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THE MT. MILLIGAN BULK TONNAGE
GOLD-COPPER PROJECT

A POTENTIAL
LEADING CANADIAN GOLD PRODUCER

UNITED LINCOLN RESOURCES INC.

A Subsidiary of
CONTINENTAL GOLD CORP.

*Lowill tons @ 0.29 Cu
0.025 Au*

OCTOBER, 1988

INTRODUCTION

The Mt. Milligan deposit is a newly discovered bulk tonnage gold-copper deposit in central British Columbia. In order to control development of Mt. Milligan, Continental Gold Corp (VSE:CUG) has acquired a 69% controlling interest in United Lincoln Resources Inc. (VSE:ULN, NASDAQ:ULNNF) Recent drill program results indicate that the Mt. Milligan Project has excellent potential to develop into a 150,000 oz - 200,000 oz per year gold mine and in addition produce significant copper.

LOCATION

The Mt. Milligan property is in central British Columbia, 45 km west of MacKenzie and has good road access. Topographic relief and climate are moderate and there are no identified environmental concerns. Electric power, highways and railway services are available in Mackenzie and nearby Fort St. James. (See Figure 1).

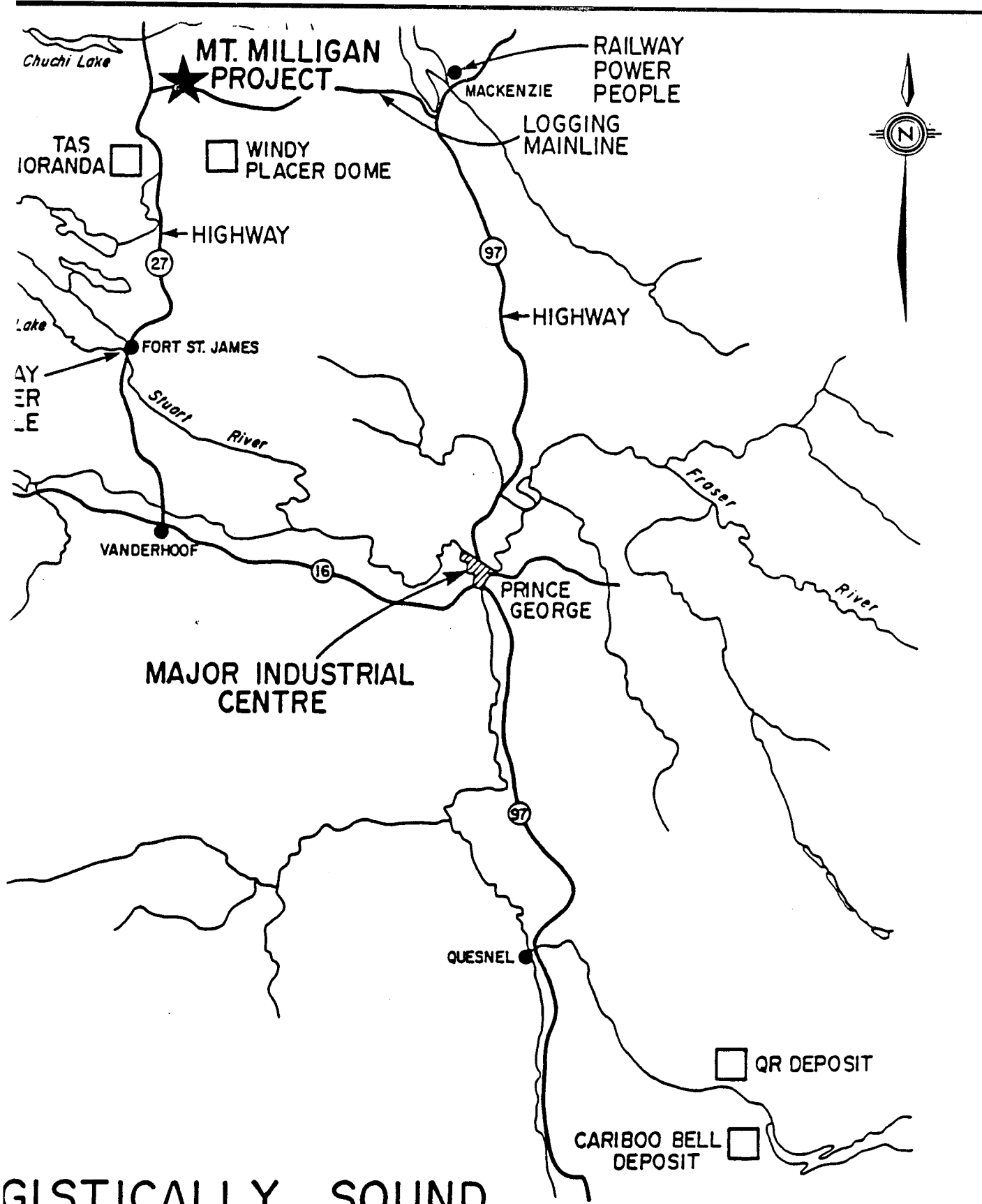
OWNERSHIP

The Mt. Milligan Project is a joint venture between United Lincoln Resources Inc. (70%) and BP Canada Resources Limited (30%). United Lincoln is the operator.

PROJECT SCOPE

The Mt. Milligan Property is in a regionally extensive belt where gold and copper-gold deposits are closely associated with alkaline intrusions (See Figure 2). Example deposits are:

<u>DEPOSIT</u>	<u>NUMBER OF ZONES</u>	<u>TONS (000,s)</u>	<u>%CU</u>	<u>GRADE AU oz/ton</u>	<u>STATUS</u>
Teck-Afton	3	30,000	1.00	0.014	Mine
Cassiar-Copper Mountain	2	133,000	0.42	0.005	Mine
Placer Dome-QR	3	1,000	-	0.200	Feasibility
Imperial-Caribou Bell	6	128,000	0.31	0.012	Exploration
Cominco-Fish Lake	1	201,000	0.24	0.015	Exploration



GISTICALLY SOUND

UNITED LINCOLN RESOURCES INC.		
MT. MILLIGAN GOLD/COPPER PROJECT LOCATION MAP		
Drawn. J.W.	Date. Oct. 1988	FIG.
Scale. As shown		1

UPPER TRIASSIC AND LOWER JURASSIC VOLCANIC ROCKS,
SIGNIFICANT COPPER DEPOSITS, AND ASSOCIATED
ALKALIC PLUTONS IN THE CANADIAN CORDILLERA

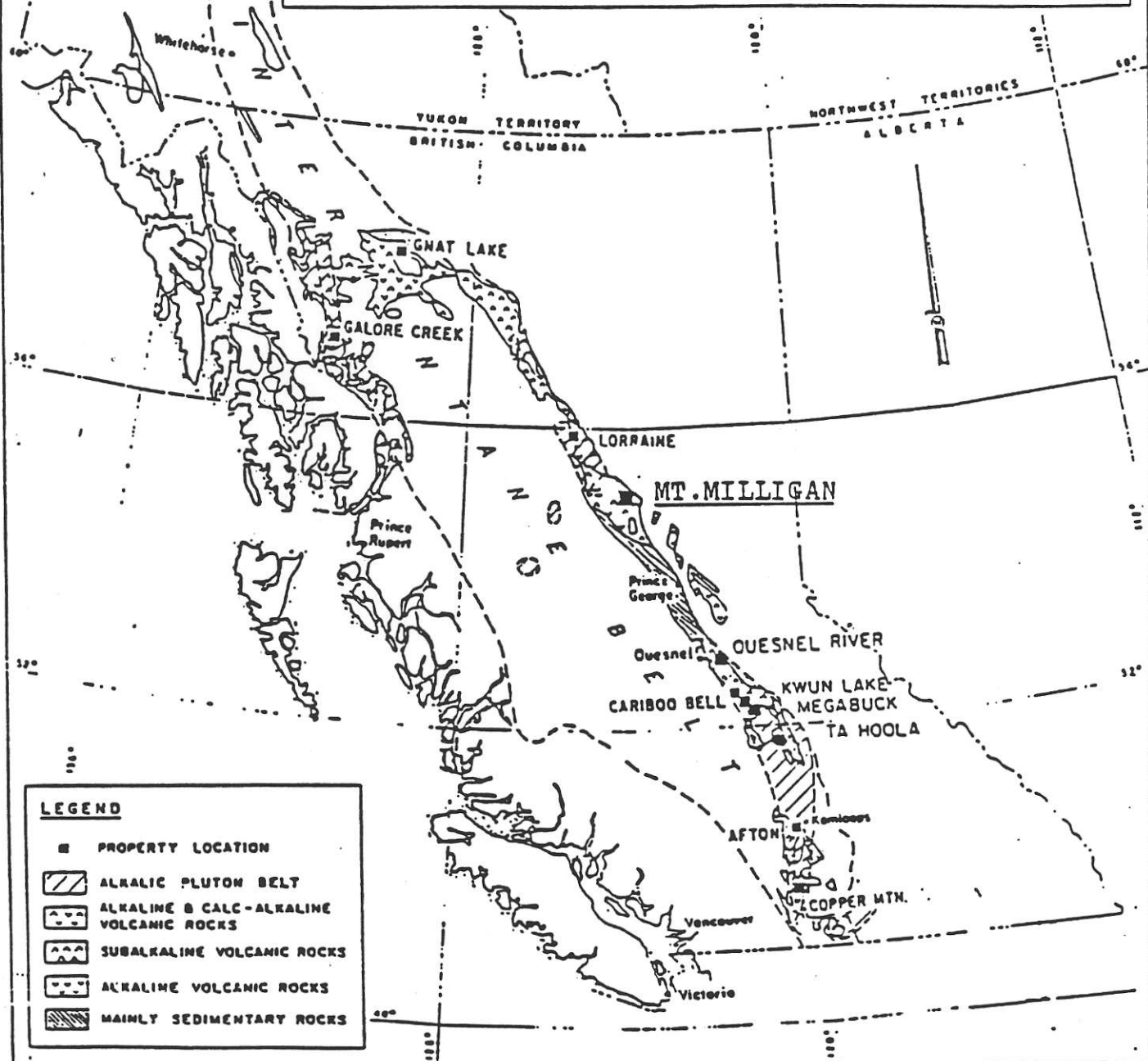
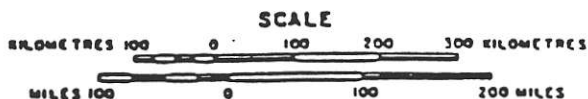


FIGURE 1 — Upper Triassic and Lower Jurassic volcanic rocks, significant copper deposits and associated alkalic plutons in the Canadian Cordillera.

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MT. MILLIGAN
GOLD/COPPER PROJECT
REGIONAL GEOLOGY

Drawn. J.W

Date. Oct. 1988

FIG. 2

The Mt. Milligan property has similar geological characteristics to these deposits with an important difference; Mt. Milligan gold values are significantly higher.

World class examples of the Mt. Milligan type gold-copper deposit are:

<u>DEPOSIT</u>	<u>ZONE</u>	<u>TONS</u>	<u>GRADE</u>	
			<u>CU%</u>	<u>AU OZ/TON</u>
Ok Tedi (Papua New Guinea)	1.	30,000,000	1.86	0.026
	2.	371,000,000	0.81	0.017
Battle Mountain (Nevada)	1.	11,300,000	-	0.203
	2.	4,000,000	0.79	0.025
	3.	13,900,000	0.79	0.025

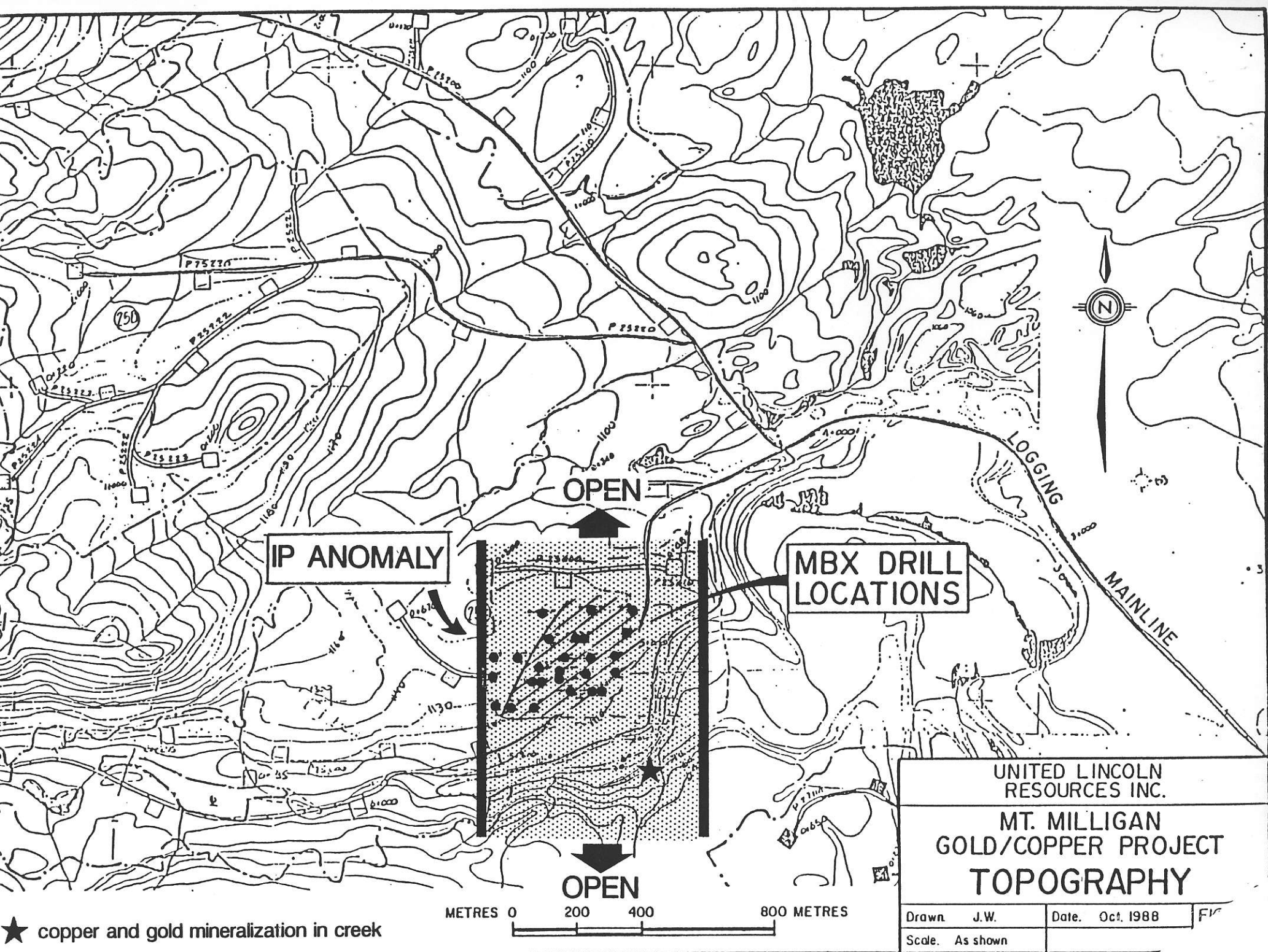
RESERVES

A recently completed reconnaissance drill program at Mt. Milligan discovered the MBX Bulk Tonnage Gold-Copper Deposit in altered volcanic rocks adjacent to an alkaline stock (See Figures 3,4,5,6,7,8). A preliminary geological inventory based on 31 NQ diamond drill holes indicates an initial reserve in the order of 20 million tons containing over 500,000 ounces of gold plus copper. Average gold grades are in the 0.020 - 0.040 oz/ton range with average copper grades in the 0.30 - 0.50% range. The MBX Deposit is open to extension in all directions and to depth.

Multiple deposits are suspected. Gold and copper surface geochemical anomalies are extensive throughout the property (See Figure 9).

PROGRAM

The United Lincoln/B.P. Canada joint venture will initiate an accelerated development program in November, 1988. The \$1,200,000 program will delineate the extent of the MBX deposit and complete preliminary metallurgical and engineering studies.



IP ANOMALY

MBX DRILL LOCATIONS

OPEN

OPEN

UNITED LINCOLN
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MT. MILLIGAN
GOLD/COPPER PROJECT
TOPOGRAPHY

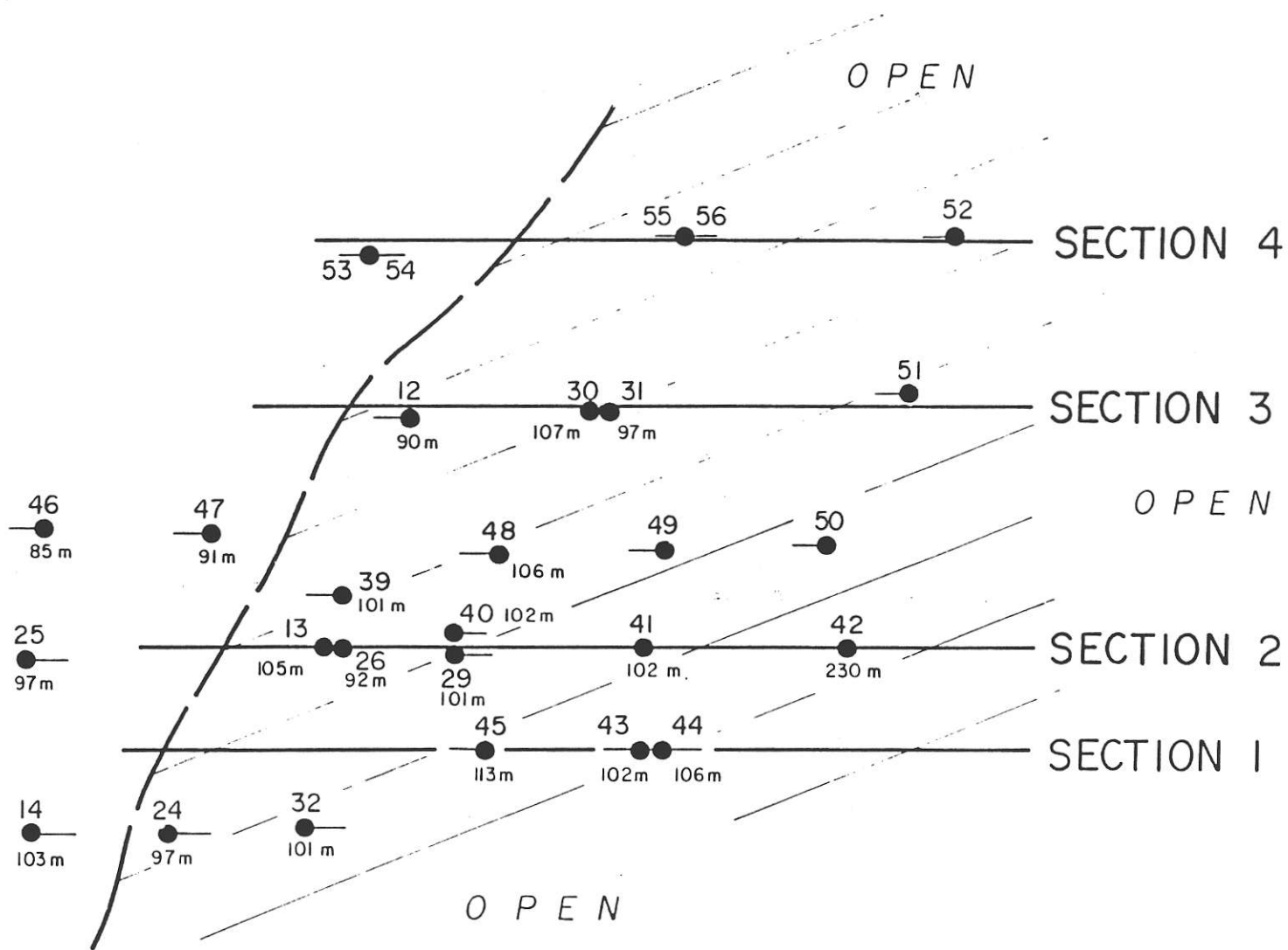
METRES 0 200 400 800 METRES

★ copper and gold mineralization in creek

Drawn	J.W.	Date	Oct. 1988	File
Scale	As shown			

WEST

EAST



● COMPLETED HOLES TO NOV. 1, 1988



UNITED LINCOLN
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MT. MILLIGAN
GOLD/COPPER PROJECT
MBX DRILL LOCATIONS

Drawn JW

Date Oct. 1988

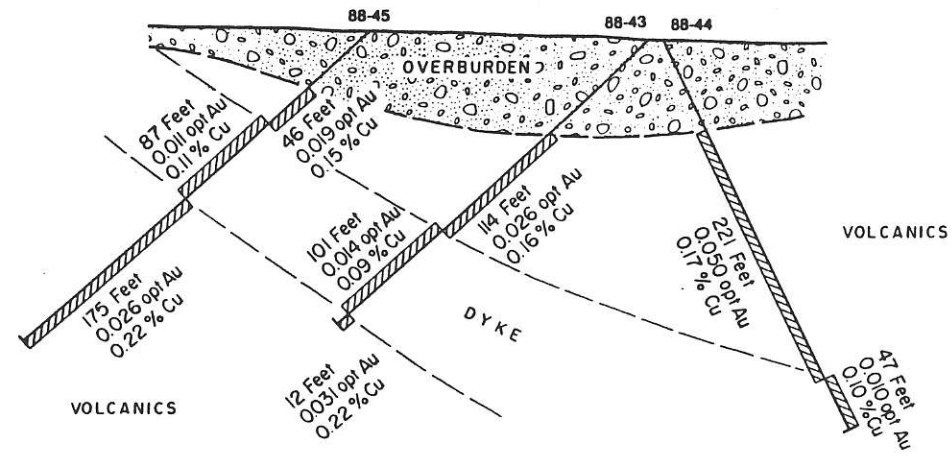
FIG.

Scale As shown

4

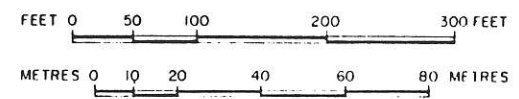
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(3600')

1100 m
(3600')



1000 m
(3300')

1000 m
(3300')

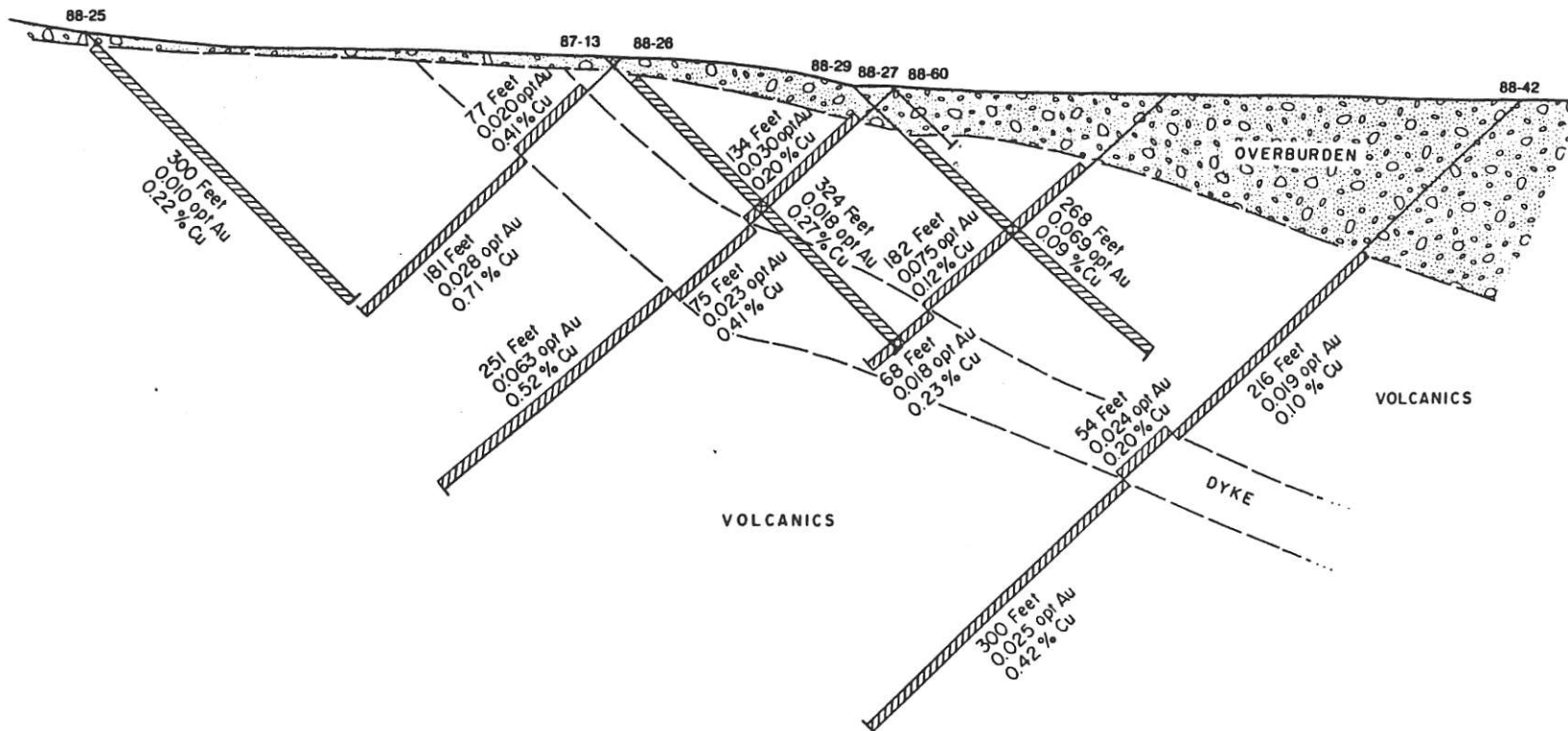


UNITED LINCOLN
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MT. MILLIGAN PROJECT

SECTION 1

DRAWN JW	DATE NOV 1988	FIGURE
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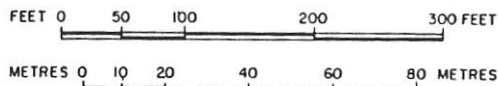


1100 m
(3600')

1100 m
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1000 m
(3300')

1000 m
(3300')



UNITED LINCOLN
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MT. MILLIGAN PROJECT

SECTION 2

DRAWN

J.W.

DATE

NOV. 1988

FIGURE

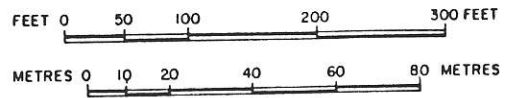
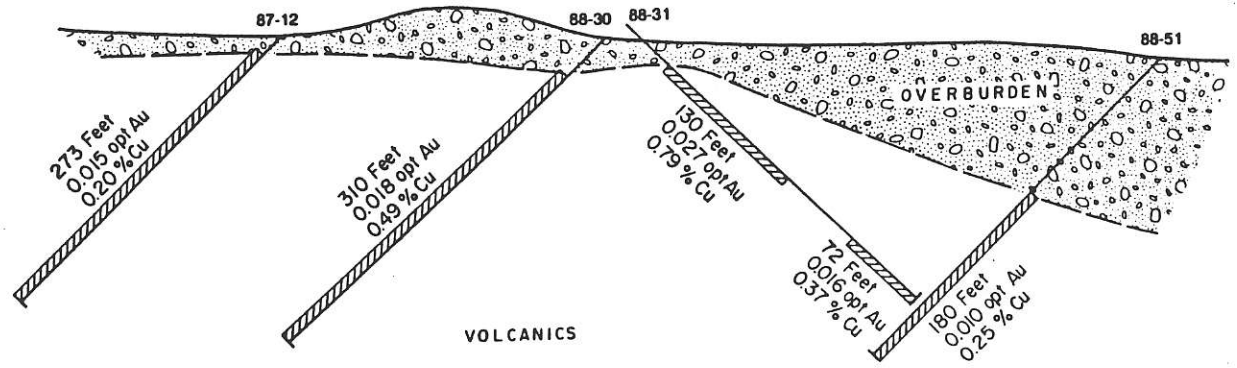
6

1100 m
(3600')

1000 m
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1100 m
(3600')

1000 m
(3300')



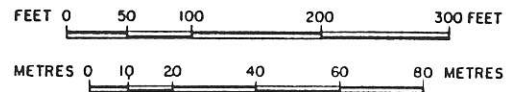
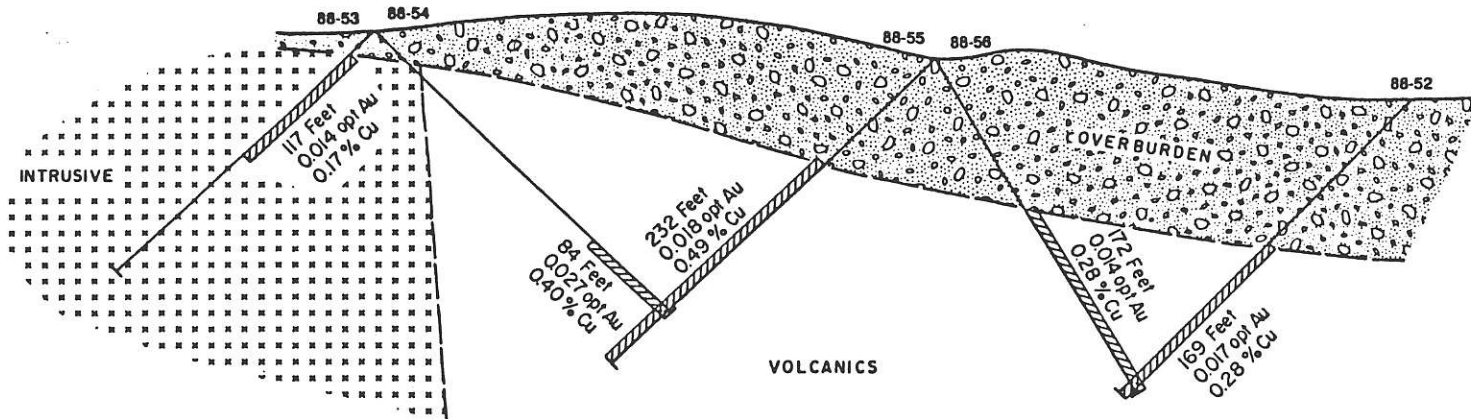
UNITED LINCOLN RESOURCES INC.		
MT. MILLIGAN PROJECT		
SECTION 3		
DRAWN	DATE	FIGURE
J.W.	NOV. 1988	

1100 m
(3600')

1100 m
(3600')

1000 m
(3300')

1000 m
(3300')

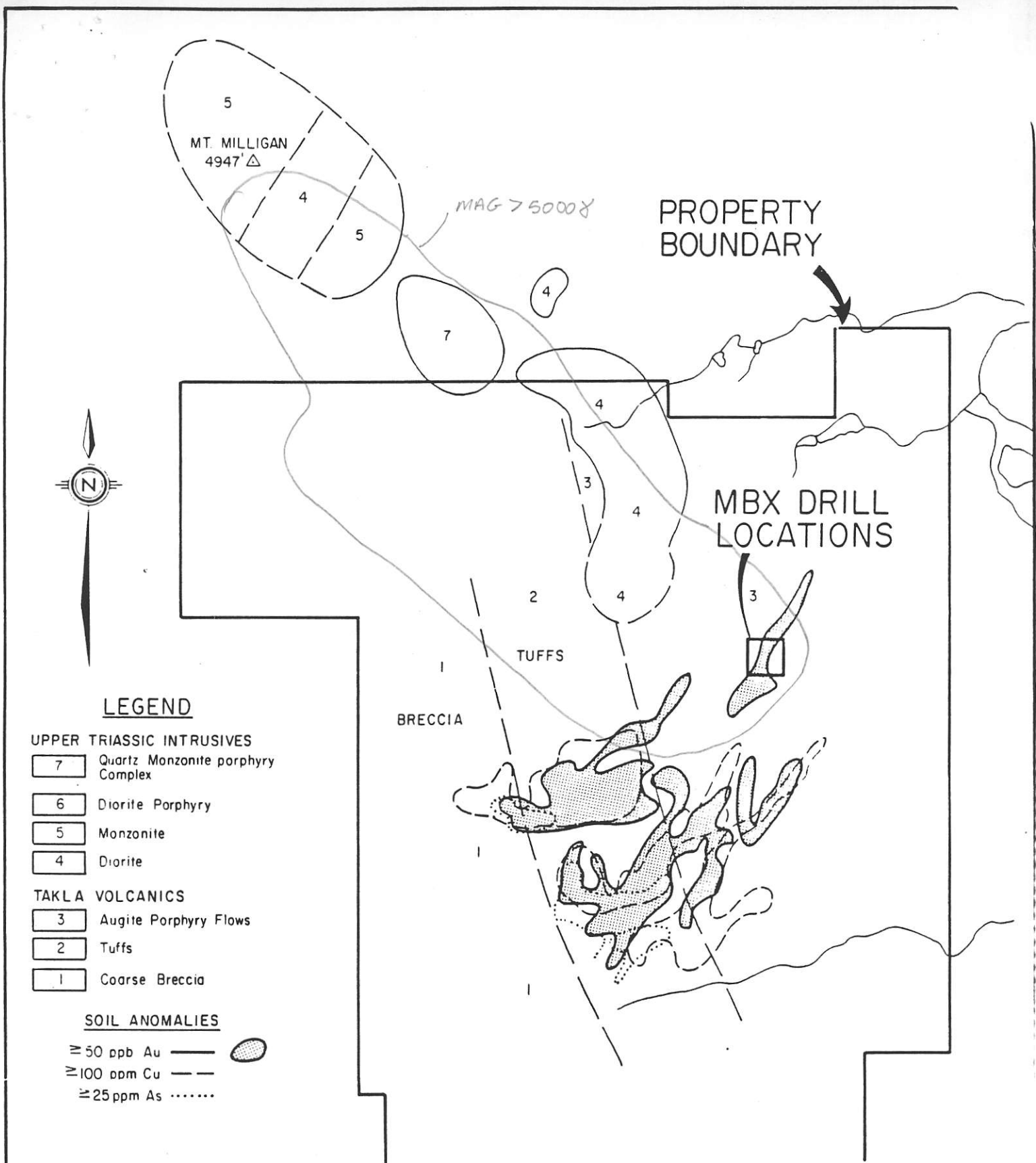


UNITED LINCOLN
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MT. MILLIGAN PROJECT

SECTION 4

DRAWN	J.W.	DATE	NOV. 1988	FIGURE	8
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LEGEND

UPPER TRIASSIC INTRUSIVES

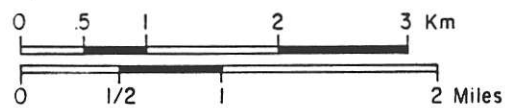
- 7 Quartz Monzonite porphyry Complex
- 6 Diorite Porphyry
- 5 Monzonite
- 4 Diorite

TAKLA VOLCANICS

- 3 Augite Porphyry Flows
- 2 Tuffs
- 1 Coarse Breccia

SOIL ANOMALIES

- ≥ 50 ppb Au
- ≥ 100 ppm Cu
- ≥ 25 ppm As



**EXTENSIVE GOLD/COPPER
GEOCHEMICAL ANOMALIES**

PROPERTY
BOUNDARY

MBX DRILL
LOCATIONS

BRECCIA

TUFFS

MAG 75000

UNITED LINCOLN
RESOURCES INC.

**MT. MILLIGAN
GOLD/COPPER PROJECT
COMPILATION MAP**

Drawn. J.W.	Date. Oct. 1988	FIG. 9
Scale. As shown		

A fast-track program involving infill drilling, bulk sampling, and advanced metallurgical, engineering and environmental studies providing the technical base for a bankable feasibility study is envisioned to follow.

ECONOMIC MODELS

Continued comparable drill results will lead to the development of a leading Canadian gold producer. The preliminary economic models below and the Bulk Tonnage Case History attached provide the reader with a conceptual economic framework for the Mt. Milligan Project.

MODEL 1 - QUICK CAPITAL AND OPERATING COST ESTIMATE

TARGET

SIZE	60,000,000 tons
GRADE	0.035 ounces Au/ton 0.35% Cu

MINE MODEL

OPEN PIT	w/o = 2.5/1
MILLING	Flotation - Cu Concentrate.
MILLING RATE	15000 TPD 5,000,000 TPY
MINE LIFE	12 years
CAPITAL COST	\$9,000 per daily ton milled \$135,000,000
OPERATING COST	\$9.00/ton - cash site
Cu RECOVERY	85%
Au RECOVERY	75%
Cu CONCENTRATE	25% Cu

METAL PRICES

Cu \$C 1.00/lb
Au \$C 520/ounce

ANNUAL OPERATIONS

Cu in concentrate 29,750,000 lbs
Cu concentrate 59,500 tons
Au in concentrate 131,250 ounces
Concentrate Au Grade 2.21 ounces/ton

REVENUE PER TON Cu CONCENTRATE

Total revenue from concentrate = \$1,540/ton

COSTS PER TON Cu CONCENTRATE

Total on and off site costs = \$906/ton

PAYBACK PERIOD

(Assume project not taxable until
capital costs recovered)

Operating Profit/ton concentrate = \$634/ton

Project Annual Operating Profit = \$37,723,000

Project Payback Period = $\frac{\text{Capital Cost}}{\text{Annual Operating Profit}}$
= $\frac{\$135,000,000}{\$37,723,000}$

Payback = 3.6 years

**MODEL 2 - OPERATING SCENARIOS WHERE MINE REVENUE
EQUALS TWO TIMES CASH OPERATING COSTS**

Deposits where projected mine revenue is twice the cash operating cost commonly get the green light for a production decision.

The following table lists varying gold and copper grades that meet this hurdle.

15,000 TPD OPEN PIT AND FLOATATION CONCENTRATOR

CU%	GRADE AU OPT	REVENUE = 2 x COSTS		PAYBACK YEARS
		ANNUAL OUNCES MINED	GOLD RECOVERED	
0.80	0.036	180,000	135,000	2.1
0.60	0.040	200,000	150,000	2.2
0.40	0.043	215,000	161,000	2.5
0.20	0.047	235,000	176,000	2.7

On Figure 10 this 15,000 TPD economic model is graphically depicted and compared with the average grade from top to bottom of all holes drilled at the MBX Deposit.

MODEL 3 - BULK TONNAGE OPERATING SCENARIOS

Bulk tonnage gold mineralization at Mt. Milligan, if mined on a large-scale, would make the deposit one of Canada's largest gold mines. The table below shows the dramatic economic effects of bulk mining:

BULK TONNAGE - MINE OPERATIONS SUMMARY

TONS MILLED/DAY	MINE GRADE		ANNUAL OUNCES GOLD		PAYBACK YEARS
	% CU	AU OPT	MINED	RECOVERED	
15,000	0.80	0.036	180,000	135,000	2.1
	0.60	0.040	200,000	150,000	2.2
	0.40	0.043	215,000	161,000	2.5
	0.20	0.047	235,000	176,000	2.7
25,000	0.80	0.021	189,000	142,000	2.2
	0.60	0.024	216,000	162,000	2.5
	0.40	0.027	243,000	183,000	2.8
	0.20	0.030	270,000	203,000	3.2
35,000	0.60	0.010	130,000	98,000	2.9
	0.40	0.013	169,000	127,000	3.5
	0.20	0.016	208,000	156,000	4.3
	0.10	0.018	234,000	176,000	4.8

FIGURE 10
 MT. MILLIGAN GOLD-COPPER PROJECT
 RUN OF MINE GRADE - REVENUE SUMMARY
 15000 TPD-FLOTATION CONCENTRATE

