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VANCOUVER STOCK EXCHANGE
BRITISH COLUMBIA, CANADA

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PROPERTY FILE

Trophy 1046 NW, NE
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FILING STATEMENT

(72/88)

CONTINENTAL GOLD CORP.
NAME OF COMPANY

#1020 - 800 West Pender Street
Vancouver, British Columbia
V6C 2V6 684-6365

HEAD OFFICE ADDRESS AND TELEPHONE NUMBER OF COMPANY

THE CANADA TRUST COMPANY
1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1P3 688-8444

NAME AND ADDRESS OF COMPANY'S REGISTRAR AND TRANSFER AGENT

THE COMPANY IS, UNDER THE RULES OF THE VANCOUVER STOCK EXCHANGE, A DEVELOPMENT COMPANY.

The Vancouver Stock Exchange has not in any way passed upon the merits of the securities of the Company. The information contained in this Filing Statement has been supplied to the Exchange by the Company, and the Exchange has relied upon this information in accepting the Filing Statement.

1. STATEMENT OF MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY

(A) The Trophy Claims, Province of British Columbia

Pursuant to an agreement dated April 5th, 1988 with two of its directors the Company has agreed to purchase from each of the directors a 50% beneficial interest in and to certain mineral claims situate in the Laird Mining Division, Province of British Columbia (the "Trophy Claims").

Under the terms of the acquisition agreements, each of Robert A. Dickinson ("Dickinson"), through his wholly owned corporation, United Mineral Services Ltd. ("UMS"), and Douglas B. Forster ("Forster") will transfer and sell to the Company each of their respective 50% undivided interests in the Trophy Claims to the Company for the following consideration:

- (a) on closing, the reimbursement of staking and exploration costs respecting the property in the total sum of \$221,990.10;
- (b) during the project development period, the staged allotment of up to 200,000 common shares in the capital stock of the Company to each of UMS and Forster the shares are to be issued in minimum blocks of 50,000 and all shares should be issued upon completion of work programs having an aggregate minimum value of \$1,000,000. It is the intent of the agreement that one share shall be issued for each \$2.50 of exploration expenditures made on the property.
- (c) in the event the property is placed into commercial production by the Company or a successor company an additional 100,000 shares to each of UMS and Forster. The commencement of commercial production is defined to be the establishment of mining and milling facilities capable of processing approximately 100 tons/day over a sixty (60) day period.

The agreement may be terminated by the vendors in the event the consideration due the vendors is not paid them within five (5) years of the date of the agreement.

The Trophy Claims comprise 71 square miles of mineral claims, located approximately 70 miles southwest of Dease Lake in northwestern British Columbia. Within the project area, major north-south and northeasterly trending faults and shear zones have acted as conduits for gold and silver bearing hydrothermal fluids. Precious metal mineralization occurs as disseminations and fracture filling of native gold, electrum, pyrite, galena, sphalerite, tetrahedrite and arsenopyrite, along shear contacts within silicified, and brecciated volcanics and sediments.

Surface geological and structural mapping has so far identified three major gold-bearing shear structures in the project area with a combined overall strike length of over 20 miles. They are identified as the Ptarmigan, Eagle and Hummingbird structures and range in width from 80 to over 350 feet.

Detailed surface channel sampling has returned gold values of 0.15 oz/ton gold equivalent over a true width of 185 feet, utilizing a 60:1 Ag/Au ratio based on dollar value. Within this zone samples have assayed 0.37 oz/ton gold equivalent over 19.7 feet, 0.39 oz/ton gold equivalent over 26.1 feet and 0.69 oz/ton gold equivalent over 10.0 feet. Numerous assays of greater than one ounce per ton gold have been obtained elsewhere on the property.

Mineralization in the Trophy Gold Project area is genetically related to syenite plutons. The Trophy Project adjoins, and partially covers a portion of the syenite pluton which hosts the Galore Creek Cu/Au deposit (+2,000,000 ounces of contained gold).

Prospecting to date has focused on only 5% of the known gold bearing structures in the claim region.

In a technical report prepared for the Company by J.J. McDougall & Associates Ltd. Mr. McDougall, P.Eng. states that geological and structural mapping and litho-geochemistry on the Trophy claims has outlined high grade structurally controlled Au-Ag-Pb-Zn-Cu mineralization over a combined strike length of over 600 metres. Over 40 kms of potentially gold-bearing shear-structures remain unexplored on the property.

Mr. McDougall recommends a major helicopter supported gold-silver exploration program be commenced on the property including reconnaissance 1:10,000 scale geological mapping and rock sampling over the entire project area, with more detailed 1:2,500 scale grid controlled mapping over the Ptarmigan, Eagle and Hummingbird gold-silver bearing shear structures. Detailed prospecting and rock sampling should be undertaken in areas of known structural complexity of shearing including the "Jay" shear-hosted Au-Cu occurrence on Scotch 3 and 6 claim; continuation of the Ptarmigan, Eagle and Hummingbird shear zones onto the Scotch claims to the north and to the south; Saddle claims in the region of the Copper Canyon and Galore r syenite plutons; Glacier 1,2,3,4 claims in the region of previously documented gold mineralization, and in regions drained by streams which returned highly anomalous values for Au in stream sediments and Glacier 6,7,8,9 claims in the vicinity of the Galore Creek Cu-Au deposit (2 million contained ounces of gold). Control grids should be established on the Trophy 1-4 claims to cover the Ptarmigan, Eagle and Hummingbird shear zones. VLF-EM should be conducted on the grid in order to establish the location of the

gold-bearing shear zone in regions of snow and talus cover. A minimum of 2,500 metres of NQ diamond core drilling in 15 inclined drill holes is recommended to test the depth and strike extensions of the Ptarmigan, Eagle and Hummingbird shear structures.

The estimated cost of the Phase I program is \$1,500,000. Contingent upon the success of the initial drilling program, an additional \$500,000 diamond drill program is recommended. The Company will conduct all or a part of the recommended program from the proceeds of the private placement described in Item 1(B) hereof.

The transaction received the approval of the shareholders of the Company at a meeting convened on May 9th, 1988.

(B) Brokered Private Placement with Haywood Securities Inc.

Pursuant to an agreement dated April 2, 1987 the Company appointed Haywood Securities Inc. as its agent to offer up to 1,000,000 shares of the Company at a price of \$2.25 per share to selected investors on a private placement basis. Pursuant to the terms of the Agency Agreement the agent guaranteed the purchase of a minimum of 500,000 shares of the Company subject to certain conditions. The agent is entitled under the terms of the Agreement to receive a 6% commission in fully paid shares of the Company with a deemed value of approximately \$2.40 per share in accordance with Vancouver Stock Exchange rules. The Company intends to use the proceeds of the private placement as follows:

To pay the cost of the private placement	\$ 15,000
To carry out Phase I of the work program on the Trophy Property	1,500,000
General Working Capital	735,000
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TOTAL	\$2,250,000

The places under the private placement include exempt purchasers who will not be required to hold their shares and the balance of the shares subject to a one year hold period (See also Item 8 hereof). No placee has purchased a sufficient number of shares to materially affect control of the company. The private placement is expressly contingent on the acquisition of the Trophy Claims described above.

2. FINANCIAL INFORMATION

As of the date hereof the Company's approximate working capital is \$2,300,000 being largely the proceeds of the private placement described in Item 1(B) above.

The assets of the Company do not include the securities of any other companies.

3. MATERIAL NATURAL RESOURCE PROPERTIES

The Company's material natural resource properties are the following:

(A) The Trophy Claims. See Item 1A hereof.

(B) Southern Indian Lake Claims (Wood 1-16 mineral Claims)

The Company has a 100% interest in 16 claim blocks totalling 2,240 acres located in the Province of Manitoba (the "Wood Claims"). The Company has expended \$91,998 on these claims representing staking, assaying, geological and other costs. In an agreement dated March 17, 1988 the Company granted to Rough River Petroleum Ltd. of 710 - 475 Howe Street, Vancouver, B.C. ("Rough River") an exclusive option to acquire a 50% undivided interest in the Wood Claims by making cash payments totalling \$180,000 to the Company and conducting a \$1,000,000 program of exploration on the Property by May 1, 1991. In the event Rough River earns its interest the Company and Rough River will form a joint venture however the agreement is currently not in good standing on the part of Rough River. The Wood Claims are a precious metals prospect.

(C) Seal River Permit

The Company holds a 100% interest in 48,852 hectares in the Province of Manitoba which is currently optioned to North American Metals Corp ("North American"). North American Metals Corp. has to April 30, 1987 expended some \$678,053 exploring the claims and has therefore earned a 25% interest in the property. North American can acquire up to a 0% interest in the Seal River Claims by the expenditure of \$1,085,000 on exploration prior to December 31, 1990. The agreement is currently in good standing. In the event North American earns its interest the Company and North American will form a joint venture for further exploration.

4. PARTICULARS OF NON-RESOURCE ASSETS

The Company does not have any non-resource assets.

5. CORPORATE INFORMATION

The authorized capital of the Company consists of 20,000,000 without par value. Upon the closing of the private placement described in Item 1B hereof there will be 3,332,876 common shares outstanding.

All shares of the Company, both issued and unissued, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

6. DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUE EQUITY SHARES

ROBERT G. HUNTER
780 Rochester Avenue
Coquitlam, B.C.
V3K 2W2
President & Director

No. of shares held: 150,000 escrow
 230,000 direct

Mr. Hunter is a mining company executive. He is a director and/or officer of five other reporting companies.

ROBERT AILAN DICKINSON
3787 Sunnycrest Drive
North Vancouver, British Columbia
V7R 3C5
Secretary-Treasurer & Director

No. of shares held: 300,000 escrow
 56,000 indirect

Mr. Dickinson is an exploration geologist. He is a director and/or officer of four other reporting companies.

BARRY DALE CORBETT MCKNIGHT
 1178 Kinloch Lane
 North Vancouver, British Columbia
 V7G 1V9
 Director

No. of shares held: 101,200 direct

Mr. McKnight is a self employed accountant. He is a director and/or officer of one other reporting company.

DOUGLAS BURTON FORSTER
 313 - 1350 Comox Street
 Vancouver, British Columbia
 V6E 4E1
 Director

No. of shares held: 150,000 escrow
 40,000 direct

Mr. Forster is a geologist. He is a director and/or officer of two other reporting companies.

The share figures above do not reflect any shares issuable to Messrs. Dickinson (indirectly) or Forster pursuant to the sale of the Trophy Claims described in Item 1 hereof.

No director, officer or promoter of the Company is, or has been within the past three years a director, officer or promoter of any other reporting company which during the period he was director, officer or promoter of such company was struck off the register of companies by the British Columbia Registrar of Companies or other similar authority or whose securities were the subject of a cease trade or suspension order for a period of more than 30 consecutive days.

For the twelve (12) month period ended March 31st, 1988 an aggregate of \$30,605.00 in cash compensation was paid by the Company to management of the Company. Of this amount a management services fee of \$13,262.84 was paid to United Mineral Services Ltd., a company controlled by Robert Dickinson, President and a Director of the Company, geologist fees of \$9,183.39 was paid to Douglas B. Forster, a Director of the Company, accounting and administration fees of \$6,400.00 was paid Barry D. McKnight, a Director of the Company, and a shareholders and public relations fee of \$1,758.77 was paid to Terry Shirran, a former employee of the Company. No other remuneration was paid to any of the Directors of the Company in their capacity as such.

There is no other employment remuneration which exceeds \$10,000.00 in aggregate.

There is no arrangement for compensation with respect to termination of executive officers in the event of change of control of the Company. No pension or retirement benefit plan have been instituted by the Company and none are proposed at this time. (See also "Options to Purchase Securities").

No other director, officer, promoter or insider of the Company has received a direct or indirect remuneration or has received anything of value from the Company within the past year which has not been disclosed elsewhere in this filing statement.

The greater than 10% shareholders of the Company are as follows:

<u>Name and Municipality of Residence of Shareholder</u>	<u>No. of Shares Held</u>	<u>% of Issued and Outstanding</u>
Vancouver Stock Exchange Service Corporation Vancouver, British Columbia	648,388	29.16%
Robert G. Hunter Coquitlam, British Columbia	380,000	17.01%
Robert A. Dickinson North Vancouver, British Columbia	356,000	16.01%
Douglas B. Forster Vancouver, British Columbia	290,000	13.04%

7. OPTIONS TO PURCHASE SECURITIES OF THE COMPANY

Incentive stock options have been granted to the following directors and key employees in the amounts hereinafter set out and exercisable within 2 years from January 18th, 1988 (for Directors only) and May 25th, 1990 for employees only.

Directors

<u>Name</u>	<u>No. of Shares</u>	<u>Price</u>
Douglas B. Forster	59,400	\$1.10
Barry D.C. McKnight	15,000	\$1.10

Employees*

<u>Name</u>	<u>No. of Shares</u>	<u>Price</u>
Jeffrey Franzen	85,000	\$3.00
Bernhard Augsten	15,000	\$3.00
Greg Dawson	15,000	\$3.00

Final Vancouver Stock Exchange approval is still pending for these options.

The options are non-assignable and non-transferable.

B. SECURITIES OF THE COMPANY HELD IN ESCROW, IN POOL OR SUBJECT TO HOLD RESTRICTIONS

As of the date of this filing statement, 750,000 shares are held in escrow by The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1P3 subject to the direction or determination of the Superintendent of Brokers ("herein the "Superintendent"). The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any tradings of the shares without the prior consent of the Superintendent while the Company is not listed on the Vancouver Stock Exchange (the "Exchange").

The 750,000 escrowed shares have been issued to the Company's three Directors, namely United Mineral Services Ltd. (wholly owned by Robert Allan Dickinson) 300,000, Douglas Burton Forster and Robert G. Hunter, each as to 150,000, and Rishi Raj Walia former promoter of the Company, 150,000 in consideration of \$0.01 per share. These shares have been issued pursuant to the Superintendent's policies relating to allowable Principals' incentive share positions. Any release of shares from escrow will be subject to the discretion of the Exchange should the Company obtain such a listing. Release of shares held in escrow will be based upon consideration of the Company's success and the degree of responsibility for such success attributed to the Principals. Any escrowed shares not released within ten (10) years of the date of January 18, 1988 will be surrendered by the holders thereof to the Company by way of gift or cancellation.

As of the date of this Filing Statement, a total of 519,238 shares of the Issuer are pooled. These shares were issued at a price of \$0.25 per share. 1,038,476 pooled shares were pooled with the Issuer's Transfer Agent, Canada Trust Company, and are subject to release on the following basis:

- (a) 25% were released on the day the shares of the Issuer commenced trading on the Vancouver Stock Exchange, namely January 26th, 1988 (the "Listing Date");
- (b) 25% were released three months following the Listing Date, namely on April 26th, 1988;
- (c) 25% shall be released six months following the Listing Date;

- (d) the balance shall be released nine month following the Listing Date.

As of the effective date hereof there are a total of 220,000 shares subject to a one year hold period pursuant to the private placement described in Item 1B hereof. The hold periods expire at various dates based on when funds were advanced to th Company. The hold periods generally expire on or before June 4, 1989.

9. PARTICULARS OF OTHER MATERIAL FACTS

- (1) There are no legal proceedings to which the Company is or is likely to become a party to.
- (2) There are no properties proposed to be acquired for which regulatory approval is not being sought under this filing statement. The only other material transaction for which regulatory approval is not being sought under this filing statement is a proposed private placement by the Company announced June 1st, 1988 with Homestake Mining Company Ltd. ("Homestake") (or one of its affiliates) whereby Homestake will purchase 500,000 units of the Company at a price of \$3.00 per unit, each unit consisting of one common share of the Company and one warrant to purchase 500,000 common shares at a price of \$4.50 per share exercisable until September 30, 1988.
- (3) The Company has no bonds, indentures, notes or other debt obligations outstanding.
- (4) There are no other material facts.
- (5) Geological reports or material contracts referred to herein with respect to the Trophy and other properties of the Company are available for inspection at the Company's Registered and Records office 1600 - 609 Granville Street, Vancouver, British Columbia, V7Y 1C3 during normal office hours for a period of thirty days following acceptance of this filing statement.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the company's affairs.

This Certificate must be signed by two directors of the company.

NAME ROBERT G. HUNTER

SIGNATURE 

NAME ROBERT A. DICKINSON

SIGNATURE 

DATED at Vancouver, British Columbia this 7th day of June, 19 88