



**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.

**CONTINENTAL GOLD CORP.**

*Suite 1020 - 800 West Pender St. Vancouver B.C. Canada V6C 2V6  
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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.



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Robert G. Hunter, Chairman



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Robert A. Dickinson, President



# N E W S R E L E A S E

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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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

192 VEIN ZONE

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

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

66 ZONE

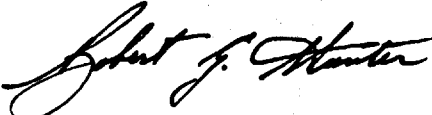
Hole No.	Azimuth (Degrees)	Dip (Degrees)	Hole Length (Feet)	Interval (Feet)		Intercept (Feet)	Copper %	Gold oz/ton
				From	To			
89-180	267	-46	664.8	249.3	305.0	55.7	0.41	0.008
				370.6	636.3	265.7	0.14	0.046
89-184	268	-45	929.8	558.3	855.4	297.1	0.02	0.107
			(including)	558.3	776.7	218.4	0.03	0.132
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)

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.

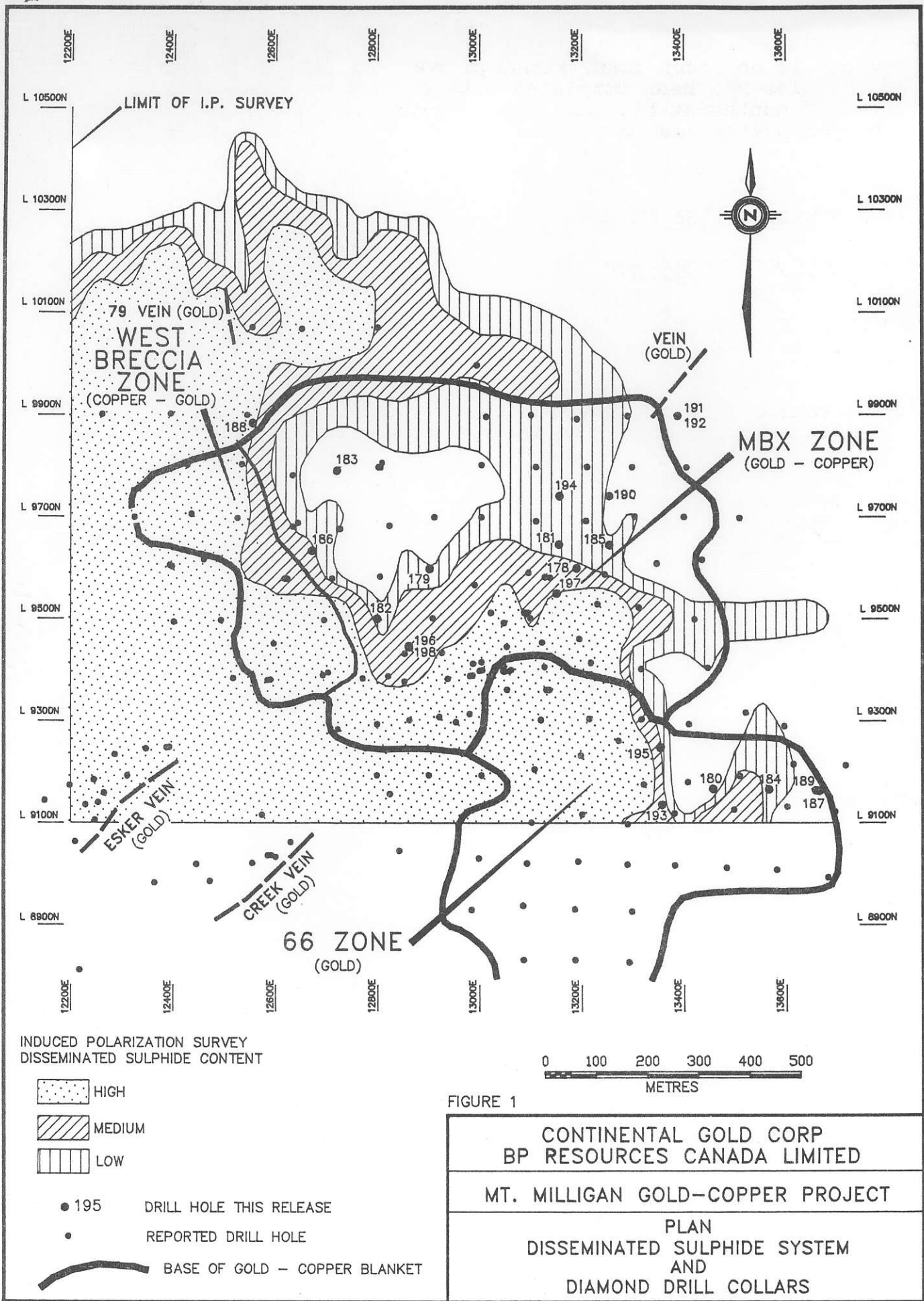
ON BEHALF OF THE BOARD

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.





INDUCED POLARIZATION SURVEY  
DISSEMINATED SULPHIDE CONTENT

-  HIGH
-  MEDIUM
-  LOW


- 195 DRILL HOLE THIS RELEASE
- REPORTED DRILL HOLE
-  BASE OF GOLD - COPPER BLANKET



FIGURE 1

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

Prepared by: RWR Mineral Graphics Ltd.



# NEWS RELEASE

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.

## CONTINENTAL GOLD CORP.

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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

**A new copper/gold company that needs to be watched**

Current price US\$4.20

During the last 18 months or so we have consistently advised the purchase of base metal mining companies and stressed that they were, generally speaking, undervalued when compared to pure gold mining situations. Ideally, for the longer term, we have suggested companies which produce both base and precious metals in the belief that earnings would be smooth over time and that eventually, the base metal mining sector would be rerated upwards. We have also pointed out that during the last few years few major base metal ore reserves have been found because most companies have concentrated on gold exploration. In this regard, Continental Gold Corp are of interest in that their Mount Milligan project combines both gold and copper. The project, which is owned 70% by Continental Gold Corp and 30% by BP Resources Canada Ltd is located in British Columbia near Fort St James.

The company currently states that reserves total 200m tons grading 0.025 oz of gold/ton and 0.3% copper. On their current projections, the mine could be started up by the end of 1992 at a capital cost of C\$230m. The company's provisional plans are for a 13m ton/annum operation which would give a 15-year life. Their projections are for an annual production of 278,000 oz of gold and 64m lbs of copper. In order to put this proposed operation into perspective the tables below compare it with Bougainville, Gibraltar and Freeport Copper.

	Copper			Gold	
	Reserve tonnage (mt)	Grade (%)	Contained (mt)	Grade (oz/t)	Contained (m oz)
Bougainville	710	0.40	2.84	0.015	10.65
Gibraltar	360	0.37	1.33		
Freeport Copper	196	1.59	3.12	0.035	6.86
Continental Gold*	200	0.30	0.60	0.025	5.00

\* geologic reserve

	Number of shares (m)	Share price (US\$)	Market cap (\$m)	Market cap/ton copper reserves (\$)	Market cap/oz gold reserves (\$)
Bougainville	401.0	1.64	658	232	61.3
Gibraltar	12.0	8.00	96	72	
Freeport Copper	42.6	14 1/2	677	282	53.4
Continental Gold	8.0	4.20	34	56	6.7

It must be remembered that Continental Gold reserve figures are geologic reserves and it will not be until further drilling is completed and a pit design finalised that mineable reserves are ascertained. Nevertheless, on the above rough comparative basis, reserves stand up well. Valuing reserves on a market capitalisation basis shows that both Bougainville and Freeport Copper are similarly rated in terms of copper and gold. However, Gibraltar is valued much less and the reason for this must be to do with costs of production and the fact that there is no gold content in the reserves. Continental Gold compares fairly with Gibraltar on the copper criteria, particularly considering it is at least three years away from production. However, the gold content is not valued very highly at all and, were the mine to produce at its planned levels, then a significant rerating would have to occur in recognition of the mine as a major North American gold producer. For instance, using the much maligned statistic of market capitalisation per annual ounce of production, gives a figure of \$120/oz for Continental Gold. In our Review of North American Gold Shares the lowest such figure for 1992 production was for BIG at \$520/oz.

Clearly therefore, if the Mount Milligan deposit lives up to Continental Gold's expectations, then the company's share price will have to be significantly rerated. Continental Gold deserves close attention and the entrepreneurial investor may well be advised to acquire an early position. Nevertheless, we must advise also that the marketability is currently very limited which can be a negative factor if things do not turn out as planned.

LONDON, ENGLAND

Metal Bulletin Monday, 8 May 1989

## MINOR, PRECIOUS METALS ■

# Mt. Milligan attracts Canadian miners

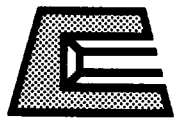
**CONTINENTAL** Gold Corp's Mount Milligan mine in British Columbia is continuing to attract considerable interest from a number of Canadian mining companies. Initial drilling which took place last week suggests reserves of 170m short tons of copper-gold ore to be mined over a 15-year period and the company is confident that additional survey results, expected in the next few weeks will reveal reserves of more than 200m short tons, yielding 278,000 oz of gold and 63.9m pounds of copper per year. This would place Mt. Milligan in second position in the Canadian gold mining stakes, behind Hemlo's Gold Giant, which produces 332,000 oz gold annually.

Continental Gold said the project, in which it holds a majority 70% stake in a JV with BP Resources Canada, will be fully financed until feasibility studies are completed in mid-1990, when Can \$230m will have to be raised. The company hopes to utilise gold loans as a vehicle for further development. But Continental Gold is considering

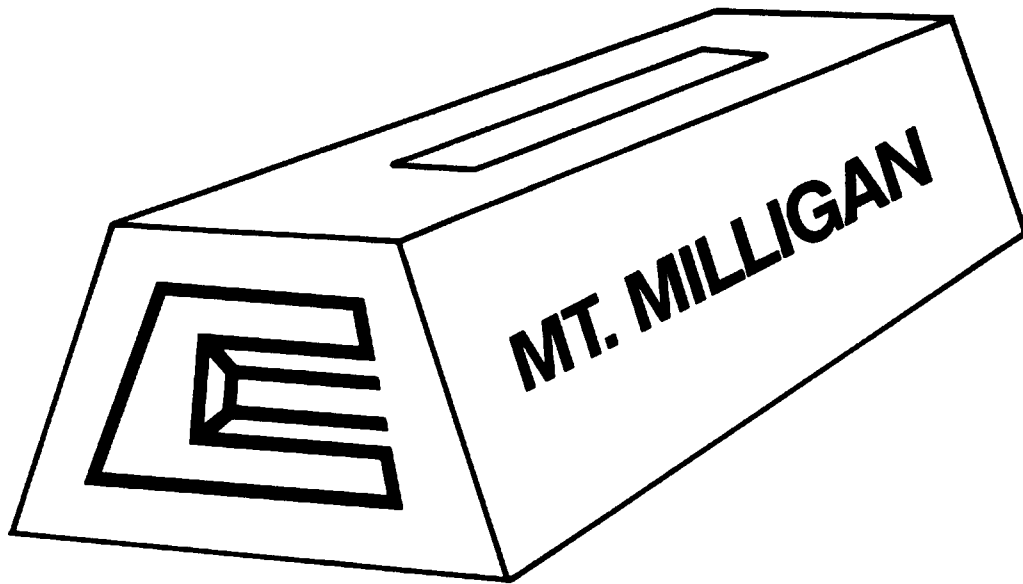
a sale of its stake in the project and several companies have already spent Can \$200,000 carrying out independent metallurgical testing on the open-cast mine. A source close to the project said 'Six of the most senior mining companies in North America are very interested', adding that one had already made an offer significantly in excess of the mine's current market value.

A spokesman for Noranda Hemlo said 'We are interested as any mining company would be because this appears to be such a rich property.' He declined to comment on the possibility of Noranda making a bid for the property. Such a move, however, would be well timed as Noranda's Brenda and Bell mines are expected to close in 1990 and 1992 respectively. Mt. Milligan should come on stream in 1992.

Placer Dome has also followed the project's progress with interest. Ed Kamura, Placer's exploration manager (western Canada) revealed 'We are interested in the potential of the property,' but refused to say if the company will make an offer.



**CONTINENTAL GOLD CORP.**



**BP RESOURCES CANADA LTD.**

**A  
GOLD - COPPER  
JOINT VENTURE**

# 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)	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

\* THERE ARE 8,200,000 CONTINENTAL GOLD CORP. SHARES OUTSTANDING INDICATING ANNUAL CASH FLOW PER SHARE IN THE RANGE OF \$8 - \$11 PER SHARE.





 CONTINENTAL GOLD CORP  
 B.C. OPEN PIT MINES

<u>MINE</u>	<u>MILLING</u> <u>TONS/DAY</u>	RESERVES			<u>NET</u> <u>REVENUE</u> <u>\$/TON *</u>	<u>CASH</u> <u>COSTS</u> <u>\$/TON</u>
		<u>START OF PRODUCTION</u> <u>TONS</u> (millions)	<u>Cu</u> %	<u>Au</u> 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

**MAJOR CANADIAN GOLD MINES  
RANKED BY ANNUAL PRODUCTION\***

	<u>OUNCES GOLD/YEAR</u>
GOLDEN GIANT	332,000
MT. MILLIGAN	278,000
PAGE-WILLIAMS	256,000
CAMBELL RED LAKE	250,000
LUPIN	175,000
DOME MINE	140,000
DAVID BELL	135,000
DOYON	124,000
BOUSQUET	87,000
GIANT MINE	85,000
CON MINE	73,000
AGNICO EAGLE	68,000
MACASSA	63,000
KIENA	61,000
DICKINSON	58,000
SIGMA	58,000
MASCOT	44,000

\* 1987 production figures

35,000 TON PER DAY, 13,000,000 TON PER YEAR MT. MILLIGAN  
MODEL

**NORTH AMERICAN GOLD PRODUCERS  
RANKED BY GOLD RESERVES**

	<u>ORE RESERVES</u> <u>(000 OZ AU)</u>	<u>MARKET CAP.</u> <u>(MM \$US)</u>
PLACER DOME	18,973	2,995
NEWMONT GOLD	14,966	3,659
AMERICAN BARRICK	10,859	1,303
HOMESTAKE	10,388	1,411
ECHO BAY	9,712	1,590
CORONA CORP.	7,211	1,135
HEMLO	6,557	1,049
TECK CORP.	5,226	909
LAC MINERALS	4,291	998
PEGASUS	3,087	305
CONTINENTAL GOLD CORP.	2,800	40
BATTLE MOUNTAIN	2,600	1,021
AMAX GOLD	2,385	930
FREEPORT	2,194	537
FMC	1,991	753
CAMBIOR	1,524	277
GALACTIC	1,332	124

\* REFLECTS CONTINENTAL GOLD CORP'S 70% INTEREST IN CURRENT  
4,000,000 OZ. RESERVE

**NORTH AMERICAN GOLD PRODUCERS  
RANKED BY ANNUAL PRODUCTION**

	<u>ANNUAL GOLD PRODUCTION (000 OZ)</u>	<u>MARKET CAP. (MM SUS)</u>
NEWMONT GOLD	1,260	3,659
PLACER DOME	1,150	2,995
HOMESTAKE	795	1,411
ECHO BAY	725	1,590
CORONA CORP.	625	1,135
BOND INTERNATIONAL	508	497
AMERICAN BARRICK	440	1,303
HEMLO	395	1,049
AMAX GOLD	354	930
TECK CORP.	351	909
LAC MINERALS	338	998
BATTLE MOUNTAIN	330	1,021
PEGASUS	303	305
FMC GOLD	295	753
FREEPORT GOLD	291	537
CAMBIOR	238	277
GIANT YELLOWKNIFE	210	92
CONTINENTAL GOLD CORP.	195	40
GALACTIC	139	124
AGNICO EAGLE	113	151
ASAMERA	80	95
BREAKWATER	78	112

\* REFLECTS CONTINENTAL GOLD CORP'S 70% INTEREST IN 35,000 TON PER DAY, 13,000,000 TON PER YEAR MT. MILLIGAN MODEL

**COST OF GOLD PRODUCTION**

	<u>OPERATING COST</u> <u>(US \$/OZ AU)</u>	<u>MARKET CAP.</u> <u>(MM \$US)</u>
CONTINENTAL GOLD CORP.	30*	40
HEMLO GOLD	120	1,049
BATTLE MOUNTAIN	155	1,021
BREAKWATER	169	112
NEWMONT GOLD	195	3,659
TECK CORP.	210	909
CORONA CORP.	210	1,135
BOND INTERNATIONAL	211	497
PLACER DOME	225	2,995
ECHO BAY	235	1,590
GALACTIC	237	124
PEGASUS	240	305
LAC MINERALS	250	998
CAMBIOR	250	277
AMERICAN BARRICK	280	1,303
HOMESTAKE	305	1,411

\* After copper credit at US \$1.00 per pound

35,000 TON PER DAY, 13,000,000 TON PER YEAR MT. MILLIGAN MODEL