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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.

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

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

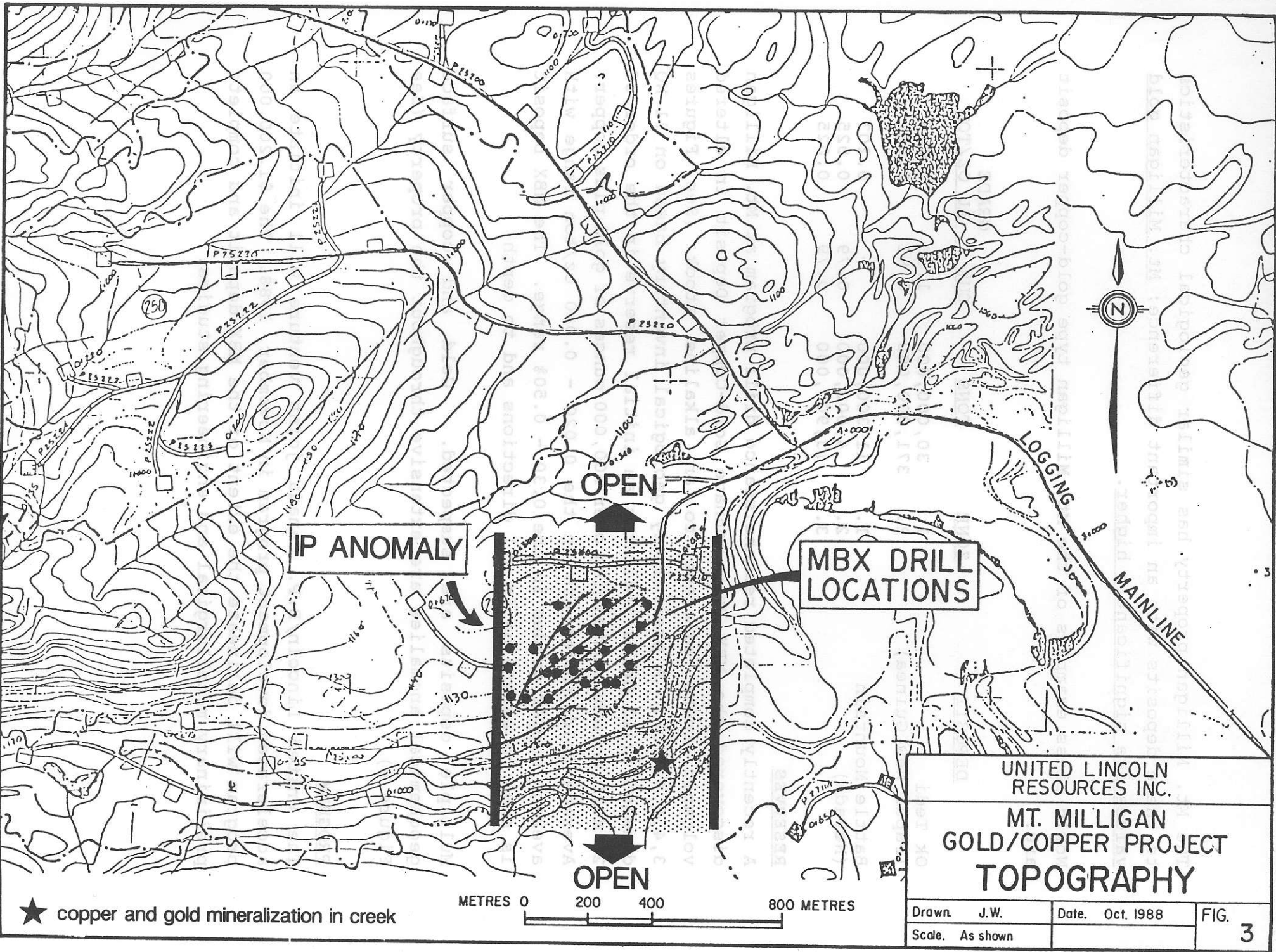
#### RESERVES

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

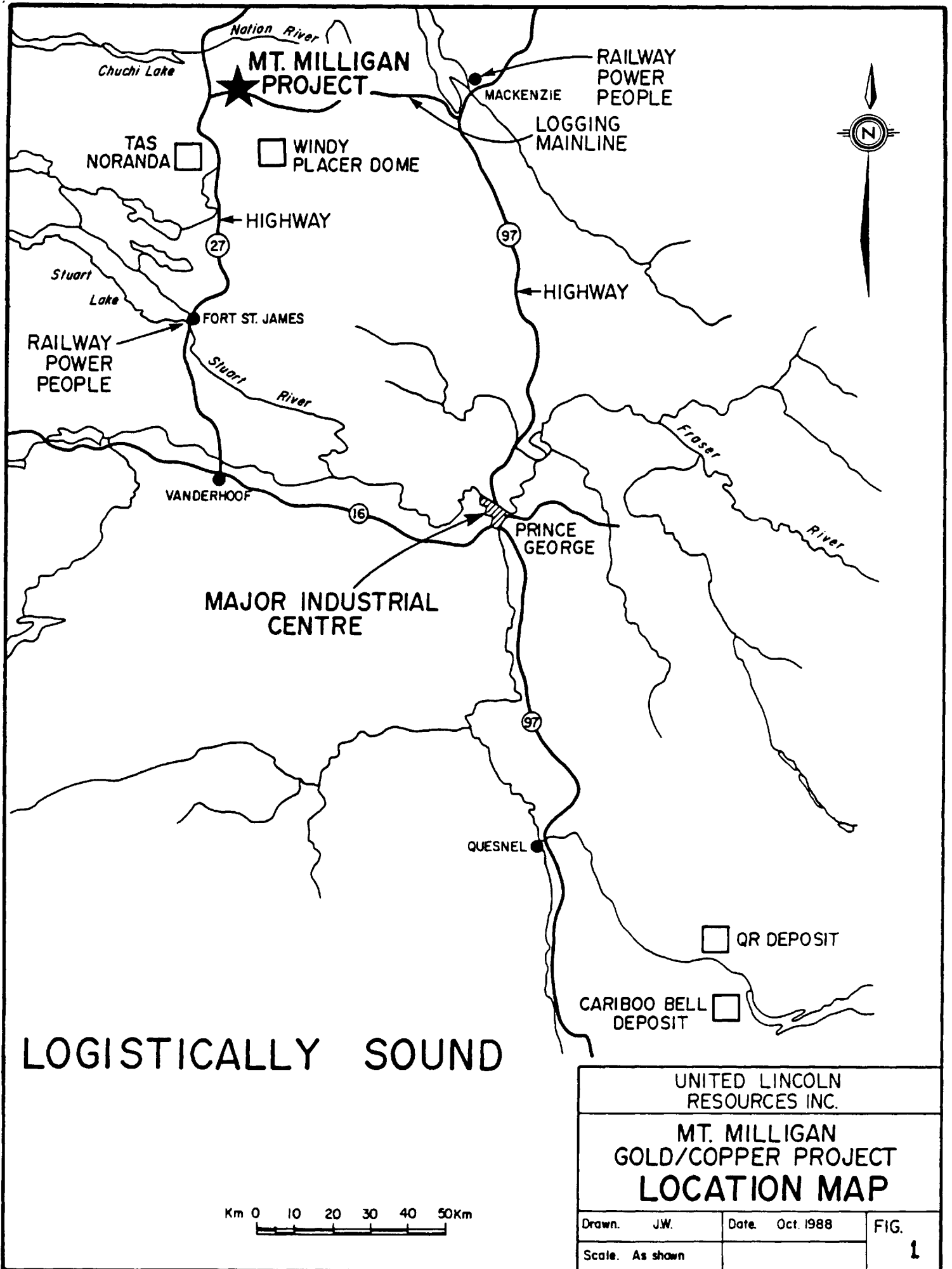
OPEN

OPEN

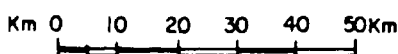
★ copper and gold mineralization in creek

METRES 0 200 400 800 METRES

UNITED LINCOLN RESOURCES INC.		
MT. MILLIGAN GOLD/COPPER PROJECT		
TOPOGRAPHY		
Drawn. J.W.	Date. Oct. 1988	FIG. 3
Scale. As shown		



LOGISTICALLY SOUND



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

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

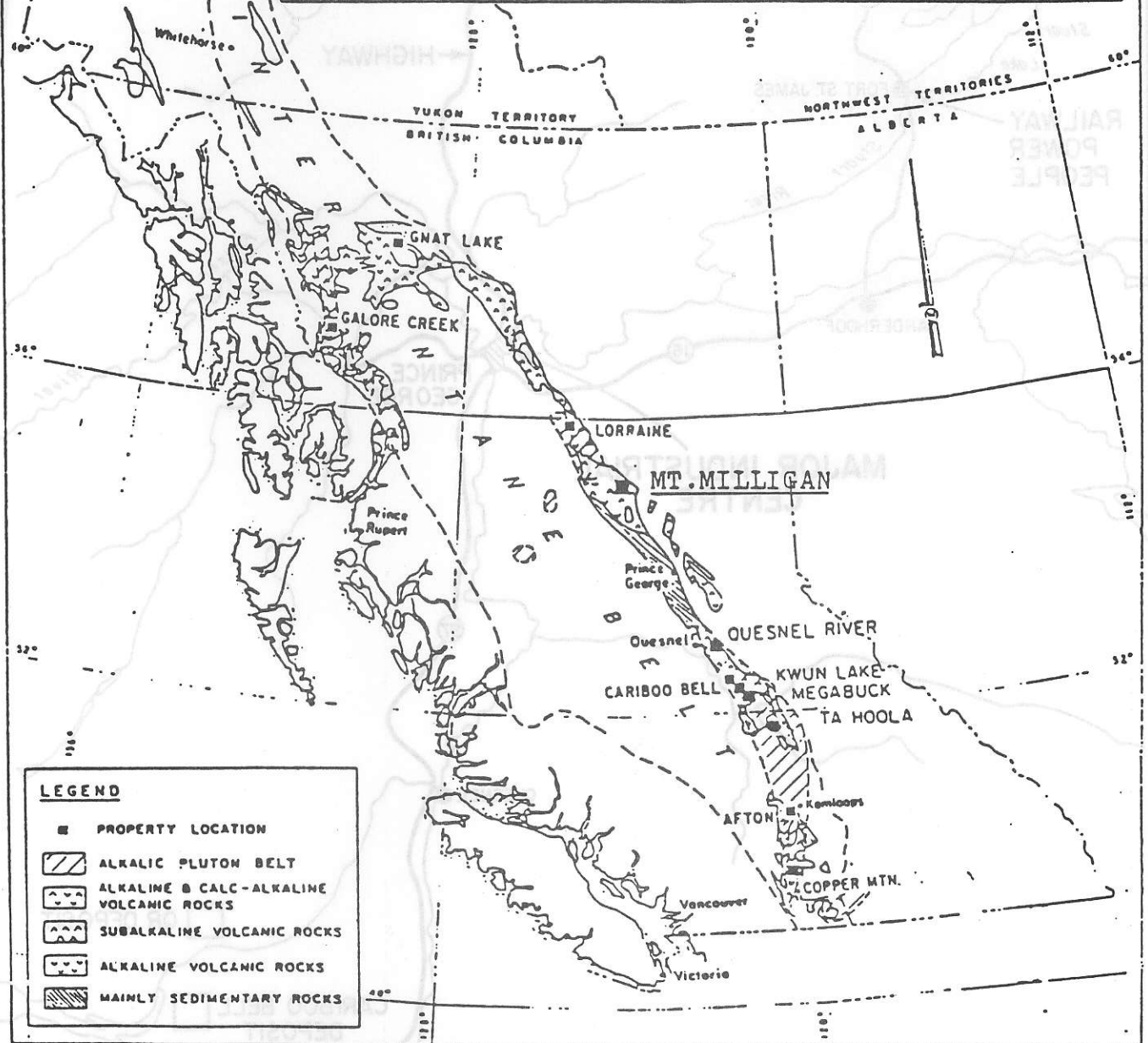
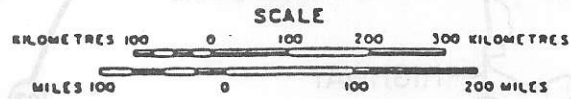


FIGURE 1 — Upper Triassic and Lower Jurassic volcanic rocks, significant copper deposits and associated alkalic plutons in the Canadian Cordillera.

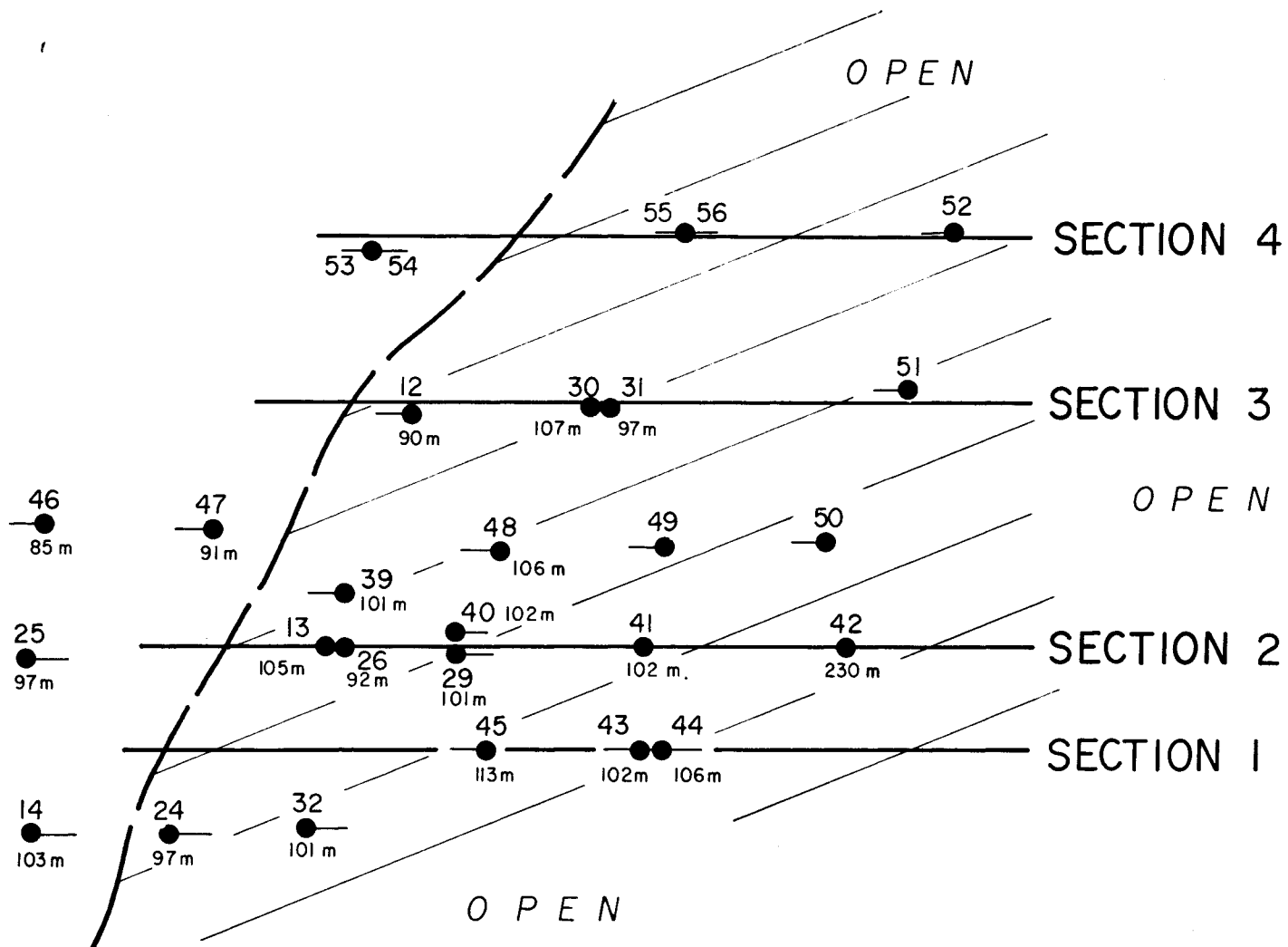
UNITED LINCOLN  
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MT. MILLIGAN  
GOLD/COPPER PROJECT  
REGIONAL GEOLOGY

Drawn. J.W.	Date. Oct. 1988	FIG. 2
Scale. As shown		

WEST

EAST



● COMPLETED HOLES TO NOV. 1, 1988



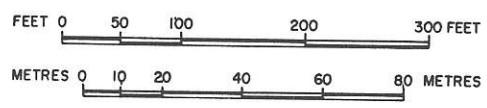
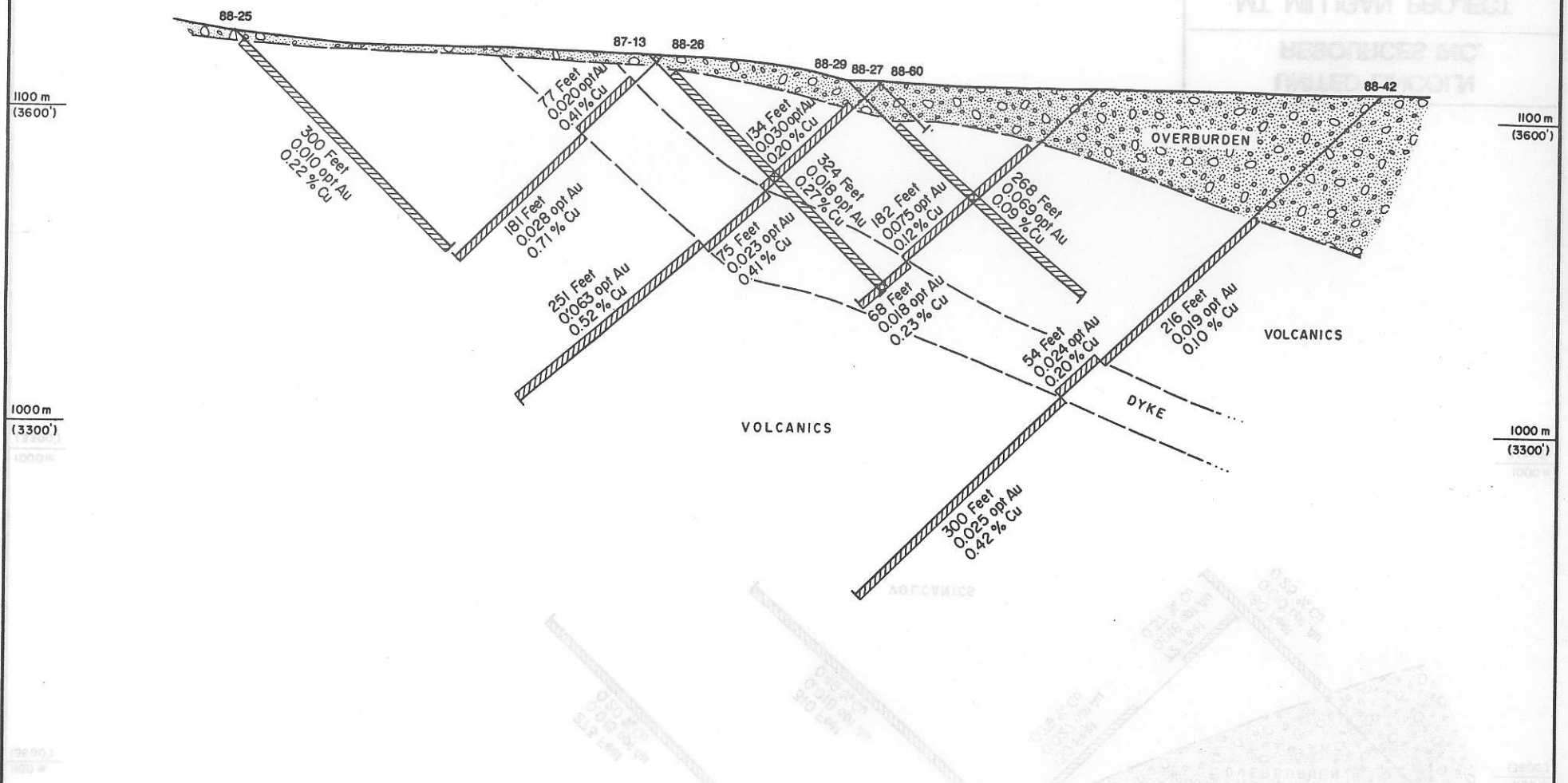
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MT. MILLIGAN GOLD/COPPER PROJECT  
MBX DRILL LOCATIONS

Drawn. JW.	Date. Oct. 1988	FIG. 4
Scale. As shown		







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**MT. MILLIGAN PROJECT**

**SECTION 2**

DRAWN J.W.	DATE NOV. 1988	FIGURE 6
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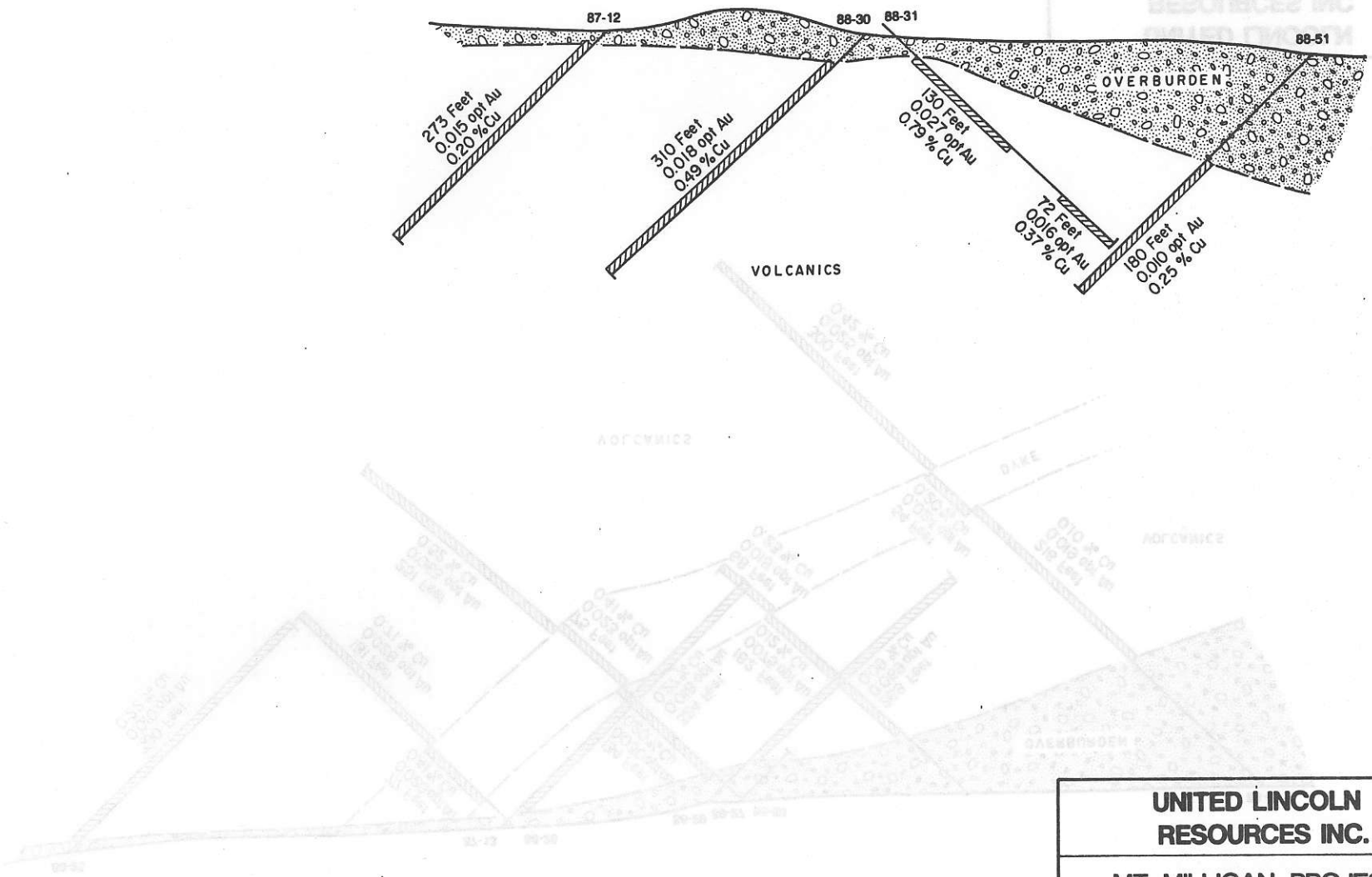


1100 m  
(3600')

1100 m  
(3600')

1000 m  
(3300')

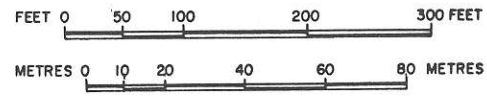
1000 m  
(3300')



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**SECTION 3**

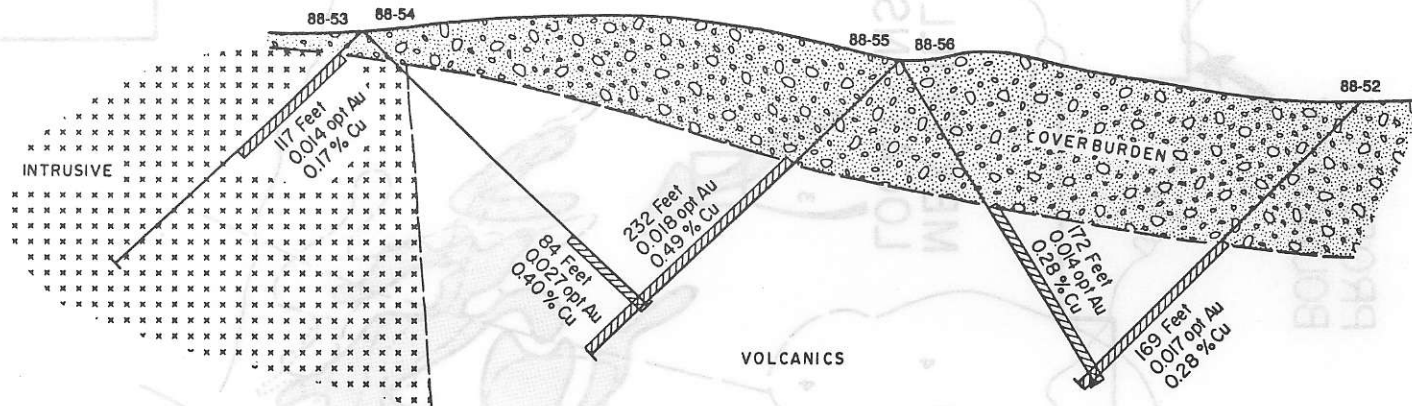


1100 m  
(3600')

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(3300')

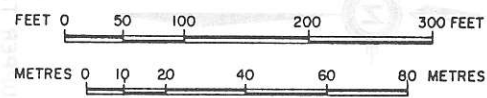
1100 m  
(3600')

1000 m  
(3300')



LEGEND

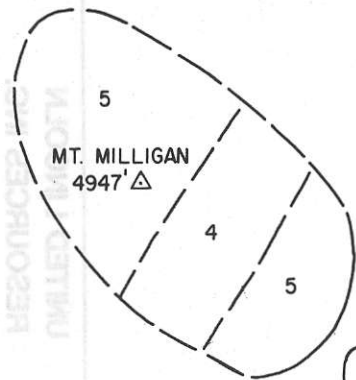
1	INTRUSIVE
2	BRECCIA
3	VOLCANICS
4	COVER BURDEN
5	DRILL CORE
6	DRILL CORE
7	DRILL CORE



<b>UNITED LINCOLN RESOURCES INC.</b>		
<b>MT. MILLIGAN PROJECT</b>		
<b>SECTION 4</b>		
DRAWN J.W.	DATE NOV. 1988	FIGURE 8

SECTION

TOLSON MOUNTAIN



PROPERTY BOUNDARY



MBX DRILL LOCATIONS

**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**

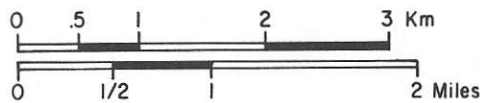
≧ 50 ppb Au

≧ 100 ppm Cu

≧ 25 ppm As

BRECCIA

TUFFS



**EXTENSIVE GOLD/COPPER GEOCHEMICAL ANOMALIES**

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

Drawn. J.W.

Date. Oct. 1988

FIG.

Scale. As shown

**9**

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



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

**15,000 TPD OPEN PIT AND FLOTATION CONCENTRATOR**

<u>CU%</u>	<u>GRADE AU OPT</u>	REVENUE = 2 x COSTS		<u>PAYBACK YEARS</u>
		<u>ANNUAL OUNCES MINED</u>	<u>GOLD RECOVERED</u>	
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**

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