancouver, British Columbia
Canada V6C 2V6
Telephone: 604-684-6365

To the best of our knowledge, the information was correct at the time of compilation. No responsibility can be accepted for any errors or omissions and Koornhof Agencies expressly disclaims any such responsibility.

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Vancouver, British Columbia
March 15, 1990.*

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Vancouver, British Columbia*



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Vancouver, British Columbia

Canada V6C 2V6

Telephone: 604-684-6365

Fax: 604-684-8092

G A L O R E C R E E K C A M P

During the 1990 exploration season in the lower Stikine River area, **ALFREDO'S INDUSTRIES LTD.** is offering the following:

MINERAL EXPLORATION SUPPORT AND ACCOMMODATION LOCATED AT THE STIKINE COPPER PROPERTY APPROXIMATELY 80 KM SOUTH OF TELEGRAPH CREEK AND 60 KM NORTH OF THE BRONSON CREEK AIRFIELD.

Alfredo's Industries Ltd. (British Columbia mining service company) is now excepting bookings for the 1990 exploration season commencing June 1, 1990 on a first come basis.

THE GALORE CREEK CAMP offers a central location to exploration activities in the district with services and facilities available including the following:

- **ACCOMMODATION FOR UP TO 60 MEN (BUNKHOUSE OR FRAMES);**
- **DOUBLE SHIFT BOARD INCLUDING 3 MEALS PER DAY (PACKED LUNCHES, SNACKS AND 2 CHOICE DINNERS);**
- **INDOOR TOILETS, SHOWERS, HOT-TUB, LAUNDRY AND DRY;**
- **AIRSTRIp SUITABLE FOR SINGLE OTTER, TWIN OTTER, ETC.;**
- **HELICOPTER AND FIXED WING CHARTER;**
- **RECREATION BUILDING INCLUDING VIDEO, GAMES AND LIBRARY, ETC.;**
- **OFFICE SPACE AND CORE LOGGING FACILITIES;**
- **CORE AND EQUIPMENT STORAGE AREAS;**
- **CONFECTIONERY STORE AND FULL INDUSTRIAL FIRST AID SERVICE;**
- **HFAM RADIO COMMUNICATION.**

All the above services and facilities will be available to customers on a per man day basis.

Different terms are available under certain circumstances. For nominal rental charges **ALFREDO'S** will have available the following services and items:

Laundry/tailoring, haircuts, expediting & logistical support, fuel tanks, tools/workshop, photocopying, core-splitters and Icom hand-held radios, rock saw, pluggers, etc.

Arrangements can also be made for fly camp and field equipment, exploration personnel, diamond drills, heavy equipment and office equipment, etc.

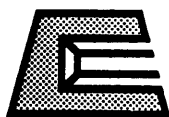
ALFREDO'S will provide clients with comfortable and clean accommodation, fine food, daily recreation and convenient, reliable and confidential service from a professional organization who's employees have many years of operating experience in Northern B.C. All bookings are subject to a deposit, applied to final invoice.

ALFREDO'S INDUSTRIES LTD.

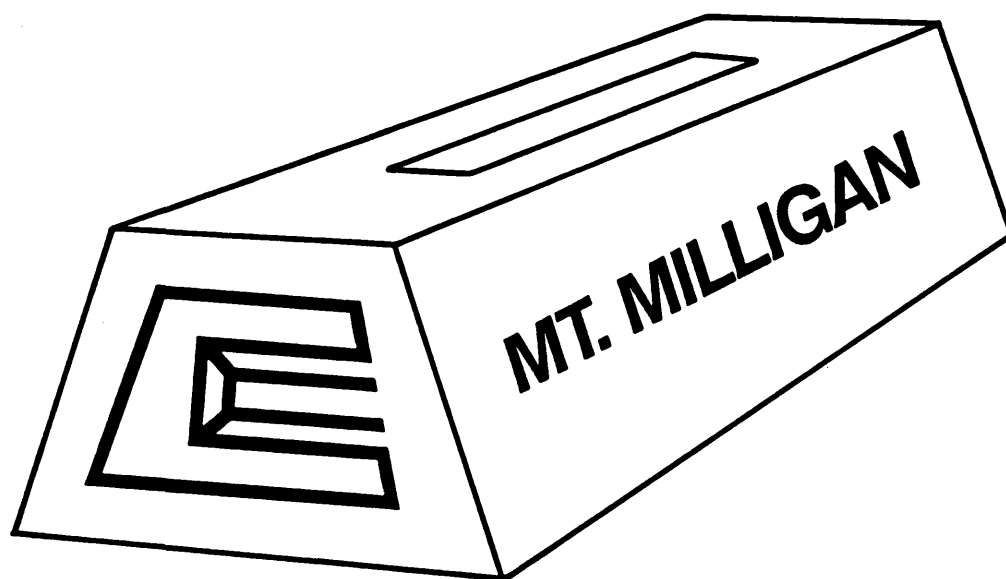
#722 - 510 West Hastings Street, Vancouver, British Columbia V6B 1L8

For further information, please contact:

John Mirko: Phone: (604)687-1848 FAX: (604)688-1392
Sandy Jaycox (Expeditor): Phone: (604)847-4638 FAX: (604)847-9045

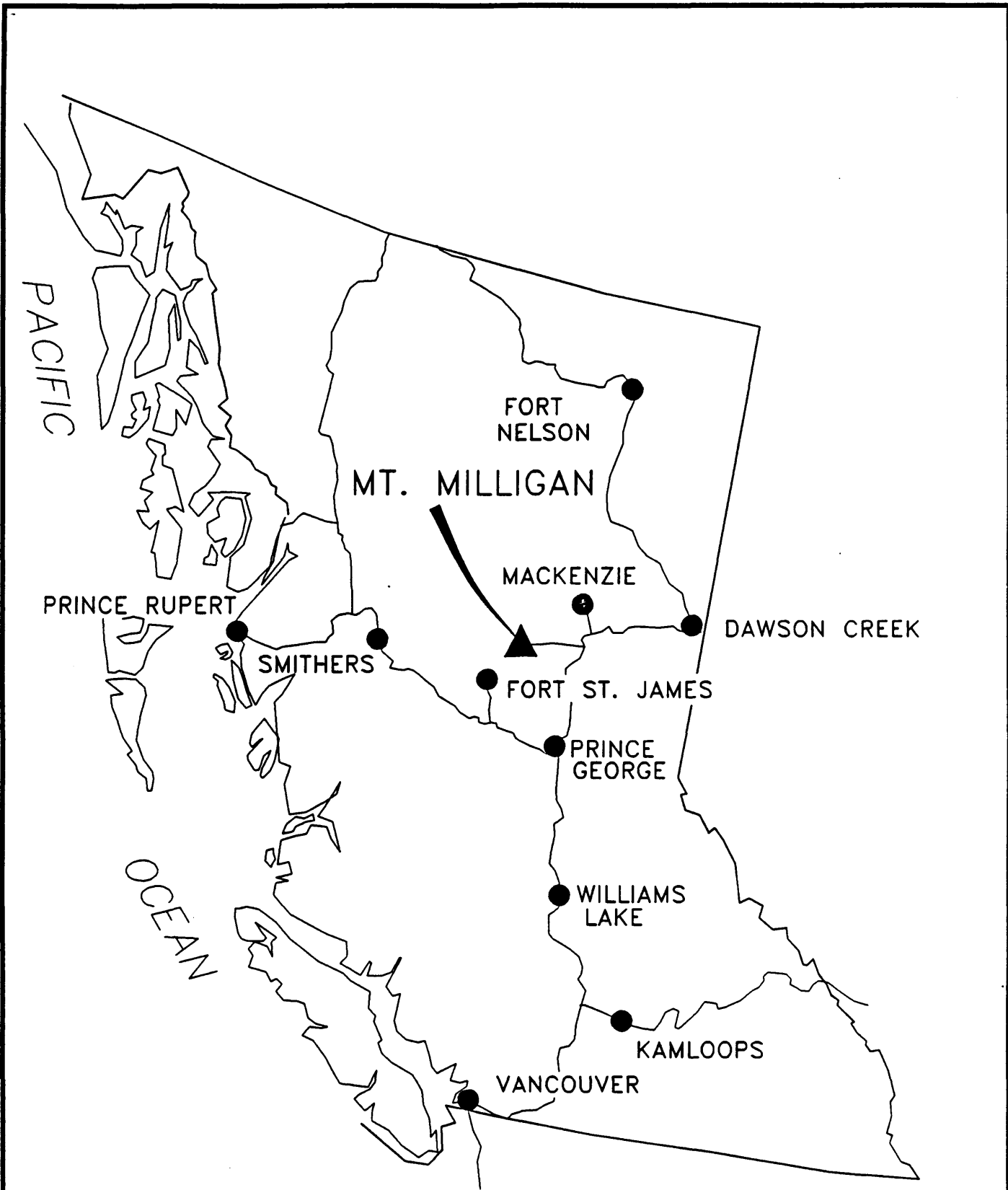


CONTINENTAL GOLD CORP.

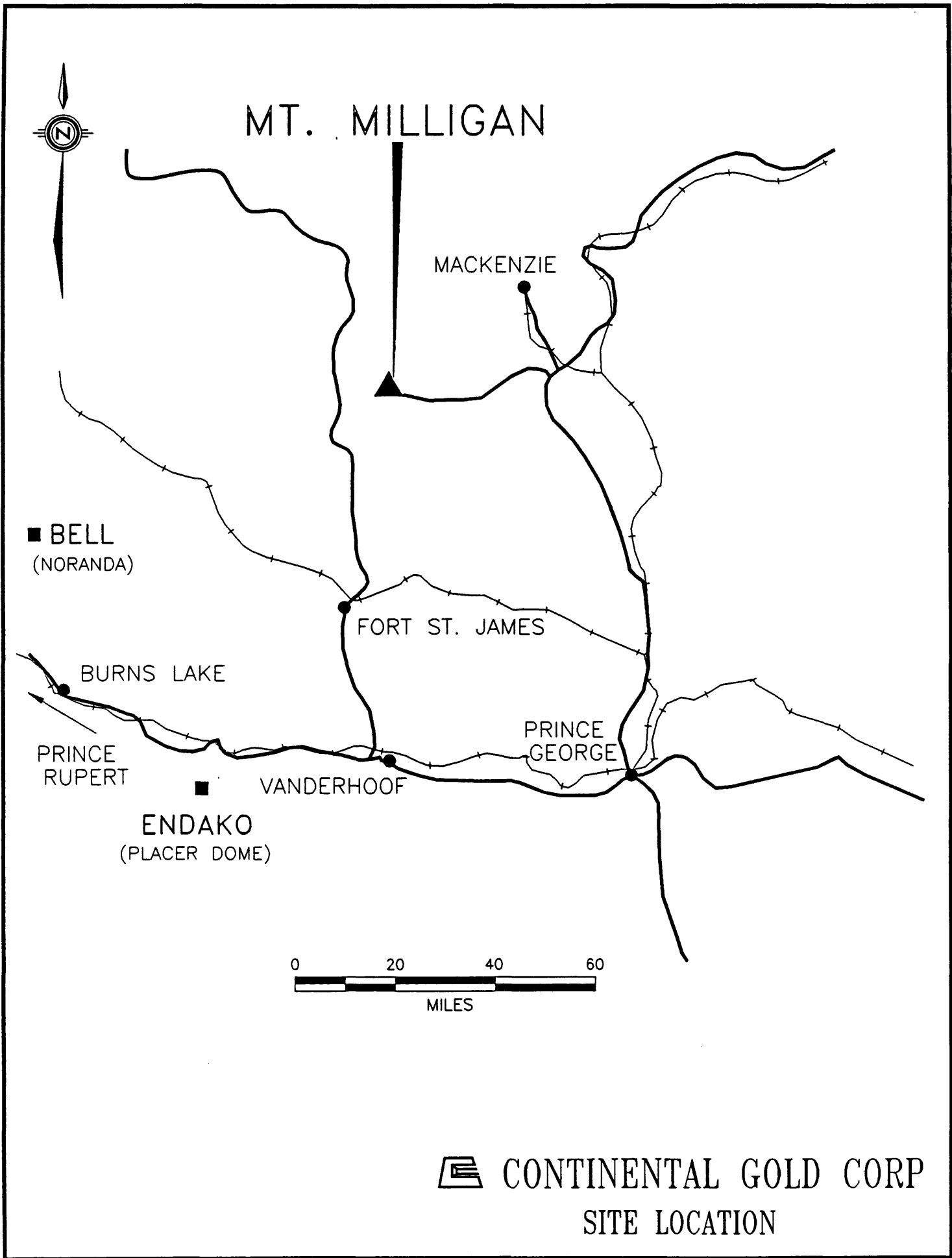


BP RESOURCES CANADA LTD.

**A
GOLD - COPPER
JOINT VENTURE**

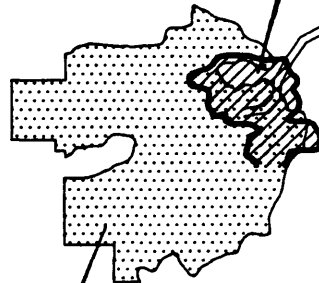


 CONTINENTAL GOLD CORP
GENERAL LOCATION MAP






GOLD - COPPER DEPOSIT

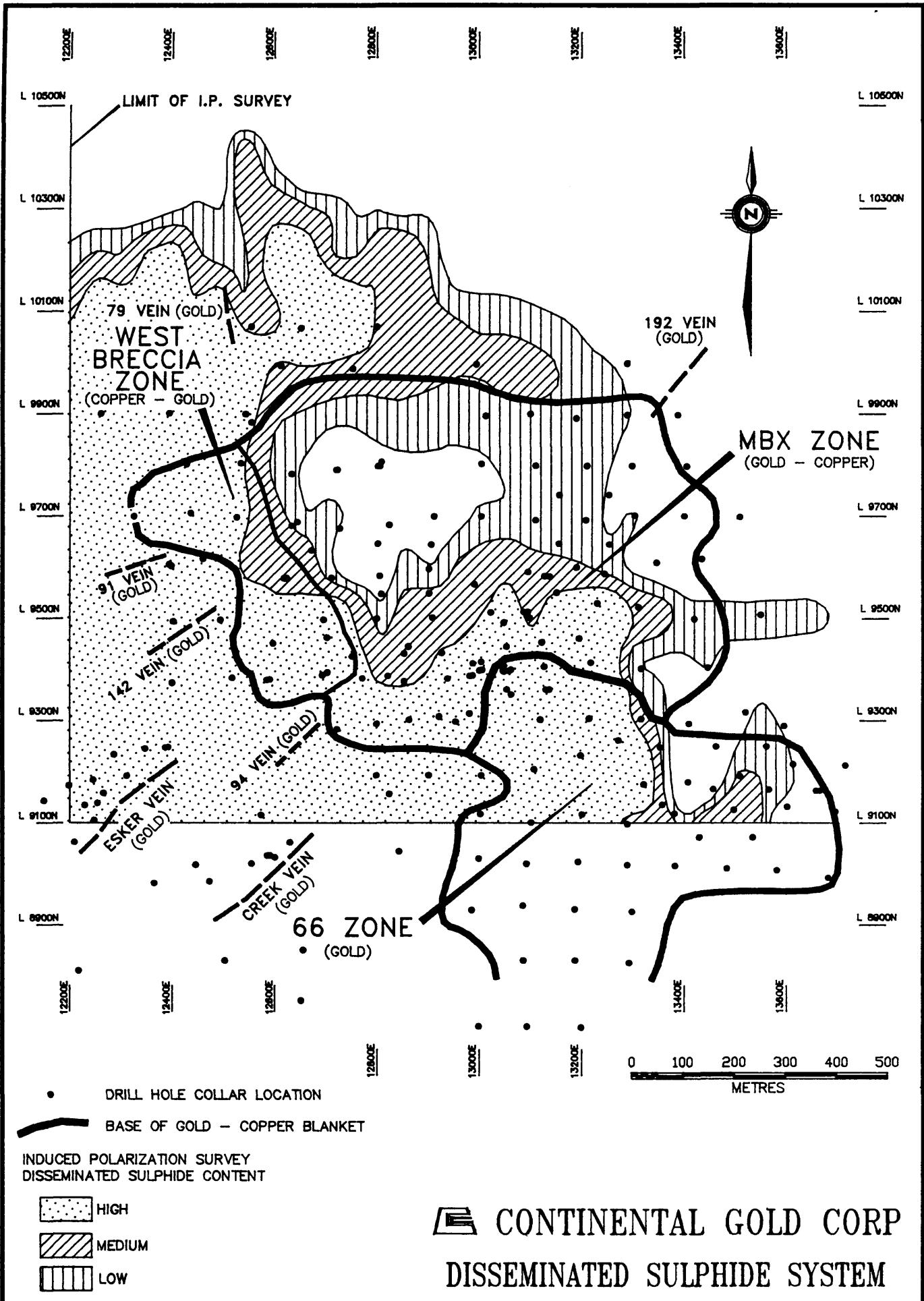


MAINLINE
ROAD

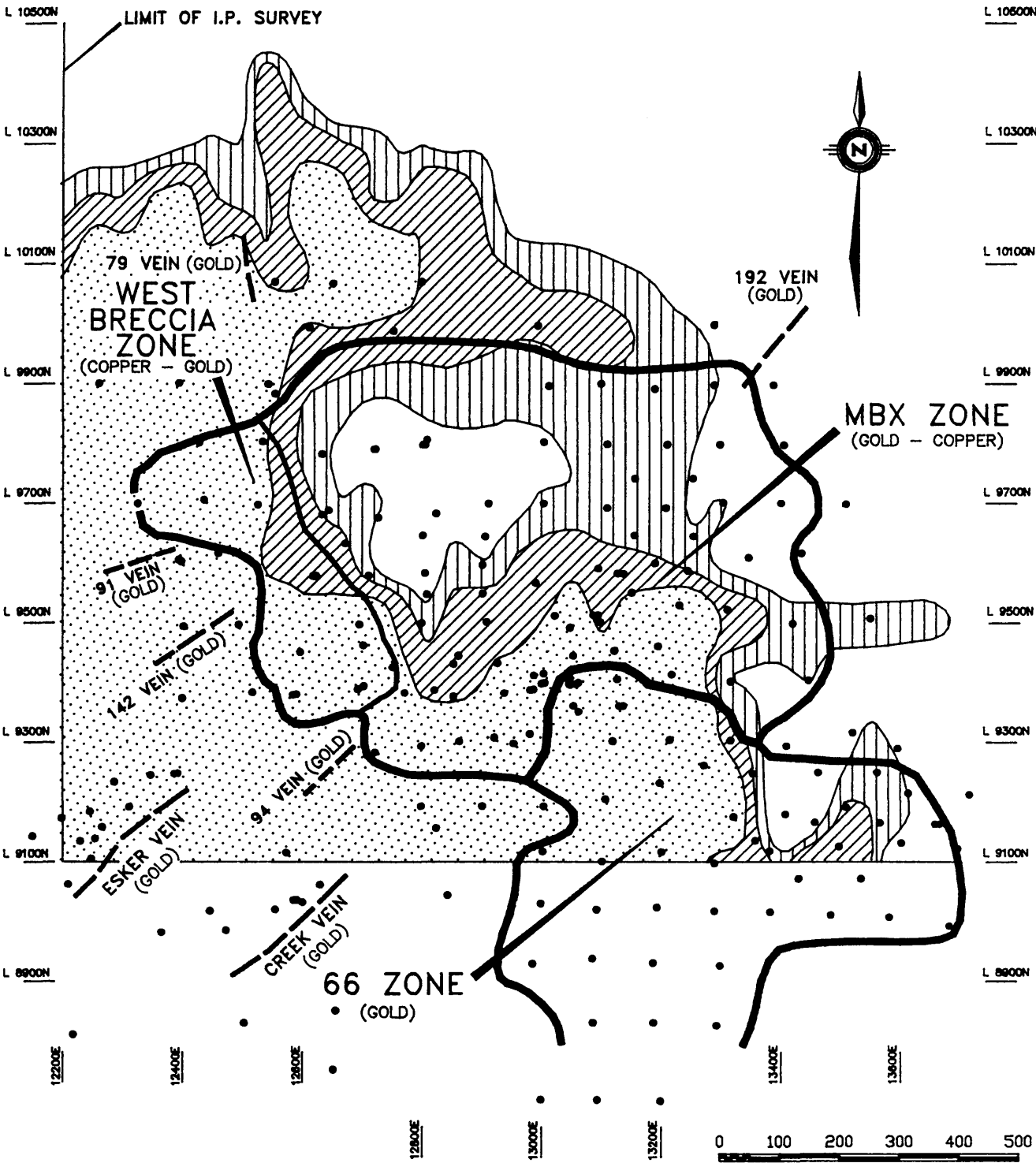
SULPHIDE SYSTEM



 CONTINENTAL GOLD CORP
DISSEMINATED SULPHIDE SYSTEM







LIMIT OF I.P. SURVEY

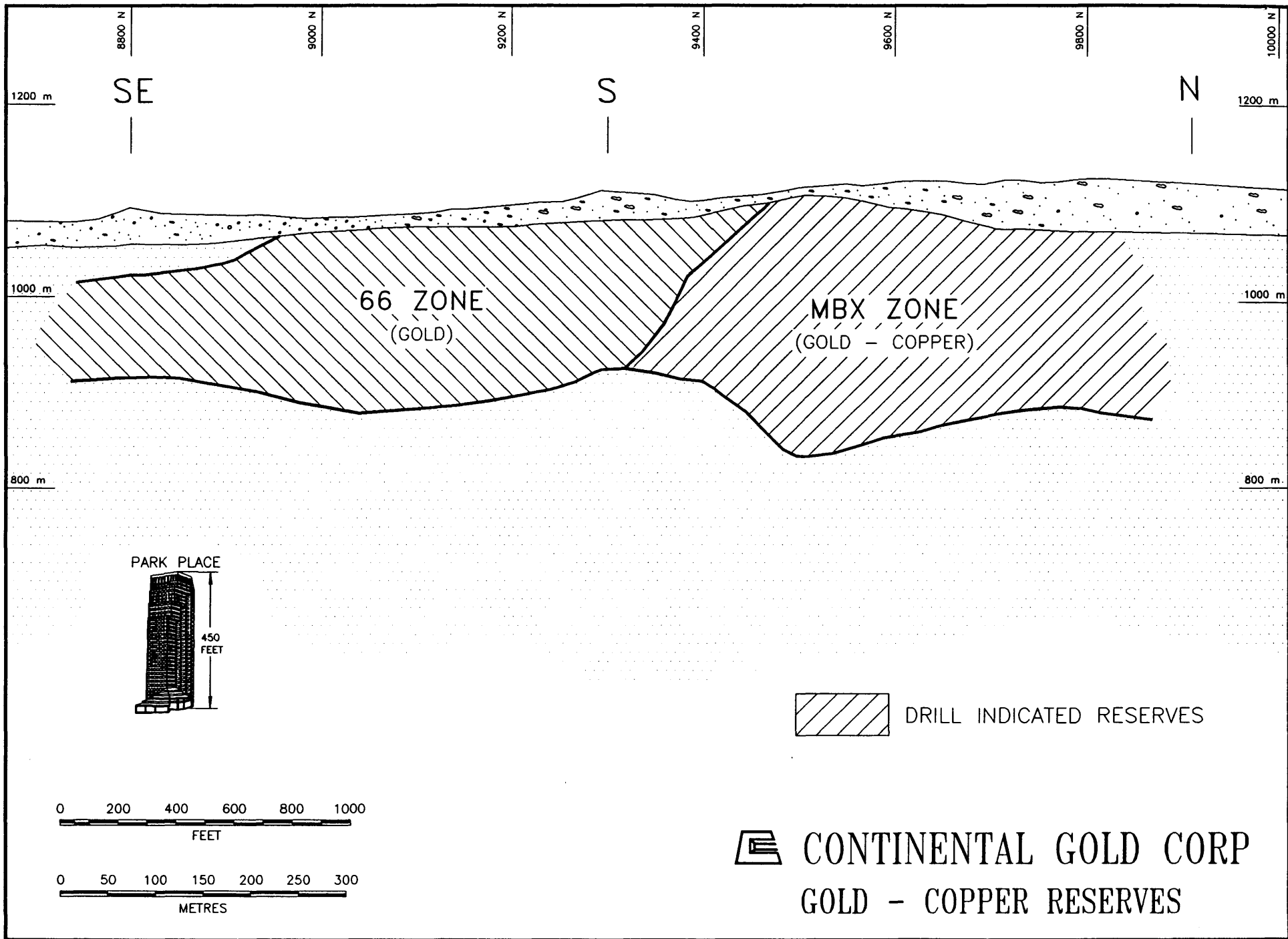


● DRILL HOLE COLLAR LOCATION
 — BASE OF GOLD - COPPER BLANKET

INDUCED POLARIZATION SURVEY
 DISSEMINATED SULPHIDE CONTENT

-  HIGH
-  MEDIUM
-  LOW

 CONTINENTAL GOLD CORP
 DISSEMINATED SULPHIDE SYSTEM



MBX ZONE DEEP DRILL HOLE ASSAY SUMMARY

SECTION LINE	HOLE	INTERCEPT WIDTH (FEET)	GRADE	
			COPPER %	GOLD oz/ton
9400N	88-42	570	0.28	0.023
	88-60	460	0.41	0.047
	89-98	244	0.61	0.022
	89-99	665	0.31	0.024
	89-164	663	0.25	0.016
	89-170	335	0.35	0.027
9500N	88-68	884	0.39	0.017
	89-80	400	0.22	0.023
	89-105	679	0.47	0.023
	89-174	538	0.36	0.022
	89-176	722	0.42	0.016
9600N	88-70	818	0.37	0.015
	89-76	841	0.24	0.012
	89-123	527	0.38	0.014
	89-175	676	0.33	0.019
	89-177	686	0.32	0.016
	89-178	391	0.37	0.015
9700N	88-65	545	0.38	0.012
	88-71	700	0.27	0.011
	89-112	814	0.37	0.017
9800N	88-67	380	0.26	0.012
	89-115	725	0.32	0.019
	89-120	588	0.48	0.015
	89-122	674	0.48	0.017
	89-135	596	0.49	0.026
	89-140	436	0.45	0.012
AVERAGE		598 FEET	0.36%	0.018 oz/ton

66 ZONE DRILL HOLE ASSAY SUMMARY

SECTION LINE	HOLE	INTERCEPT WIDTH (FEET)	GRADE	
			COPPER %	GOLD oz/ton
8900N	89-150	194	0.15	0.029
	89-151	159	0.03	0.018
9000N	89-101	213	0.07	0.038
	89-104	158	0.01	0.023
	89-116	184	0.04	0.039
	89-132	187	0.04	0.049
9100N	89-88	381	0.06	0.042
	89-92	361	0.02	0.052
	89-108	237	0.33	0.028
	89-232	255	0.06	0.066
9150N	89-180	387	0.17	0.033
	89-184	369	0.02	0.099
	89-193	379	0.16	0.017
9200N	88-66	258	0.05	0.062
	89-83	263	0.01	0.038
	89-84	284	0.06	0.063
	89-103	321	0.21	0.045
	89-163	318	0.06	0.021
9300N	88-61	169	0.10	0.073
		246	0.12	0.045
	89-74	102	0.07	0.035
		167	0.01	0.019
	89-77	308	0.17	0.045
9400N	88-29	268	0.09	0.069
	88-62	223	0.15	0.017
9500N	89-119	243	0.08	0.023
AVERAGE		255 FEET	0.10%	0.043 oz/ton



CONTINENTAL GOLD CORP

WHOLE ORE CYANIDATION + COPPER FLOTATION LEACH RESIDUE METALLURGY

ZONE	HEAD ASSAYS		RECOVERY (%)					
			CYANIDATION		ROUGHER FLOTATION		TOTAL	
	CU (%)	AU (oz/ton)	Cu	Au	Cu	Au	Cu	Au
MBX	0.40	0.019	-	83.0	91.6	10.2	91.6	93.2
66	0.12	0.037	-	94.1	85.3	2.0	85.3	96.1
				88.6	88.5	6.1	88.5	94.7

- SIMPLE WHOLE ORE CYANIDATION RECOVERED 88.6% OF THE CONTAINED GOLD. AN ADDITIONAL 6.1% OF THE GOLD REPORTED TO THE COPPER CONCENTRATE. TOTAL GOLD RECOVERY IS 94.7% AND TOTAL COPPER RECOVERY IS 88.5%.

FLOTATION COPPER CONCENTRATE + CYANIDATION BULK SULPHIDE CONCENTRATE METALLURGY

ZONE	HEAD ASSAYS		RECOVERY (%)							
			COPPER FLOTATION		PYRITE FLOTATION + CYANIDATION				TOTAL	
	Cu (%)	Au (oz/ton)	Cu	Au	Cu	Au	Cu	Au	Cu	Au
MBX	0.40	0.019	97.9	80.1	0.7	2.6	-	78.1	97.9	82.1
66	0.12	0.037	-	-	96.8	85.4	-	97.3	-	83.1
									97.9	82.6

- SIMPLE COPPER FLOTATION PROCESSING FOLLOWED BY CYANIDATION OF BULK SULPHIDE CONCENTRATE RECOVERED 82.6% OF THE CONTAINED GOLD.



 **CONTINENTAL GOLD CORP**
B.C. OPEN PIT MINES

<u>MINE</u>	<u>MILLING</u> TONS/DAY	RESERVES			NET REVENUE \$/TON *	CASH COSTS \$/TON
		<u>START OF PRODUCTION</u> TONS (millions)	Cu %	Au opt		
GIBRALTAR	40,000	360	0.37	-	4.70	4.00
BELL	18,000	50	0.50	0.010	9.40	7.50
SIMILKAMEEN	25,000	60	0.53	0.005	7.80	4.80
BRENDA	31,000	180	0.19	-	4.90	3.90
MT. MILLIGAN MODEL	35,000	200	0.30	0.025	14.60	5.00

* COPPER \$US 1.00/lb
GOLD \$US 400/oz

 CONTINENTAL GOLD CORP
B.C. OPEN PIT MINES

MT MILLIGAN MODEL

RESERVES

200,000,000 TONS
0.025 OUNCES GOLD/TON
0.30% Cu

MINE OPERATIONS

13,000,000 TONS/YEAR
35,000 TONS/DAY
15+ YEAR LIFE

ANNUAL OPERATIONS

278,000 OUNCES GOLD
64,000,000 POUNDS COPPER
NET PRODUCTION COST = \$US 30/OUNCE

COPPER \$US 1.00/lb

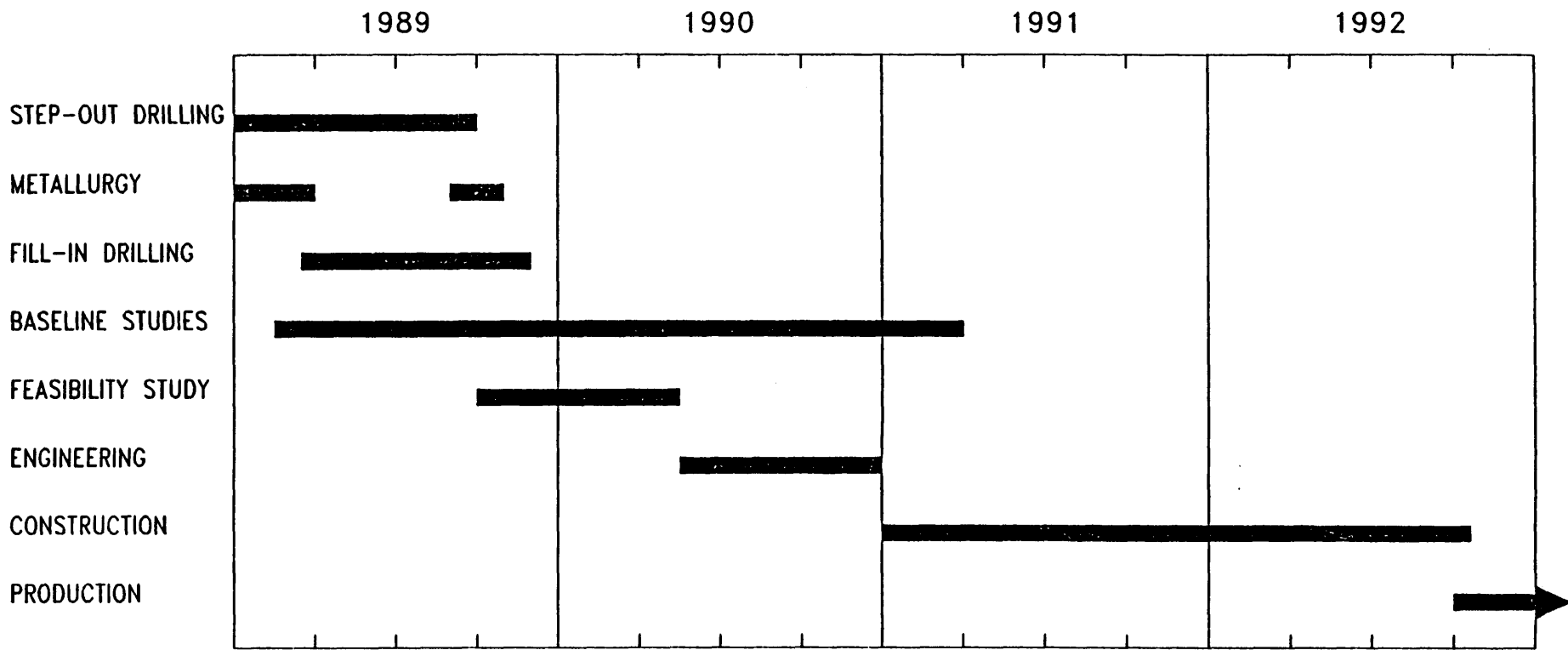
GOLD \$US 400/oz

Mt. MILLIGAN PROJECT
35,000 TONS/DAY
(13 MILLION TONS/YEAR)

		RATE OF RETURN	PAYBACK PERIOD (YEARS)	NET PRESENT VALUE (millions \$C) AT 10% DISCOUNT RATE
COPPER \$1.00/GOLD \$400.00		31.3	1.9	291.2
CAPITAL	+15%	27.7	2.3	270.5
OPERATING	+15%	28.9	2.1	253.8
GRADE	-15%	24.6	2.7	189.2
COPPER \$0.80/GOLD \$450.00		31.8	1.9	299.7
COPPER \$0.80/GOLD \$400.00		28.1	2.2	241.8
COPPER \$0.80/GOLD \$350.00		24.3	2.7	184.3

Mt. MILLIGAN PROJECT
35,000 TONS/DAY
(13 MILLION TONS/YEAR)

		RATE OF RETURN	PAYBACK PERIOD (YEARS)	CONTINENTAL GOLD PORTION ANNUAL CASHFLOW BEFORE TAX AFTER PAYBACK (MILLIONS \$C)
COPPER \$1.00/GOLD	\$400.00	31.3	1.9	87.8
CAPITAL	+15%	27.7	2.3	87.8
OPERATING	+15%	28.9	2.1	80.1
GRADE	-15%	24.6	2.7	66.8
COPPER \$0.80/GOLD	\$450.00	31.8	1.9	89.5
COPPER \$0.80/GOLD	\$400.00	28.1	2.2	77.6
COPPER \$0.80/GOLD	\$350.00	24.3	2.7	65.8



 CONTINENTAL GOLD CORP
PROJECT SCHEDULE

CONTINENTAL GOLD CORP.