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VANCOUVER STOCK EXCHANGE
BRITISH COLUMBIA, CANADA

1046-053
TROPHY -
(P. Tarmigan)

D.L.
PROPERTY FILE
Trophy 1046 NW, NE

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.