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CONTINENTAL GOLD CORP.

EXECUTIVE SUMMARY

TELEGRAPH CREEK GOLD PROJECT

N.T.S. 104 F and 104G

* Trophy Gold Project *

Dokdaon Creek Project

Devils Elbow Project

Rugged Mountain Project

Chutine River Project

Barrington River Project

Liard Mining Division
Northwestern British Columbia

by

DOUGLAS B. FORSTER, M.Sc.

GREG J. DAWSON, B.Sc.

BERNHARDT E.K. AUGSTEN, B.Sc.

October 15, 1988



FRONTSPIECE: View looking northwest on the Trophy Property showing the Ptarmigan A Zone exposure in the foreground which assayed 0.15 oz/T gold equivalent over 185 Feet.

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Devils Elbow Project
Rugged Mountain Project
Chutine River Project
Barrington River Project

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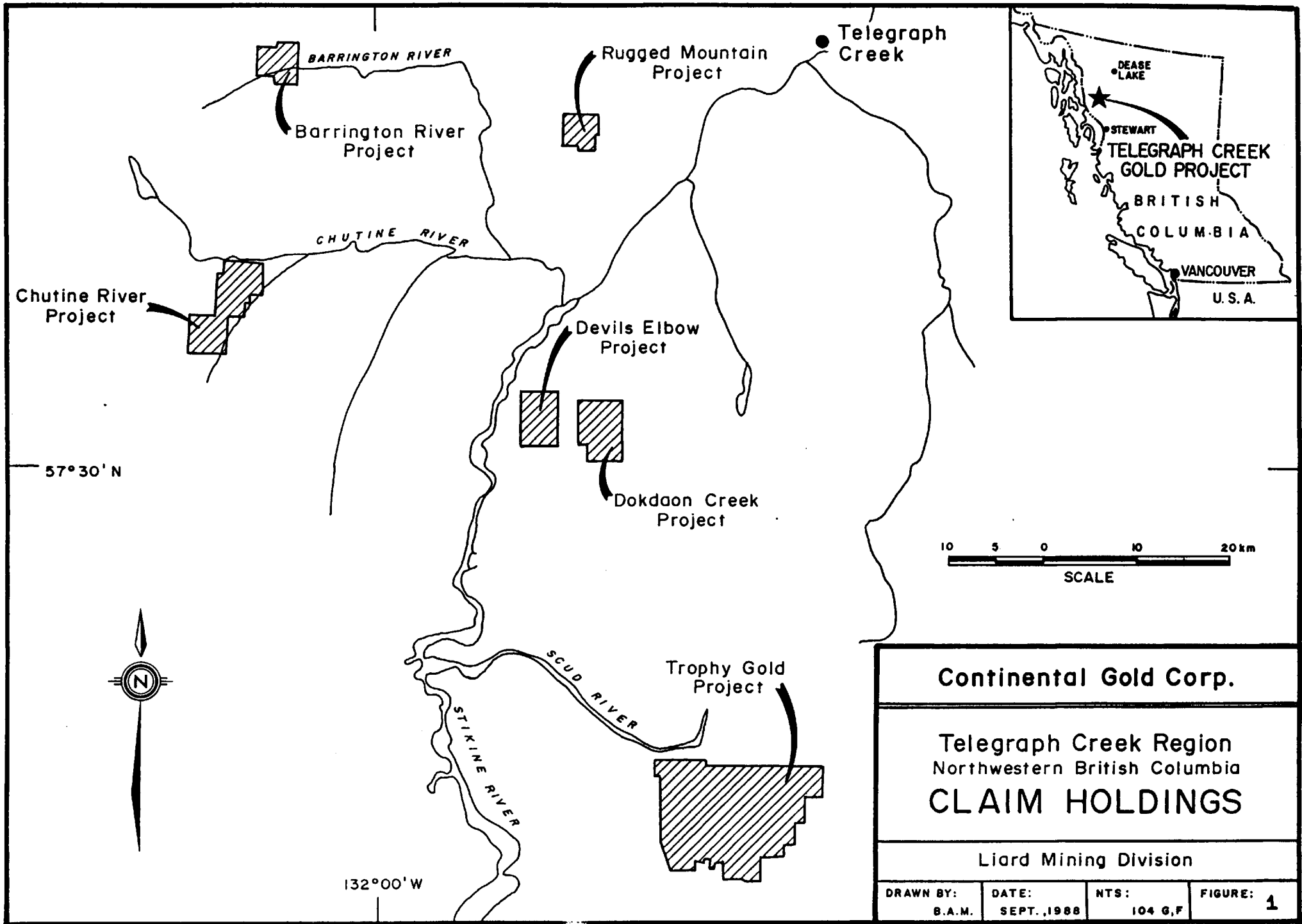
SECTION 1.0

INTRODUCTION

Continental Gold Corp.'s Telegraph Creek Gold Project is the largest, most strategically located precious metals land position in the entire 12,000 square mile Telegraph and Sumdum map sheets (N.T.S. 104F and 104G). Encompassing 75 mineral claims, totalling 1,289 units (116 square miles), Continental's Telegraph Creek Gold Project claims are located in northwestern British Columbia, along the northern extension of the gold belt which hosts the Stewart, Iskut River, and Sulphurets Creek Gold Camps. The project consists of one drill stage gold property (the Trophy Gold Project) and five early stage precious metal plays (Figure 1).

In early 1987, Directors and Senior Officers of Continental Gold Corp., fresh off their successes as Managers of North American Metal Corp.'s Golden Bear mine development in northwest, B.C., decided to begin a search for North American Metals - Iskut River type structurally-controlled precious metal deposits. The Telegraph Creek (N.T.S. 104G) map sheet was chosen, as this region represented a major exploration gap, a region of relative gold exploration quiescence, as compared with the frantic, high profile precious metal exploration being conducted both north and south of this region in the Iskut River and North American Metals' Gold Camps. The Trophy Gold Project precious metal discovery resulted from a grass roots regional exploration program conducted by Continental Gold Corp. during 1987.

Regional exploration for Iskut River-type gold deposits was concentrated in the Galore Creek region of the Telegraph sheet due to the recognition of the obvious spatial relationship between Lower Jurassic syenite intrusions and precious metal mineralization in the Sulphurets, Iskut River and Galore Creek Gold Camps (Figure 2). The Trophy Gold Project claims are situated

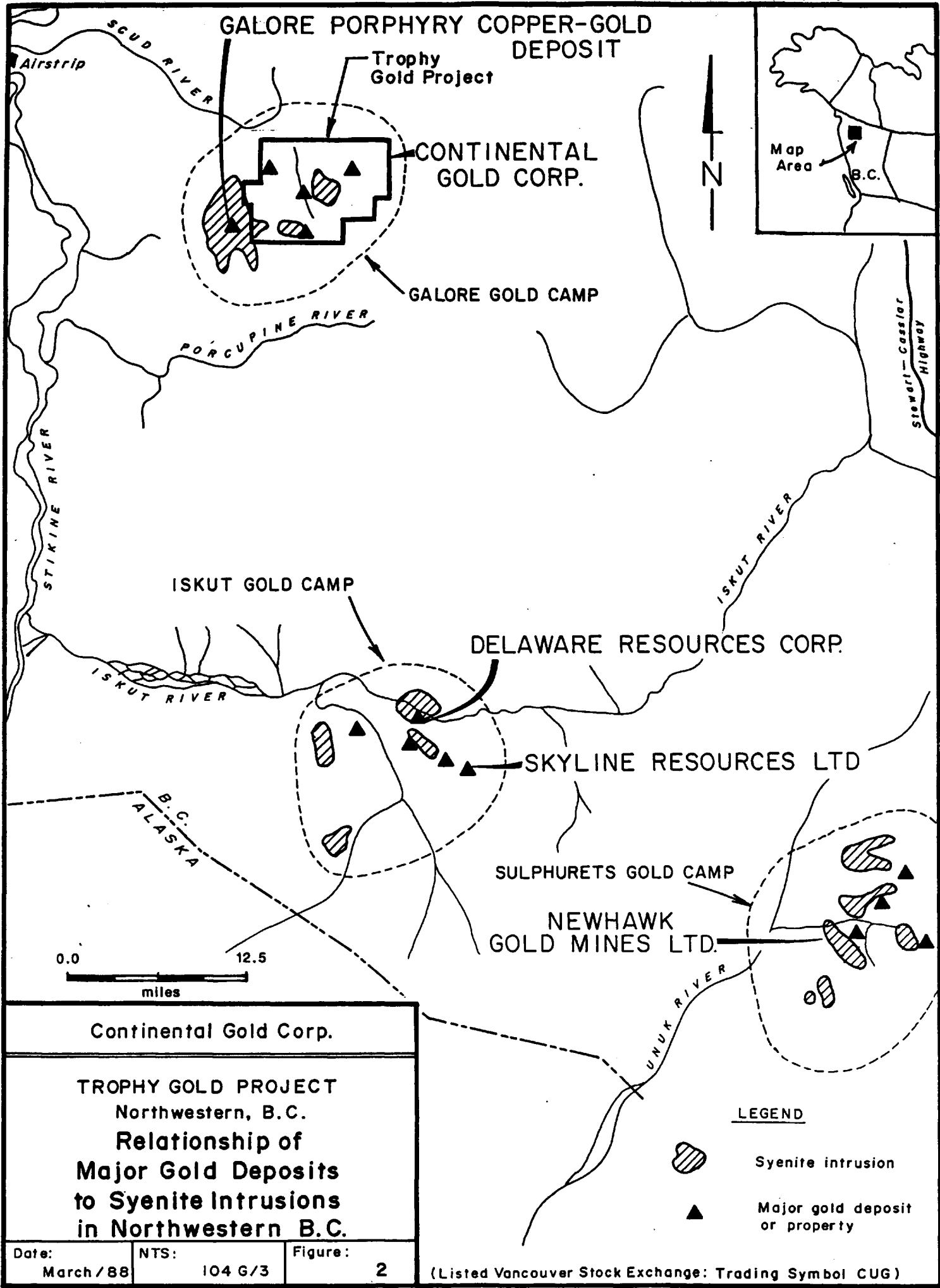


Continental Gold Corp.

**Telegraph Creek Region
Northwestern British Columbia
CLAIM HOLDINGS**

Liard Mining Division

DRAWN BY: B.A.M.	DATE: SEPT., 1988	NTS: 104 G,F	FIGURE: 1
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GALORE PORPHYRY COPPER-GOLD DEPOSIT

Trophy Gold Project

CONTINENTAL GOLD CORP.

GALORE GOLD CAMP

ISKUT GOLD CAMP

DELAWARE RESOURCES CORP.

SKYLINE RESOURCES LTD

SULPHURETS GOLD CAMP

NEWHAWK GOLD MINES LTD.

Map Area
B.C.



Stewart-Cassiar Highway

SCUD RIVER

PORCUPINE RIVER

ISKUT RIVER

UNUK RIVER

Airstrip

STIKINE RIVER

ISKUT RIVER

B.C.
ALASKA



Continental Gold Corp.

TROPHY GOLD PROJECT
Northwestern, B.C.
Relationship of Major Gold Deposits to Syenite Intrusions in Northwestern B.C.

LEGEND



Syenite intrusion



Major gold deposit or property

Date:	NTS:	Figure:
March / 88	104 G/3	2

(Listed Vancouver Stock Exchange: Trading Symbol CUG)

adjacent to Stikine Copper's Galore Creek Cu-Au deposit (2,000,000 ounces of contained gold), and 40 miles north of the Iskut River Gold Camp which hosts the Delaware / Cominco SNIP deposit (1.2 MT grading 0.75 oz/T Au) and Skyline's newly opened Johnny Mountain gold mine (1.0 MT grading 0.70 oz/T Au, Figure 3).

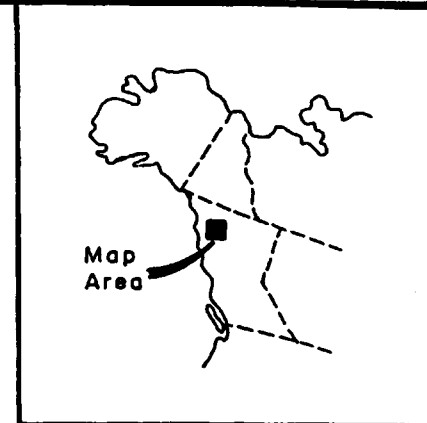
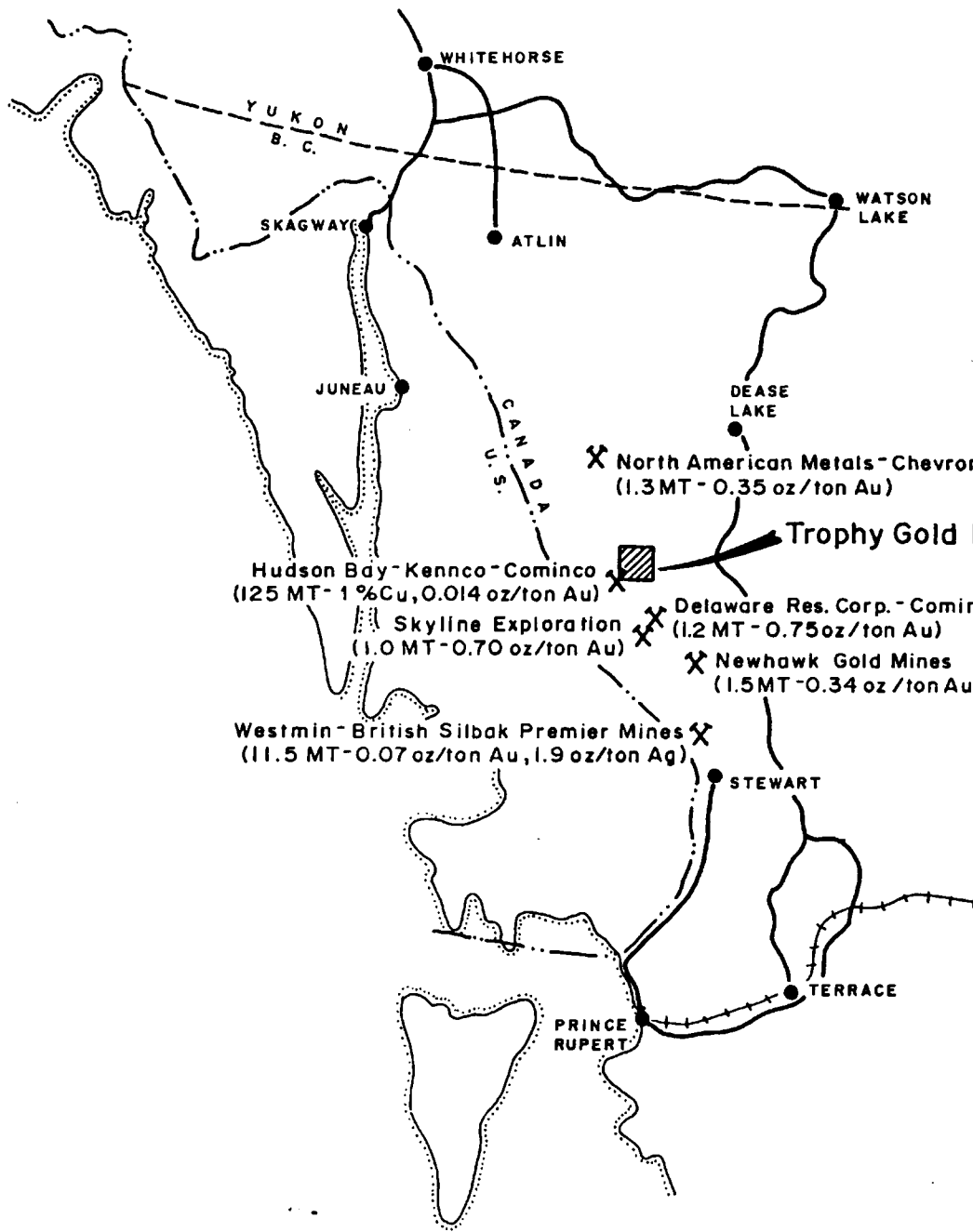
Continental's Trophy Project claims are located in the middle of a 200 km long belt of structurally controlled gold deposits stretching from Westmin's Premier/Big Missouri mines in the south to North American Metals' Golden Bear mine in the north (Figure 4). Within this belt, large, structurally-controlled gold deposits discovered to date contain proven reserves totalling over 5,000,000 ounces of contained gold.

To date a total of 23 separate gold and silver-bearing mineralized zones have been discovered on the Trophy claims, with assays of up to 4.30 oz/T Au and 324 oz/T Ag (see Section 3.0 by B.E.K. Augsten).

Gold mineralization on the property takes many forms, with both Delaware/Cominco-style shear hosted-vein mineralization and Gulf International Minerals'-type chalcopyrite - magnetite - gold-bearing skarns being evident on the property.

Diamond drilling during 1988 on a small number of the gold-bearing zones discovered to date returned gold - silver intersections of up to 0.16 oz/T Au and 0.88 oz/T Ag over 36.4 feet (see Section 2.0 by G.J. Dawson).

During 1988, over 150 square miles of new mineral claims were staked adjacent to Continental Gold Corp.'s Trophy Gold Project (Figure 5) by major and junior mining companies in response to Continental's 1987 and 1988 gold discoveries.



LEGEND

X Potential gold producers

--- Railway

— Road



Continental Gold Corp.

TROPHY GOLD PROJECT

**Potential
Gold Producers**

Northwestern B.C.

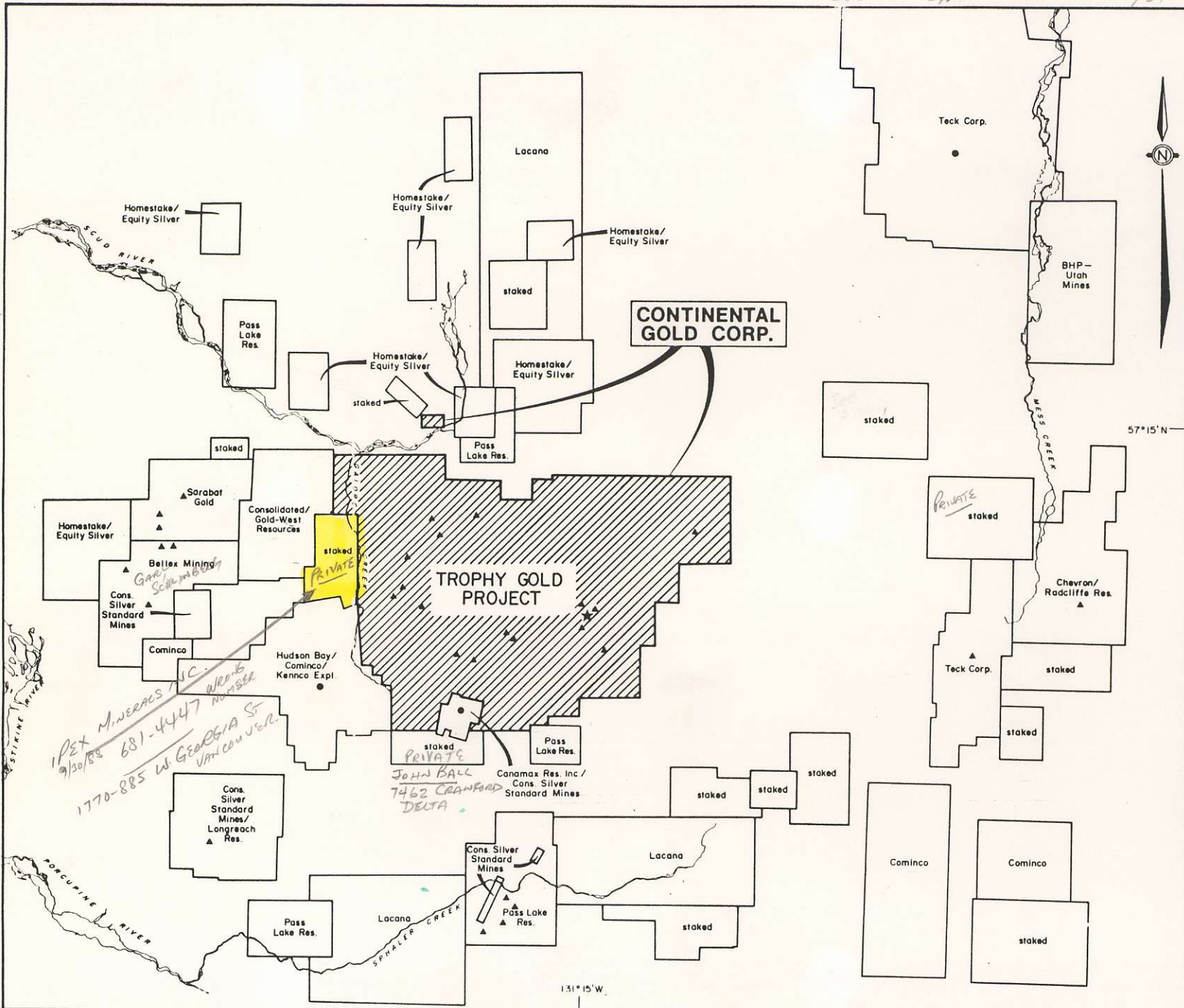
Date: March/88

NTS: 104G/3

Figure: 4

(Listed Vancouver Stock Exchange: Trading Symbol CUG)

SOONEST EXPLORATION JUNE 1/89



LEGEND

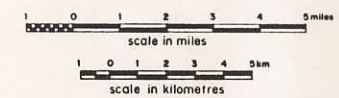
- Copper-Gold Deposit
- ▲ Gold occurrence
- ★ CONTINENTAL GOLD CORP. - 1988 diamond drilling location

EXPLORATION COMPANIES WITH CLAIMS IN THE MAP AREA

Continental Gold Corp.	Keneco Explorations (Canada) Limited
Cominco Ltd.	Consolidated Silver Standard Mines Limited
Teck Corp.	Beltex Mining Corp.
Chevron Canada Resources Ltd.	Consolidated Goldwest Resources Ltd.
BHP-Utah Mines Ltd.	Pass Lake Resources Ltd.
Lacona Mining Corporation	Radcliffe Resources Ltd.
Homestake Mineral Development Company	Longreach Resources Ltd.
Equity Silver Mines Limited	Saratat Gold Corp.
Hudson Bay Mining and Smelting Co.	Canamax Resources Inc.

Continental Gold Corp. listed Vancouver Stock Exchange - Trading Symbol - CUG

Note: Map compiled from information believed to be reliable. Property locations and ownership not guaranteed.



CONTINENTAL GOLD CORP.

TROPHY GOLD PROJECT
NORTHWESTERN BRITISH COLUMBIA

TROPHY GOLD PROJECT AREA CLAIM HOLDINGS

Liard Mining Division

Drawn by	Date	NTS	Figure
BAM	Oct. 1988	104 0/3	5

With the success of the Trophy Gold Project, Continental Gold decided to acquire additional mineral claims in the region between the Trophy Project, and North American Metals' Golden Bear mine. A total of 521 claim units were staked in five separate claim groups. The Dokdaon Creek, Devils Elbow, Rugged Mountain, Chutine River and Barrington River Projects (Figure 1) were staked to cover regions of high potential for locating structurally controlled precious metal mineralization. Many of the new project areas are situated in close proximity to syenite intrusions, similar to the alkalic plutons that host the Galore Creek Cu-Au deposit, and also similar to the bodies of syenite that are spatially related to gold mineralization on Continental's Trophy Gold Project and in the Iskut River and Sulphurets Creek Gold Camps. In addition, all of the claim groups cover areas that were identified by the B.C. Ministry of Mines 1988 Regional Geochemical Survey as having extremely high stream sediment anomalies in Au and Ag, as well as one or more of As, Co, Cu, Pb, Zn, Sb, W, Cd and Ni.

Very limited prospecting of the newly acquired claims by Continental's geologists indicates a high potential for locating structurally-controlled precious and base metal mineralization.

Summary descriptions of the 1988 diamond drill program and reconnaissance exploration on the Trophy Gold Project are contained in Sections 2 and 3 of this report.

Section 4 summarizes the potential of each of the five newly acquired claim groups (Dokdaon Creek, Devils Elbow, Rugged Mountain, Chutine River and Barrington River Projects).

Continental Gold Corp.'s Telegraph Creek Gold Project encompasses some of the most highly prospective, precious metals' ground positions in the entire northern extension of the Iskut River Gold Belt.

The Telegraph - Sumdum map sheets have been severely neglected in the search for precious metal mineralization in northwestern British Columbia. Most of the region covered by the Telegraph - Sumdum map sheets has now been staked, with Continental Gold having had a one year jump on the competition in the region.

Within one to three years, the precious metals exploration focus and excitement will most likely switch from the Iskut River area to the now emerging Telegraph Creek region. Continental Gold has been fortunate to be able to acquire a large, strategically located land position in the heart of this precious metals district.

SUMMARY REPORT

TROPHY GOLD PROJECT

TROPHY 1 - 4 CLAIMS

DIAMOND DRILLING AND GEOLOGICAL REPORT

LIARD MINING DIVISION

BRITISH COLUMBIA

NTS 104G/3

LATITUDE 57° 10'N

LONGITUDE 131° 15' W

BY

GREG J. DAWSON

CONTINENTAL GOLD CORP.

1020 - 800 West Pender Street

Vancouver, B.C.

V6C 2V6

October 15, 1988

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1.0 SUMMARY

During the summer of 1988 Continental Gold Corp. completed Phase I exploration on their Trophy 1-4 claims in northwest British Columbia. Work consisted of detailed mapping and diamond drilling of the Ptarmigan, Hummingbird and Eagle precious metal-bearing structures. All the drill holes through these structures intersected zones of intensely altered volcanics and sediments up to 200 feet in width. Gold and silver assays from the drill program are associated with zones of intense brecciation and silicification, with pyrite, sphalerite, arsenopyrite, native gold and electrum forming the matrix. A total of 9,295 feet of NQ core was drilled in 16 diamond drill holes.

The highest gold assays from drill core were received from Hole TR 88-4, which penetrated the Ptarmigan precious metal structure at the deepest point to date, 570 feet below surface, with a 36.4 foot interval assaying 0.16 oz/T Au, 0.88 oz/T Ag, and 1.11% Zn.

A program of step out diamond drilling on the Ptarmigan, Eagle and Hummingbird structures is planned for 1989.

2.0 INTRODUCTION

2.1 Location and Access

The Trophy 1-4 claims are situated 100 kms southwest of Dease Lake, B.C. Access is via helicopter from a 4,000 foot airstrip located 20 kms west of the property.

Continental's Trophy Gold Project is situated 40 miles north of the Iskut River Gold Camp, which hosts the Delaware/Cominco SNIP gold deposit, and Skyline's newly opened Johnny Mountain Gold Mine.

2.2 Topography and Climate

The Trophy 1-4 claims are located dominantly above tree-line in mountainous terrane. The area gets several feet of snow per year, which can remain on north facing slopes until mid-July.

2.3 Property Status

<u>Claim</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date Approved</u>	<u>No. Units</u>	<u>Area (ha)</u>
Trophy 1	4067	May 15, 1987	1991	20	800
Trophy 2	4068	May 15, 1987	1991	20	800
Trophy 3	4069	May 15, 1987	1991	20	800
Trophy 4	4070	May 15, 1987	1991	20	800

Assessment work completed in 1988 will add eight years to the above expiry dates.

2.4 Exploration History

The first systematic exploration program in the area was initiated by Hudson's Bay Mining and Smelting Company in 1955, and led to the discovery of the Galore Creek (137 MT of 1.02% Cu, 0.014 oz/Ton Au) and the Copper Canyon (27 MT of 1.02% Cu, 0.014 oz/Ton Au) deposits, located adjacent to Continental's Trophy Gold Project. The Galore Creek Cu-Au deposit contains a minimum of 2,000,000 ounces of gold.

In 1964 Silver Standard Mines staked the BIK 87-116 claims over the region now covered by the Trophy 1-4 claims following rumours of spectacular copper values being received in the Galore Creek deposit 10 kilometers to the southwest. Lead-zinc mineralization (Ptarmigan showing) was discovered on the BIK claims in a north facing cirque with gold and silver assays of up to 0.16 ounces Au per ton and 6.7 ounces Ag/ton over 54 feet. In addition, Silver Standard prospectors located skarn type Cu-Au mineralization at the Hummingbird showing.

Silver Standard Mines was disappointed at not discovering a large copper ore body, so no further exploration was undertaken, with the claims being allowed to lapse in the late 1960's.

During the winter of 1987 D.B. Forster, Chief Geologist of United Mineral Services Ltd. conducted a comprehensive study of potential gold targets in the Telegraph Creek Map Sheet.

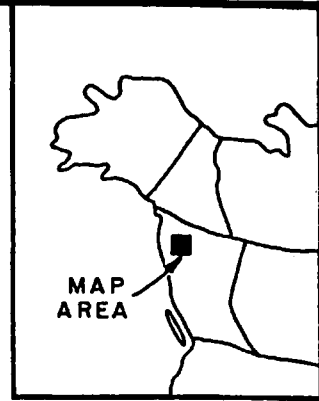
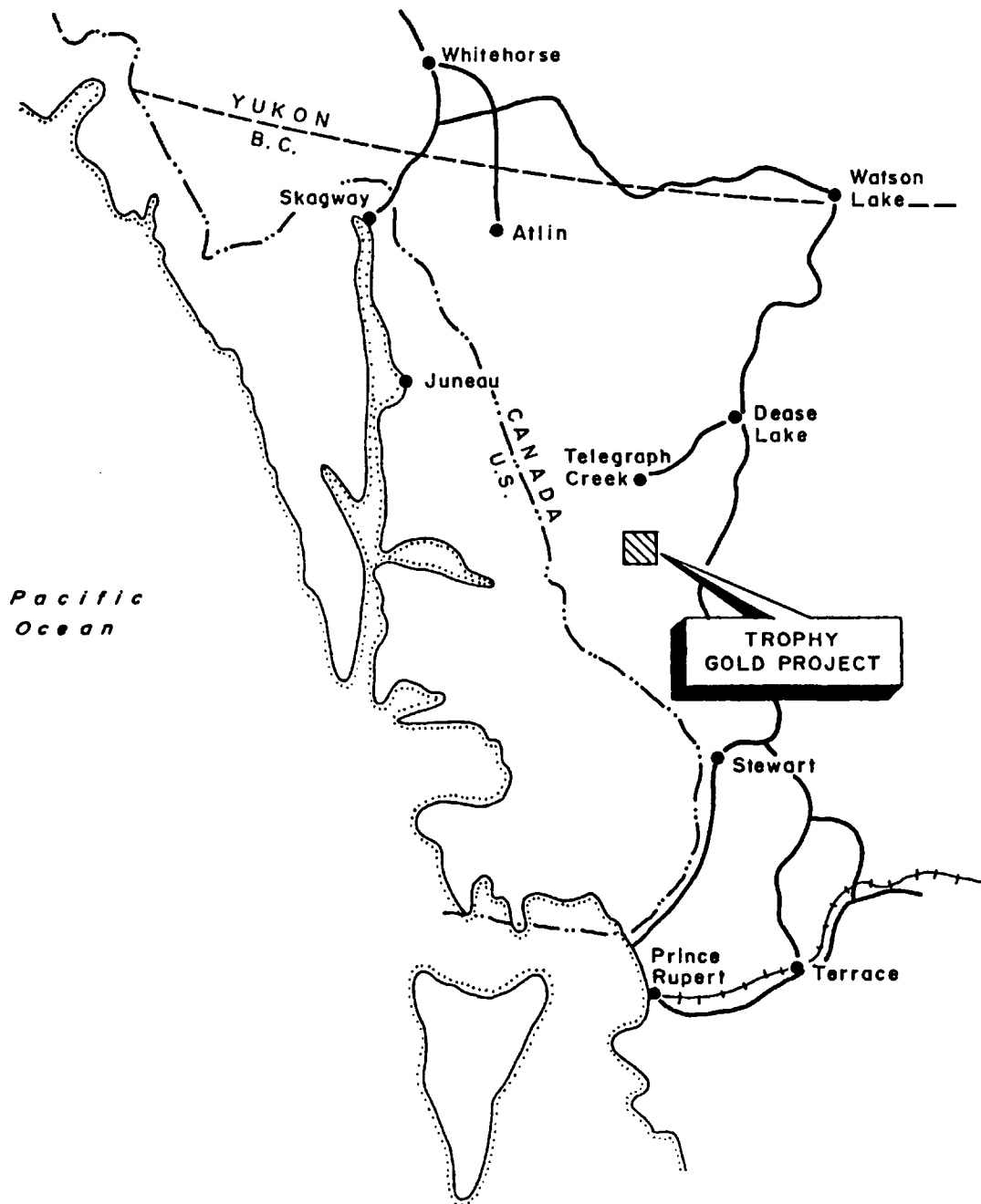
This study led to the staking of the Trophy 1-4 claims in May, 1987.

Subsequent ground geological and geochemical sampling was extremely encouraging, with numerous new gold zones being identified. Field work during 1987 identified three major northeast trending, precious metal-bearing shear structures on the Trophy property. These structures have a combined overall strike length of over 20 miles with detailed surface channel sampling returning gold values of up to 0.39 oz/T Au equivalent over 26.1 feet (Figure 2).


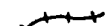
3.0 REGIONAL GEOLOGY

The oldest rocks in the region are pre-Permian limestone, phyllite, slate, argillite and related rocks. Overlying these rocks is a distinctive Permian assemblage of quite pure limestone containing minor amounts of chert, argillite and slate. Overlying the Permian is a Triassic sequence which consists of flow breccias, tuffs, flows as well as a sedimentary assemblage composed of siltstone, conglomerate, chert and greywacke. Bowser Group Jurassic sediments overlie this Triassic assemblage and are characterized by the presence of conglomerates, greywackes, grits, shales and minor volcanoclastic rocks and related sub-volcanic intrusions.

All pre-lower Jurassic rocks in the map area are intruded by a series of granitic stocks and batholiths ranging in composition from granites to diorites, and syenites.



LEGEND

-  Road
-  Railway

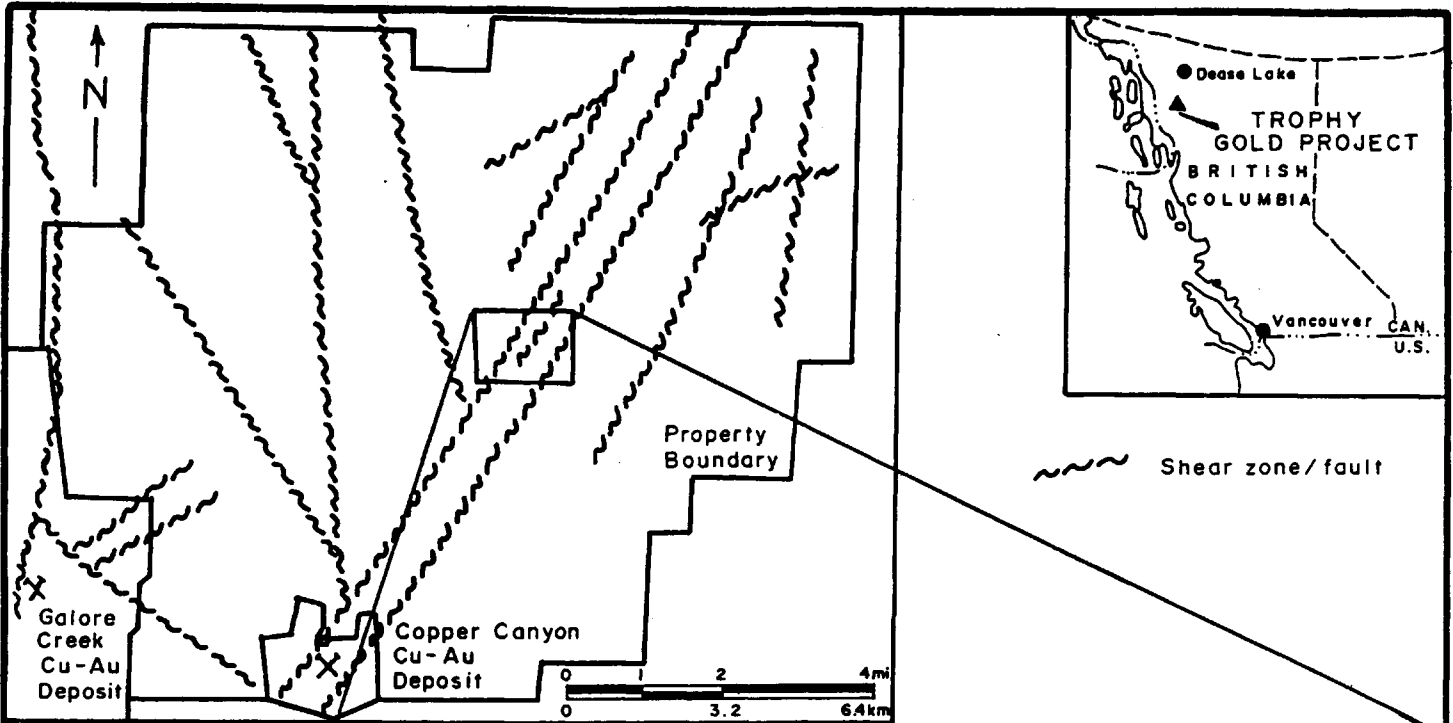


Continental Gold Corp.

TROPHY GOLD PROJECT
 Northwestern British Columbia
 TROPHY, BEAR, SCOTCH, CATTO,
 GLACIER & SADDLE CLAIMS
LOCATION MAP

J.J. McDougall and Associates Ltd.

DRAWN BY: B.M.	DATE: APRIL, 1988	NTS: 104 6/3	FIGURE: 1
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GOLD-SILVER MINERALIZATION

Ptarmigan Showings

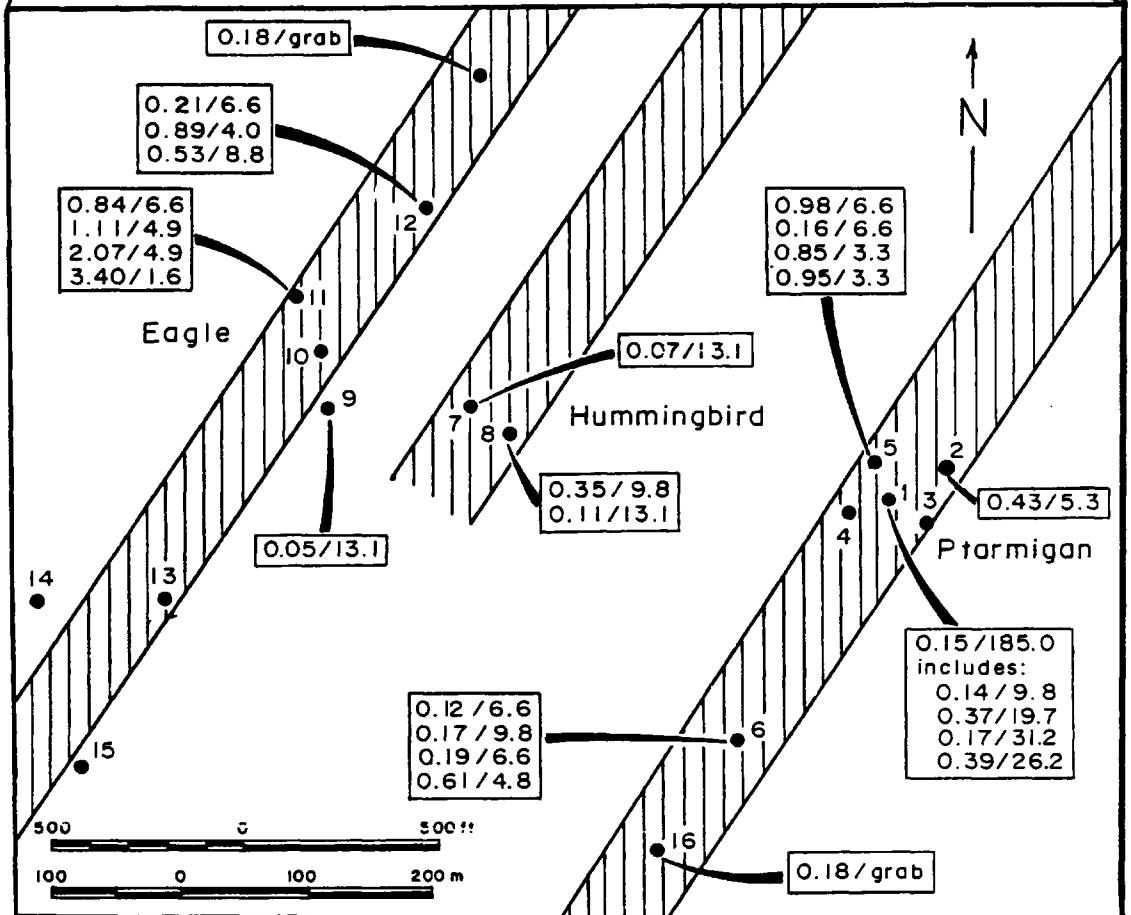
1. A Zone
2. B Zone
3. C Zone
4. D Zone
5. North Extension
6. E Zone

Hummingbird Showings

7. Hummingbird
8. South Extension

Eagle Showings

9. Massive Sulfide
10. F Zone
11. Quartz Breccia Sulfide
12. Bear Pass
13. Quartz Breccia Oxide
14. Skarn B
15. Skarn C
16. Zone G



0.83/6.6

oz. per ton gold equivalent
/true width in feet
Ag/Au ratio 60:1
(does not include base metal credits)



Shear zone

(Listed Vancouver Stock Exchange: Trading Symbol CUG)

Continental Gold Corp.

TROPHY GOLD PROJECT
North Western B.C.

Trophy, Bear, Scotch, Catto,
Glacier & Saddle Claims

Gold-Silver Mineralization

Date: March/88	NTS: 104 G/3	Figure: 2
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3.1 Structure

The regional structure of the area has been discussed in more detail by Souther (1972) and Forster (1988). Most important are the northeast and northwest trending shear structures which cut all pre-Jurassic stratigraphy (Figure 2).

Hydrothermal activity along these shear structures is made evident by the many large, intense gossans found in the claim area.

4.0 PROPERTY GEOLOGY

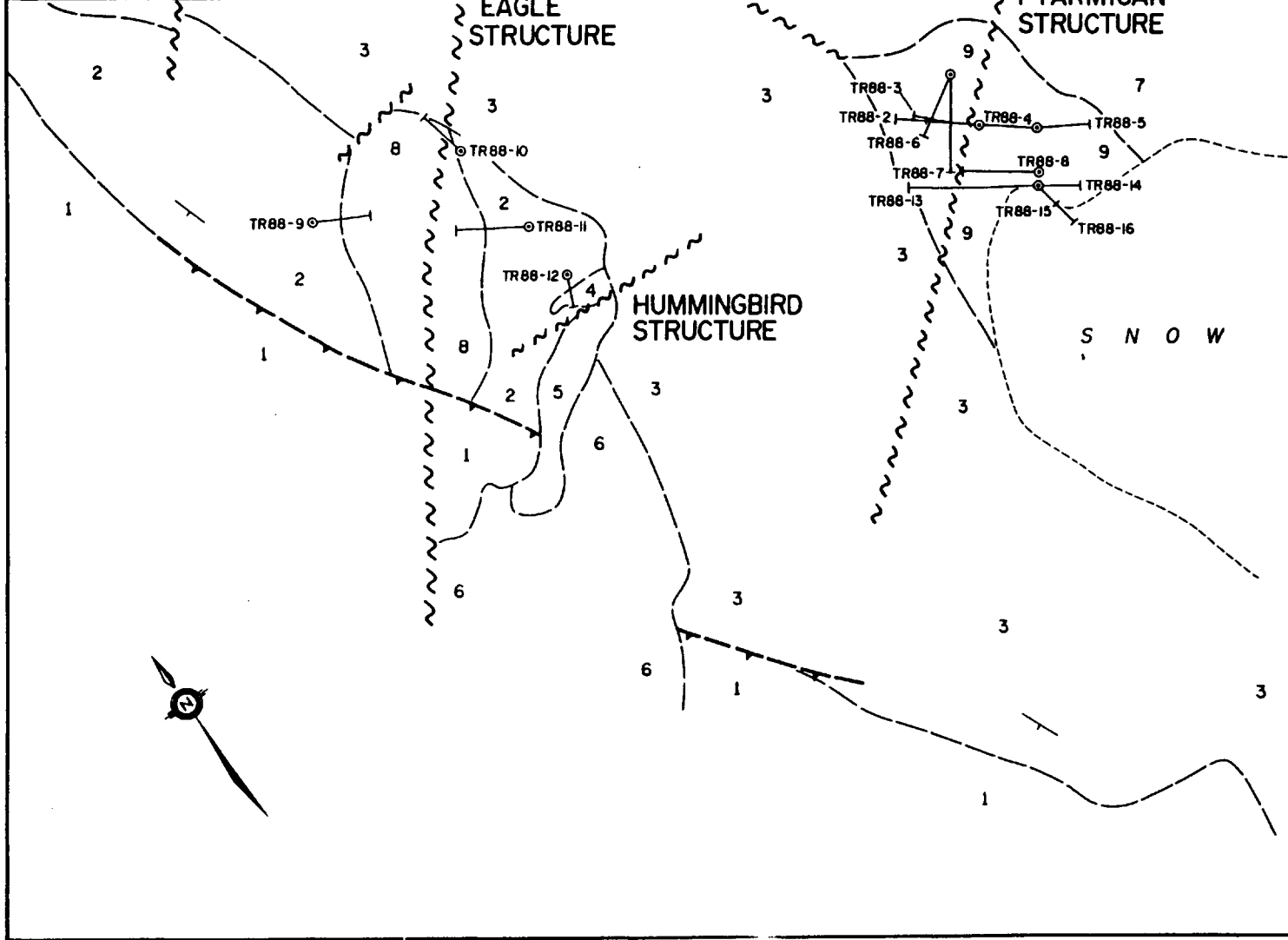
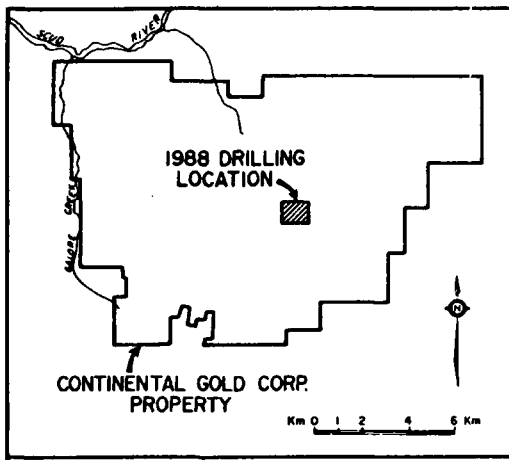
The property is underlain by Permian limestone, Triassic cherts and cherty argillites, Triassic felsic to intermediate tuffs, Jurassic intrusions and Jurassic conglomerates and breccia. Lower Jurassic syenite stocks and dykes occur throughout the claim region. A 1:1000 scale mapping program was completed during the 1988 field season and is discussed elsewhere (Dawson, Heinrich, 1988).

5.0 DIAMOND DRILLING AND MINERALIZATION

Diamond drilling and 1:1000 scale mapping focused on the Ptarmigan, Hummingbird and Eagle gold zones. A total of 9,295 feet of NQ core was drilled in 16 diamond drill holes during July, August and September of 1988. Drill hole locations and summary geology are shown in Figure 3.

5.1 Ptarmigan Gold Zone

The Ptarmigan gold zone is hosted in a strongly hydrothermally altered breccia. The intense brecciation appears to be elliptical in plan, but due to ice cover, the southern extent of the breccia is unknown. The breccia consists of fragments of all rock types on the property, ranging in size from 2 cm to 200 cm. The fragments are generally angular to subangular, with the degree of rounding increasing as you move closer to the centre of the breccia.



LEGEND

- JURASSIC**
- 9 HYDROTHERMALLY ALTERED BRECCIA GOLD-SILVER MINERALIZATION
 - 8 CONGLOMERATE / CHERT BRECCIA GOLD-SILVER MINERALIZATION
 - 7 QUARTZ MONZONITE - SYENITE
 - 6 GRANODIORITE
 - 5 RHYOLITE
 - 4 Cu-Au SKARN
- TRIASSIC**
- 3 VOLCANIC FLOWS AND TUFFS
 - 2 CHERT AND CHERTY ARGILLITE
- PERMIAN**
- 1 LIMESTONE
- GEOLGIC CONTACT (INFERRED)
- ~ SHEAR ZONE/FAULT
- ▶ THRUST FAULT
- BEDDING SYMBOL
- ⊙ 1988 DRILL HOLE LOCATION



CONTINENTAL GOLD CORP.

TROPHY GOLD PROJECT
NORTHWESTERN BRITISH COLUMBIA

1988 DIAMOND DRILL HOLE LOCATION MAP

LIARD MINING DIVISION

Drawn J.W.	Date Oct. 1988	N.T.S. 104 G/3	FIGURE 3
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The breccia is bisected by a northeast trending regional shear structure. Hydrothermal activity along this shear, combined with the permeable nature of the breccia, has led to the deposition of auriferous sulfides as veins, fracture fillings, disseminations, and matrix replacing stockworks (see Plate 1). The main sulfides are pyrite, sphalerite, galena, arsenopyrite and tetrahedrite. Electrum and native gold occur in sphalerite and galena-rich samples, and on grain boundaries with pyrite and arsenopyrite. Accompanying hydrothermal alteration includes sericite-quartz-calcite-fuchsite. The alteration is locally so intense that the original rock texture is obliterated.

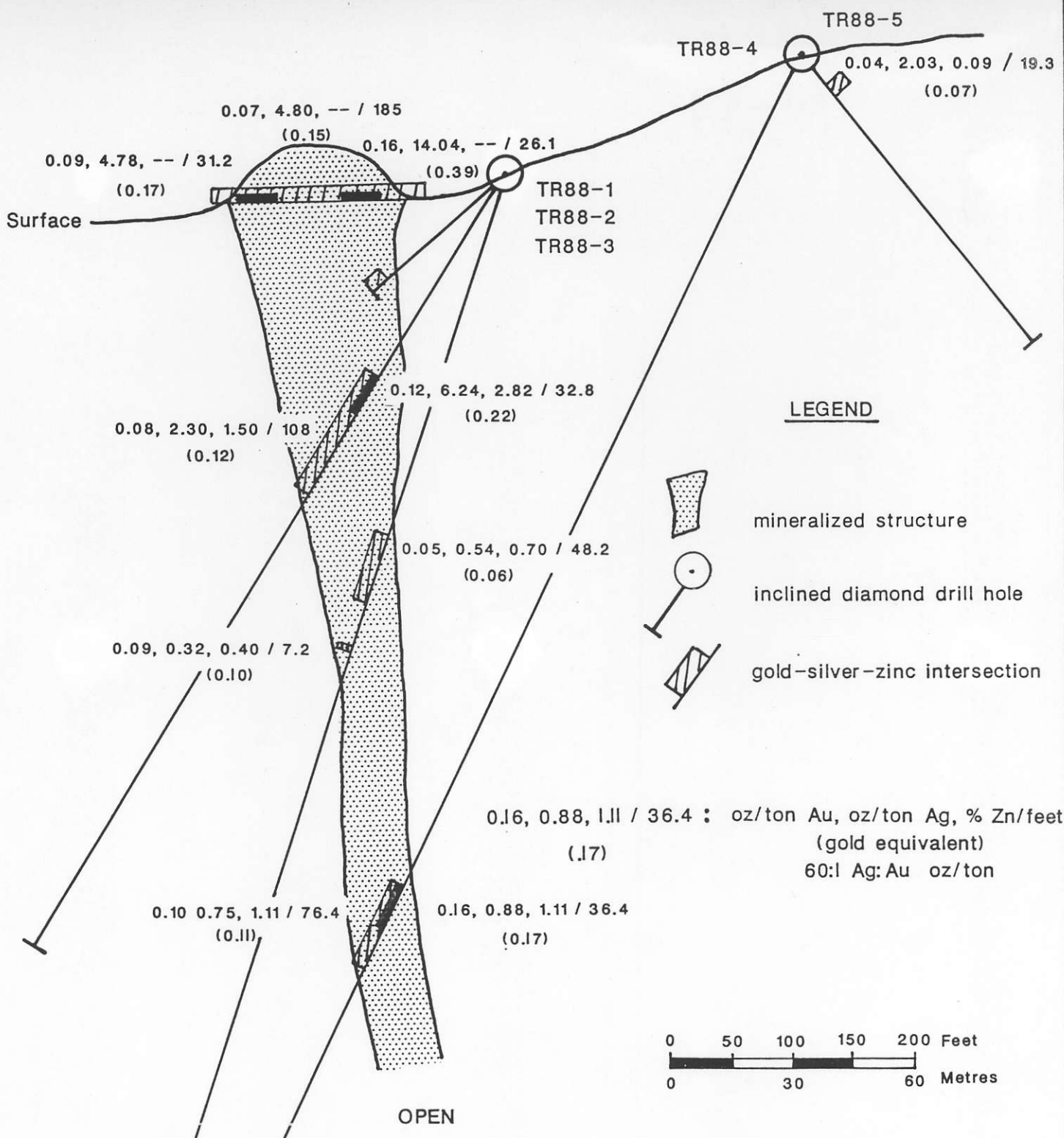
Surface sampling in 1987 returned grab samples up to 3.2 oz/T and 324 oz Ag/T, and chip samples up to 0.16 oz/T Au and 14.04 oz/T Ag over 26.1 feet (true width) (Figure 2).

Surface work in 1988 confirmed these results, and diamond drilling has indicated that the mineralization is open at depth and along strike. A summary of drill results is given in Table 1 and a schematic of a drill section is shown in Figure 4. Diamond drill holes TR 88-1 to 8 and TR 88-13 to 16 were targeted on the Ptarmigan shear structure and breccia zone. All holes terminated in breccia, so the true extent of the mineralized zone is still unknown. All holes penetrated wide zones of intense brecciation, silicification, sericitization, fuchsite development and sulfide replacement. The highest gold, silver and base metal assays were received from intersections where pyrite, sphalerite and galena form 100% of the breccia matrix (Plate 1). Diamond drill hole TR 88-2 intersected 108 feet assaying 0.08 oz/T Au, 2.30 oz/T Ag and 1.5% Zn, 165 feet below surface. Within this section, a 32.8 foot interval assayed 0.12 oz/T Au, 6.24 oz/T Ag and 2.82% Zn (Table 1).

Drill hole TR 88-4, drilled on the same section as TR 88-2 (Figure 4) intersected the Ptarmigan precious metal structure at the deepest point to date, 570 feet below surface, with 36.4 feet grading 0.16 oz/T Au, 0.88 oz/T Ag and 1.11% Zn. Gold grades appear to be increasing with depth.



PLATE 1 - Stockwork pyrite, sphalerite, galena mineralization from TR 88-4.
Interval (706.8 ft. to 710.1 ft.) assayed 0.383 oz/T Au.



(Listed Vancouver Stock Exchange : Trading Symbol CUG)

CONTINENTAL GOLD CORP.		
TROPHY GOLD PROJECT PTARMIGAN STRUCTURE		
DIAMOND DRILL SECTION DDH'S TR88-1,2,3,4,5,		
Section Looking Northeast		
AUG., 1988	104G/3	Figure: 4

TABLE 1
 TROPHY GOLD PROJECT
 1988 DIAMOND DRILL RESULTS
 SUMMARY OF PERTINENT Au, Ag, Zn, Pb ASSAYS
 DIAMOND DRILL HOLES TR88-1 TO TR88-16

HOLE NO.	AZIMUTH (DEGR.)	Dip (DEGR.)	LENGTH (FT)	INTERVAL (FT)	WIDTH (FT)	Au (oz/ton)	Ag	Zn %	Pb %	Au Equiv 60:1	REMARKS	TARGET
TR88-1	310	-45	140	123.3 - 139.7	16.4	0.02	1.29	0.51	-	0.04	Hole Lost Short of Target	Ptarmigan
includes				129.8 - 139.7	9.9	0.03	1.85	0.69	-	0.06		
TR88-2	310	-60	721	183.7 - 291.7	108.0	0.08	2.30	1.50	-	0.12	Ptarmigan	
includes				193.5 - 226.3	32.8	0.12	6.24	2.82	-	0.22		
"				239.4 - 255.8	16.4	0.14	1.27	1.82	-	0.16		
"				193.5 - 203.3	9.8	0.16	9.46	4.25	-	0.32		
TR88-3	310	-75	947	295.2 - 343.4	48.2	0.05	0.54	0.70	-	0.06	Poor Recovery	Ptarmigan
				391.3 - 375.2	7.2	0.09	0.32	0.40	-	0.10		
				758.0 - 759.6	1.6	0.19	0.11	0.11	-	0.19		
TR88-4	310	-65	1117	680.6 - 683.9	3.3	0.43	0.44	-	-	0.44	Ptarmigan	
				699.2 - 775.6	76.4	0.10	0.75	1.11	-	0.11		
includes				699.2 - 735.6	36.4	0.16	0.88	1.11	-	0.17		
includes				699.2 - 710.5	11.2	0.22	1.43	1.26	-	0.24		
TR88-5	120	-50	326	29.5 - 37.8	4.3	0.02	5.63	0.35	-	0.11	Geological Hole	Ptarmigan
				46.6 - 65.9	19.3	0.04	2.03	-	-	0.07		
TR88-6	240	-75	1009	348.9 - 352.9	4.0	0.12	0.19	0.54	-	0.12	Geological Hole	Ptarmigan
				408.4 - 414.3	5.9	0.06	0.32	0.63	-	0.07		
TR88-7	215	-50	633	236.2 - 249.3	13.1	0.08	1.90	0.66	-	0.12	Ptarmigan	
				324.1 - 328.4	4.3	0.11	0.21	0.18	-	0.11		
				342.1 - 345.7	3.6	0.11	0.26	-	-	0.11		
				395.9 - 410.6	14.7	0.07	1.00	1.11	-	0.09		
				417.2 - 420.8	3.6	0.12	3.10	2.15	-	0.17		
TR88-8	305	-57	577	176.4 - 198.3	21.9	0.06	1.12	0.10	-	0.08	Hole Lost Short of Target	Ptarmigan
includes				176.4 - 186.4	10.5	0.10	1.87	0.16	-	0.13		
TR88-9	125	-55	468	HOLE LOST								Eagle
TR88-10	355	-60	401	10.8 - 37.1	26.3	0.02	-	-	-	0.02	Eagle	
				57.1 - 66.8	9.8	0.03	-	-	-	0.03		
				80.0 - 106.3	26.3	0.02	-	-	-	0.02		
				163.3 - 169.9	6.6	0.09	0.53	-	-	0.10		
				251.9 - 253.9	2.0	0.03	1.85	-	-	0.06		
TR88-11	305	-57	519	14.1 - 147.6	133.5	0.02	-	-	-	0.02	Eagle	
TR88-12	212	-50	210	HOLE LOST								Hummingbird
TR88-13	300	-60	1089	103.6 - 117.7	14.1	0.04	0.50	-	-	0.05	Ptarmigan	
includes				108.2 - 112.1	3.9	0.10	0.18	-	-	0.10		
				125.6 - 132.1	6.5	0.04	0.66	-	-	0.05		
TR88-14	120	-60	386	36.7 - 45.9	9.2	0.08	2.50	-	-	0.12	Hole Lost Short of Target	Ptarmigan
				223.4 - 230.0	6.6	0.12	3.98	2.90	-	0.19		
				255.8 - 266.3	10.5	0.05	0.20	-	-	0.05		
				286.0 - 295.8	9.8	0.06	0.20	-	-	0.06		
				380.5 - 385.4	4.9	0.04	2.28	-	-	0.08		
TR88-15	165	-60	187	52.8 - 59.4	6.6	0.05	2.62	-	-	0.09	Hole Lost Short of Target	Ptarmigan
				65.9 - 69.5	3.6	0.11	0.63	-	-	0.12		
				95.8 - 99.1	3.3	0.03	5.73	4.08	0.91	0.13		
				144.3 - 147.9	3.6	0.05	4.83	1.32	1.89	0.13		
TR88-16	165	-75	567	49.2 - 55.8	6.6	0.06	1.01	-	-	0.08	Ptarmigan	
				64.9 - 77.0	12.1	0.03	1.66	-	-	0.06		
				96.7 - 103.3	6.6	0.07	1.93	0.81	-	0.10		
				164.0 - 167.6	3.6	0.11	0.43	-	-	0.12		
				203.4 - 210.0	6.6	0.10	6.20	0.90	0.92	0.20		
				232.9 - 336.2	3.3	0.10	11.01	0.54	2.85	0.28		
				350.9 - 354.2	3.3	0.03	3.21	0.45	1.25	0.08		
				363.4 - 367.3	3.9	0.04	3.38	0.93	1.26	0.10		
				372.3 - 375.6	3.3	0.05	7.19	1.40	1.90	0.17		
				411.6 - 418.2	6.6	0.06	8.92	2.31	3.61	0.21		

Diamond drill holes TR 88-14, 15 and 16 were drilled to test the extent of the gold-bearing breccia under moraine and snow, 340 feet south of the TR 88-1 to 5 drill section. All holes terminated in heavily sericitized and silicified breccia. A total of 19 precious and base metal mineralized intercepts were identified in the three holes including 6.6 feet grading 0.12 oz/T Au, 3.98 oz/T Ag and 2.90% Zn (see Table 1).

Galena-rich sulfide mineralization was much more prominent in this portion of the Ptarmigan breccia, with intersections from TR 88-16 including 0.10 oz/T Au, 11.01 oz/T Ag, 0.54% Zn and 2.85% Pb over 3.3 feet and 0.06 oz/T Au, 8.92 oz/T Ag, 2.31% Zn and 3.61% Pb over 6.6 feet. These drill holes indicate that the Ptarmigan gold and silver-bearing breccia and structure are open to the south under the moraine and snow.

5.2 Eagle Gold Zone

The Eagle zone includes the areas defined in 1987 work as the Bear Pass zone and the Quartz Breccia Sulfide zone (Q.B.S.). The host rocks in the Eagle gold zone grade from a chert breccia at Bear Pass to a chaotic and poly lithic boulder breccia in the Q.B.S. Mineralization in this area ranged from massive galena shears in the Q.B.S. to several cm wide veins of tetrahedrite, arsenopyrite and galena-pyrite in the Bear Pass area.

The chert-breccia and veins at Bear Pass have yielded grab samples assaying up to 0.38 oz/T Au and chip samples assaying 0.16 oz/T Au and 22.4 oz/T Ag over 8.8 feet. Only one drill hole, TR 88-10, was targeted to test the down dip extension of the veins, and mineralized breccia. Significant tetrahedrite, galena, arsenopyrite and pyrrhotite mineralization was encountered throughout the chert-breccia with wide zones of low grade precious metals values being intersected including 26.3 feet grading 0.02 oz/T Au and 6.6 feet grading 0.09 oz/T Au and 0.53 oz/T Ag.

Holes TR 88-9 and TR 88-11 were drilled to test the QBS zone, where a grab sample of 4.3 oz/T Au was taken in 1987. Hole TR 88-9 was lost due to difficult drilling conditions. Hole TR 88-11 intersected 133.5 feet grading 0.02 oz/T Au. Much of the sulfide has been oxidized to limonite and goethite, with additional, deeper drilling required to fully test the potential of the Eagle gold-bearing structure at depth below the level of oxidation.

5.3 Hummingbird Copper - Gold Zone

The Hummingbird copper - gold showing occurs at the triple boundary of limestone volcanics and intrusives. Resulting metasomatism has developed the skarn assemblage of garnet calcite, diopside, quartz and chlorite. Sulfide mineralization consists dominantly of chalcopyrite and pyrite with minor pyrrhotite.

Most rock in this area is subcrop, and therefore difficult to sample. Grab samples that were taken however, yielded up to 0.156 oz/T Au, 1.41 oz/T Ag and 4.28% Cu.

Associated with the copper - gold skarn is a massive sulfide horizon consisting of pyrrhotite ± pyrite ± chalcopyrite ± sphalerite. The horizon is defined by lenticular pods of massive sulfide approximately 10 feet wide by 15 feet long. Blasting at the end of the 1988 field season indicates that the pods both thicken and lengthen with depth. Typical assay results are as follows:

<u>Sample</u>	<u>Width (feet)</u>	<u>Grade (oz/T)</u>	<u>Comment</u>
6743	3.3	0.172	
6744	3.3	0.468	0.22 oz/T over 9.9 feet
6745	3.3	0.020	
6747	Grab	0.286	
6749	Grab	0.674	

The massive sulfide pods occur along a 100° bearing structure that cuts the volcanics and sediments. One drill hole was planned to intersect both the copper - gold zone and the auriferous massive sulfide zone. Unfortunately the hole was lost due to difficult drilling conditions and the lack of proper equipment by the drilling

contractor. Additional drilling is planned for 1989 to test the down-dip extension of both the Cu-Au skarn and the structurally-controlled, gold-bearing massive sulfides.

6.0 CONCLUSIONS AND RECOMMENDATIONS

Continental Gold Corp's 1988 exploration program on the Trophy Gold property successfully drill tested three areas of significant gold mineralization. The Ptarmigan shear structure and breccia zone returned the highest assays of the 1988 drill program with a 36.4 foot interval in drill hole TR 88-4 assaying 0.16 oz/T Au, 0.88 oz/T Ag and 1.11% Zn. The Ptarmigan gold-bearing structure remains open along strike and at depth. With encouraging values being received from TR 88-14, 15 and 16, the most southerly holes drilled to date, and with gold values apparently increasing with depth in the system, the Ptarmigan structure appears to host the most intense, widespread, and potentially largest tonnage gold-silver mineralization discovered to date on the Trophy property.

The Eagle and Hummingbird precious metal bearing structures and skarn zones were unsatisfactorily drill tested during the 1988 field season. Encouraging gold and silver values were received from those zones even though two of the four holes were abandoned short of their intended targets. Massive sulfide mineralization at the Hummingbird south zone returned assays of up to 0.22 oz/T Au over 9.9 feet (true width) with mineralization remaining open along strike and down dip.

The Ptarmigan, Eagle and Hummingbird shear structures have a combined strike length of over 30 kms on Continentals' Trophy claims. Diamond drilling during 1988 tested only 2.5 kms of these precious metal bearing structures. All gold mineralization associated with the Ptarmigan, Eagle and Hummingbird structures is open at depth and along strike.

Further drilling in all zones, plus surface trenching at the Hummingbird massive sulfide zone is planned for 1989.

7.0 REFERENCES

Dawson, G.J., Heinrich, S.M., 1988; Geology on the Trophy 1-4 Claims, Unpublished Company Report (In Progress).

Forster, D.F., 1988; Geological and Geochemical Report on the Trophy 1-4, Bear 1-2, Scotch 1-12, Catto 1-2, and Saddle 1-13 Mineral Claims.

Reed, P.B., 1988; Trophy Property of Continental Gold Corp., Company Report.

APPENDIX I

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Greg Dawson, of 1008 Beach Avenue, in the City of Vancouver, British Columbia, do hereby certify that:

1. I am currently employed as geologist by Continental Gold Corp. with offices at 1020 - 800 West Pender Street, Vancouver, B.C.
2. I graduated from the University of British Columbia in Geology, having obtained my Bachelor of Science in 1986.
3. I have worked in the field of mineral exploration in B.C., Manitoba and the Northwest Territories since 1976.
4. This report is based in part of my personal observations of the property.



Greg Dawson, B.Sc.
Senior Exploration Geologist
Continental Gold Corp.

Vancouver, B.C.

SUMMARY REPORT

TROPHY GOLD PROJECT

1988 REGIONAL GEOLOGY AND PROSPECTING PROGRAM

LIARD MINING DIVISION

BRITISH COLUMBIA

NTS 104G/3

LATITUDE 57° 10'N

LONGITUDE 131° 15' W

BY

BERNHARDT E.K. AUGSTEN

CONTINENTAL GOLD CORP.

1020 - 800 West Pender Street

Vancouver, B.C.

V6C 2V6

October 15, 1988

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1.0 SUMMARY

The Trophy Gold Project is located in northwestern British Columbia approximately 80 kilometers south of Telegraph Creek, B.C. During the 1988 field season, regional 1:10,000 scale mapping and detailed prospecting culminated in the discovery of 13 new, significant precious-metal discoveries in addition to the Ptarmigan, Hummingbird and Eagle gold zones discovered during 1987. (Forster, 1988).

The Trophy property is underlain by a thick sequence of Permian to Triassic sedimentary and volcanic rocks. Permian limestone forms the core of an overturned synform, and on the west bank of the south Scud River these limestones are thrust-faulted over younger Triassic rocks. Middle Triassic and older rocks which include undifferentiated tuffs and clastic sediments are generally strongly folded and have undergone numerous phases of deformation. Upper Triassic volcanics and sediments appear relatively undeformed, and where bedding is observed these rocks are consistently northwest striking, with steep, predominantly easterly dips. All sediments and volcanics have been intruded by Jurassic intrusives including rocks of the Hickman Pluton, and syenites related to those of the Galore Creek Cu-Au camp.

A number of different styles of precious metal mineralization were discovered, with one common feature being the association of gold and silver with the base metals copper, zinc and lead.

Gold mineralization in the Trophy Project area is both shear controlled and also related to skarns in limestone. Gold and silver assays of up to 2.63 oz/T and 12.2 oz/T respectively were documented from hydrothermally altered breccias, vein - shears and skarn zones during 1988. Magnetite - chalcopyrite skarns discovered during 1988 are similar to precious-metal skarn mineralization recently discovered by Gulf International Minerals on their McLymont Creek Project in the Iskut River Gold Camp.

A program of detailed prospecting, geological mapping, soil sampling, airborne magnetics, and diamond drilling on the numerous recently discovered precious metal zones, is planned for 1989.

2.0 INTRODUCTION

The Trophy Gold Project is situated immediately south of the Scud River approximately 15 miles east of the confluence of the Scud River with the Stikine River. Galore Creek drains the western edge of the property and the South Scud River drains the centre of the property.

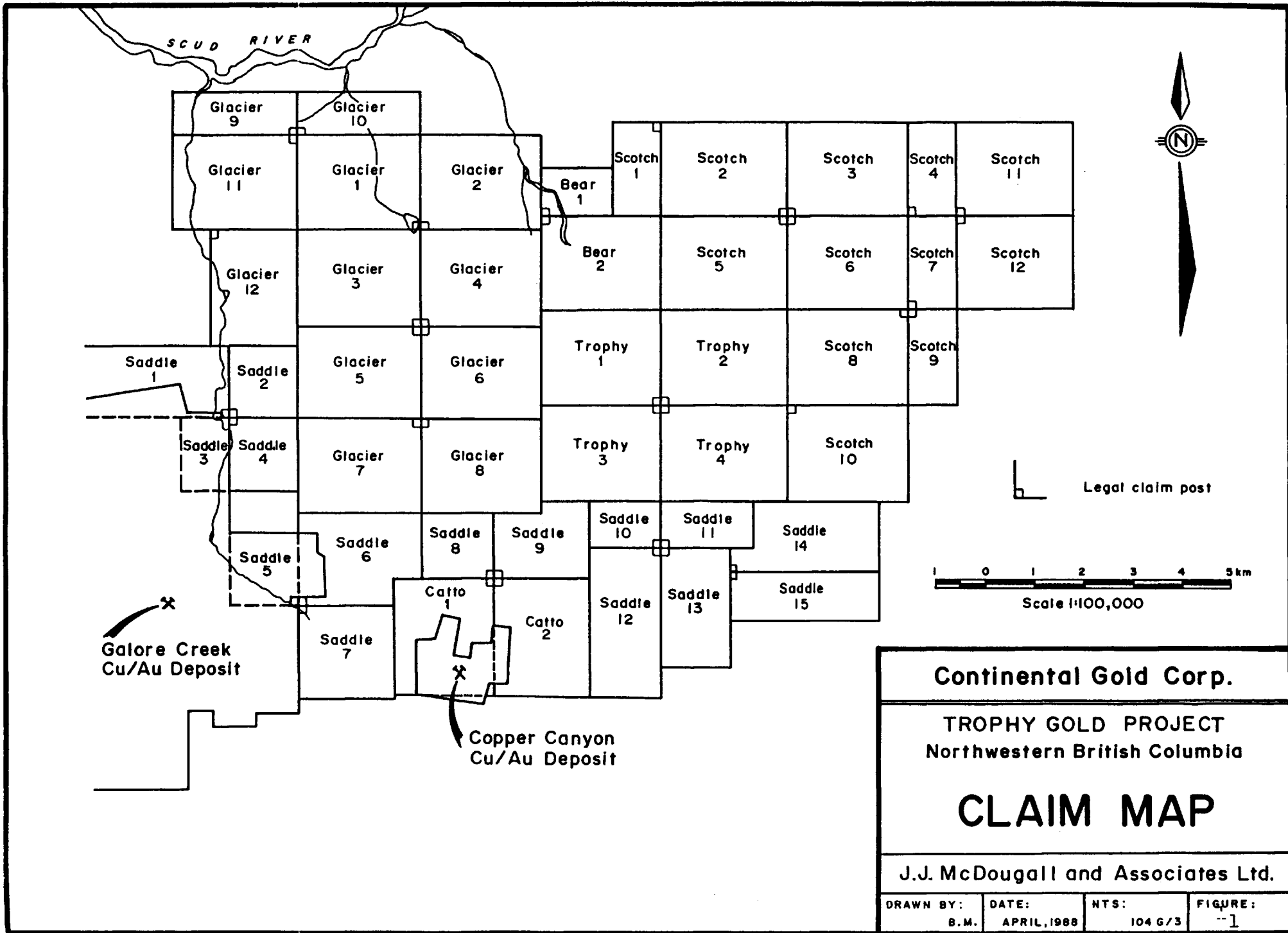
The 1988 regional exploration program on the Trophy Gold Project culminated in the discovery of 13 significant new precious metal discoveries. The program utilized an integrated approach which emphasized both regional 1:10,000 scale mapping and detailed prospecting.

3.0 PROPERTY STATUS

The Trophy Gold Project consists of 45 contiguous claims totalling 778 units (31,320 ha) (Bear 1-2, Catto 1-2, Glacier 1-12, Trophy 1-4, Scotch 1-12, Saddle 1-15, (Figure 1)). All mineral claims comprising the project are registered and 100% owned by Continental Gold Corp. by way of Bill of Sale from D.B. Forster. Pertinent claim information is outlined in Table 1.

4.0 GEOLOGY

The Trophy property is underlain by both stratified and intrusive rocks. The stratified rocks include massive Permian limestone, dark grey Middle Triassic argillite and chert, and Middle and (?) Upper Triassic volcanics of the Stuhini Group. To the east of the Scud these units are subvertical or overturned to the east and young eastward (Read, 1988), and on the west the units are strongly



Continental Gold Corp.

TROPHY GOLD PROJECT
Northwestern British Columbia

CLAIM MAP

J.J. McDougall and Associates Ltd.

DRAWN BY: B.M.	DATE: APRIL, 1988	NTS: 104 G/3	FIGURE: -1
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TABLE 1
CLAIM SCHEDULE

<u>Claim</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Expiry Date Approved</u>	<u>Area (ha)</u>	<u>No. units</u>
Trophy 1	4067	May 15, 1987	1991	800	20
Trophy 2	4068	May 15, 1987	1991	800	20
Trophy 3	4069	May 15, 1987	1991	800	20
Trophy 4	4070	May 15, 1987	1991	800	20
Glacier 1	4121	July 24, 1987	1991	800	20
Glacier 2	4122	July 24, 1987	1991	800	20
Glacier 3	4123	July 24, 1987	1991	800	20
Glacier 4	4124	July 24, 1987	1991	800	20
Glacier 5	4125	July 24, 1987	1991	800	20
Glacier 6	4126	July 24, 1987	1991	800	20
Glacier 7	4127	July 24, 1987	1991	800	20
Glacier 8	4128	July 24, 1987	1991	800	20
Glacier 9	4475	Feb 17, 1988	1989	400	10
Glacier 10	4476	Feb 17, 1988	1989	800	20
Glacier 12	4478	Feb 17, 1988	1989	800	20
Glacier 11	4477	Feb 17, 1988	1989	800	20
Scotch 1	4136	August 10, 1987	1991	320	8
Scotch 2	4137	August 10, 1987	1991	800	20
Scotch 3	4138	August 10, 1987	1989	800	20
Scotch 4	4139	August 10, 1987	1991	320	8
Scotch 5	4140	August 10, 1987	1991	800	20
Scotch 6	4141	August 10, 1987	1989	800	20
Scotch 7	4142	August 10, 1987	1991	320	8
Scotch 8	4143	August 10, 1987	1991	800	20
Scotch 9	4144	August 10, 1987	1991	320	8
Scotch 10	4145	August 10, 1987	1991	800	20
Scotch 11	4483	Feb 17, 1988	1989	800	20
Scotch 12	4484	Feb 17, 1988	1989	800	20
Catto 1	4131	July 24, 1987	1989	800	20
Catto 2	4132	July 24, 1987	1991	800	20
Bear 1	4129	July 24, 1987	1991	240	6
Bear 2	4130	July 24, 1987	1991	800	20
Saddle 1	4430	December 9, 1987		720	18
Saddle 2	4431	December 9, 1987		360	9
Saddle 3	4432	December 9, 1987		240	6
Saddle 4	4433	December 9, 1987		360	9
Saddle 5	4434	December 9, 1987		600	15
Saddle 6	4435	December 9, 1987		800	20
Saddle 7	4436	December 9, 1987		640	16
Saddle 8	4437	December 9, 1987		800	20
Saddle 9	4438	December 9, 1987		800	20
Saddle 10	4439	December 9, 1987		240	6
Saddle 11	4440	December 9, 1987		320	8
Saddle 12	4441	December 9, 1987		720	18
Saddle 13	4442	December 9, 1987		600	15
Saddle 14	4776	July 6, 1988		720	18
Saddle 15	4777	July 6, 1988		480	12

TOTAL

31,320

overturned to the west, young to the west, and are cut by east dipping thrust faults. On the east side of the Scud, the Middle Triassic Hickman Pluton intrudes volcanics of the Stuhini Group and on the west side an Upper (?) Jurassic granodiorite stock intrudes Middle Triassic sediments and volcanics but lies thrust faulted against the Permian, (see Figure 2).

The major units are described in order of decreasing age, prior to a discussion of the structure.

Unit - 3 Permian

A massive to thickly bedded, light grey to white crystalline limestone which sporadically contains crinoidal and bryozoan debris, in addition to locally abundant macrofossil (gastropoda) accumulations. Local siliceous, tuffaceous lenses and interbedded chert beds are common. Included in the Permian is a sequence of structurally complex undifferentiated Paleozoic tuffs and sediments. These rocks predominantly occur in the lower part of the valley of the South Scud River, where access is extremely difficult.

Unit - 4 Middle Triassic

Dark grey, siliceous and/or limy argillite, concretionary black shale ribbon chert, and minor lenticular grey silty limestone compose a succession ranging in thickness from a few meters to more than 100 meters, Read (1988).

Units 5-8 Stuhini Group

Within the map area the Stuhini Group includes at least 4 distinctive rock subgroups, some of which may in fact be lower Jurassic volcanics and sediments. The best exposure of bedded sediments is covered almost entirely by a large glacier.

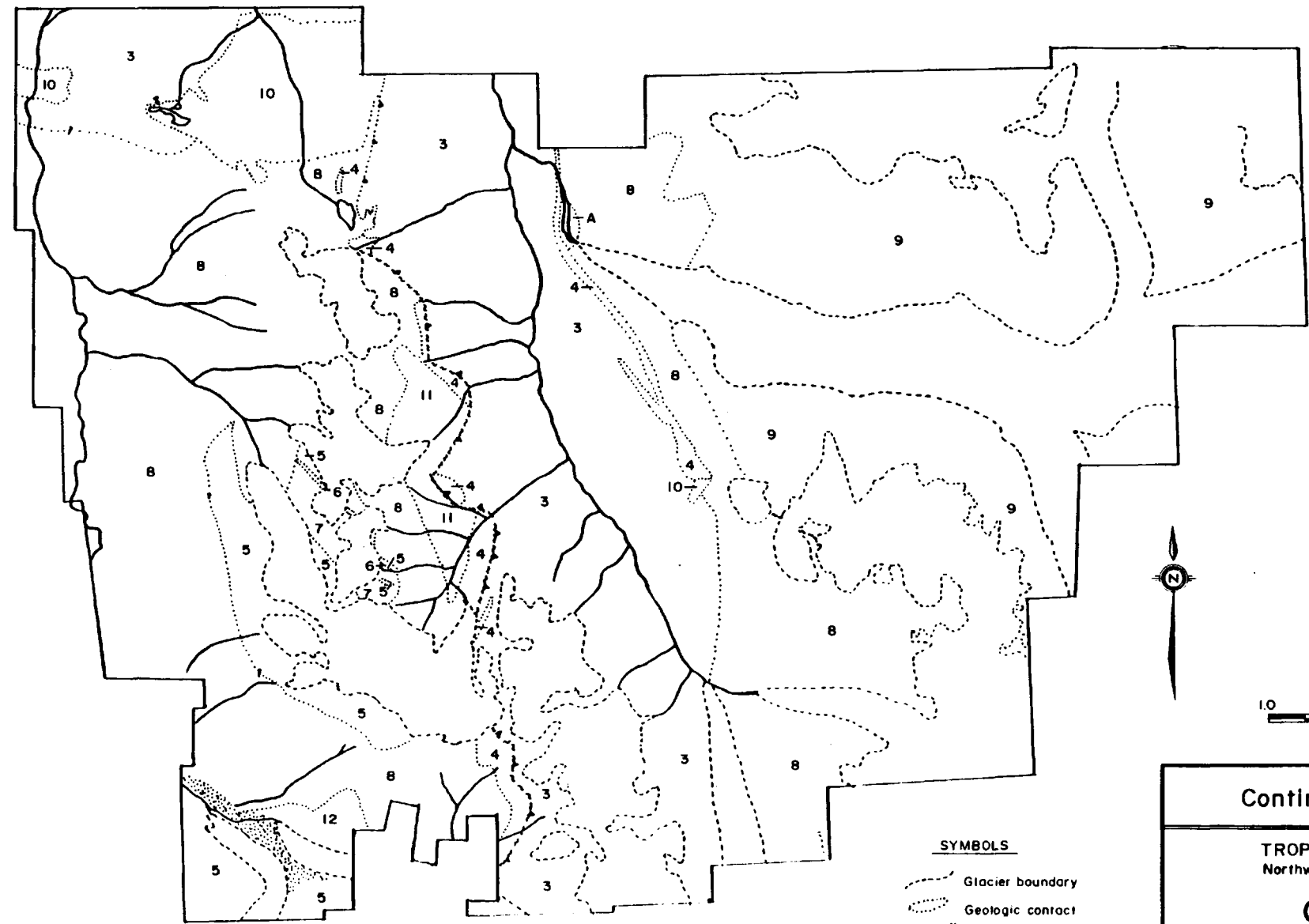
LEGEND

- UPPER JURASSIC**
- 12** Orthoclase porphyry (syenite)
 - 11** Biotite hornblende granodiorite, qtz monzonite
- LOWER JURASSIC**
- 10** Granodiorite
- HICKMAN BATHOLITH**
- 9** Hornblende granodiorite, monzonite, minor syenite
- UPPER TRIASSIC**
- 8** Augite-andesite flows, massive andesite flows, plagi-phyrlic andesite flows
 - 7** Siltstone, thin-bedded siliceous siltstone
 - 6** Polymictic conglomerate
 - 5** Lapilli tuff, laminated ash tuff, undifferentiated volcanic conglomerate, derived volcanoclastic rocks
- MIDDLE TRIASSIC**
- 4** Shale, concretionary black shale, siliceous black argillite, chert
- PERMIAN**
- 3** Limestone, thick-bedded, mainly bioclastic limestone, minor siltstone and chert, minor undifferentiated Paleozoic volcanics, tuffs and sediments
- A** Ultra mafic rocks, peridotites



SYMBOLS

- Glacier boundary
- Geologic contact
- Thrust fault



Continental Gold Corp.

TROPHY GOLD PROJECT
Northwestern British Columbia

GEOLOGY

Llrod Mining Division

Drawn by: B A M	Date: October, 1988	NTS	Figure: 2
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Subgroup 5

Lapilli tuff, laminated ash tuff, undifferentiated volcanic conglomerate, and various derived volcanoclastic rocks form a group of rocks that is individually distinct, but whose relationship to members within the Stuhini Group is sometimes unclear. Andesitic lapilli tuffs occur as green, brown and maroon coloured rocks with fragments varying in size from 0.3 cm to 15 cm in length. They are frequently bedded and appear to interfinger with ash/crystal tuffs which are commonly well laminated, bedded, and can be both maroon and buff to almost white coloured.

Volcanic conglomerates are composed of rounded to sub-rounded clasts of augite and plagioclase porphyry, and maroon andesite. In some exposures the conglomerates grade into a poorly sorted angular breccia.

Unit 6 - Polymictic Conglomerate

Conglomerates form a 1-3 m thick horizon that can be traced for more than 2.0 km. Clasts, forming 75-80% of the rock, are well rounded and elliptical in shape. Clasts are composed of granodiorite, andesite porphyritic volcanics and rare megacrystic orthoclase porphyry. The matrix is extremely limy and contains numerous shell fragments.

Unit 7

Siltstones form a distinctive unit approximately 300 m thick. They vary considerably in colour from black to light buff or tan. They are consistently thinly laminated with well-defined bedding. Black siltstones are fossiliferous with an unidentified bivalve predominating.

Unit 8

Massive andesites, massive augite-porphyrific flows and massive plagi-phyrific andesites dominate this unit, all of which are generally structurally featureless. They are dark green to maroon in colour. Augite-porphyrific flows contain typically 25-30% dark green to black augite phenocrysts, which are sub to euhedral and average 3 mm across. They are set in a fine-grained dark green chloritized andesitic matrix.

Unit 9 - Hickman Pluton

The pluton includes medium grained biotite hornblende quartz diorite and granodiorite and coarse-grained monzonite and syenite (Read, 1988). All rocks contain chloritized and sericitized mafic minerals and common chlorite-epidote-quartz-feldspar filled joints and shears. The alteration of the pluton is a result of low grade regional metamorphism which has affected all but the core of the pluton. Except for a two kilometer long faulted portion of the southwestern contact of the pluton within the map area the remainder of the pluton appears to intrude the volcanics of the Stuhini Group.

Unit 10 - Granodiorite

Medium-grained equigranular hornblende granodiorite occurs throughout the project area.

Unit 11 - Biotite Hornblende Granodiorite, Quartz Monzonite.

This unit occurs as a stock of variable composition with most of it being a medium-grained, equigranular biotite hornblende granodiorite or quartz monzonite with minor hornblende syenite (Read, 1988). This Upper Jurassic? stock is intruded along the Stuhini-Middle Triassic sediment boundary.

Unit 12 - Orthoclase (syenite) porphyry

This porphyry is an extension of the Copper Canyon syenite porphyry. The porphyry contains blocky, white, phenocrysts of K-Feldspar up to 4 cm long set in a dark grey to brown fine-grained matrix. Scattered isolated plugs and dikes, generally 2-3 m wide, of the syenite were found usually hosted in tuffs and volcanoclastics of Unit 5.

5.0 MINERALIZATION

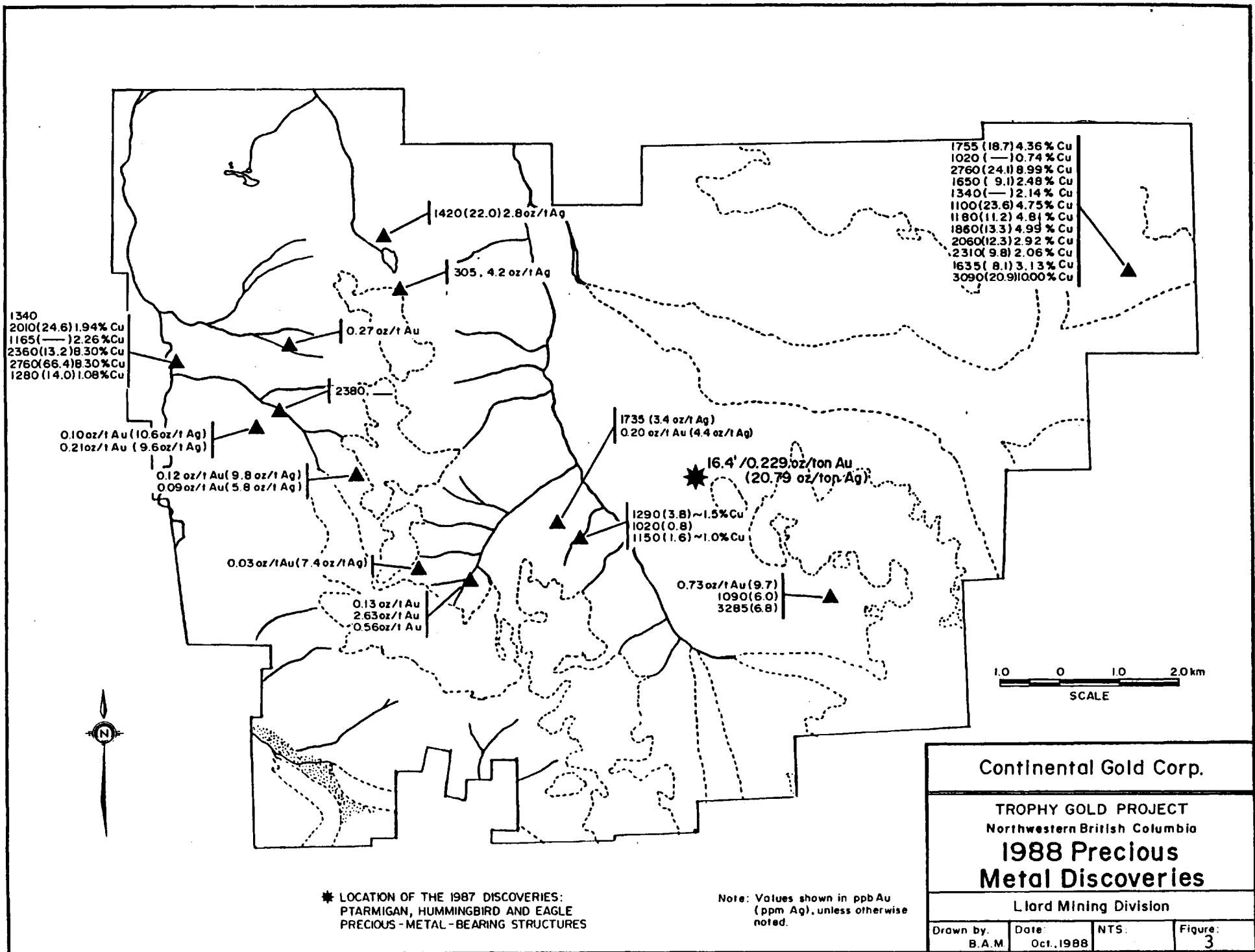
A total of 13 new gold mineralized sulfide zones were discovered on the Trophy project area during the 1988 field season (see Figure 3). Varied styles of mineralization were found including skarn, syenite-hosted breccias and related shear/vein hosted mineralization.

5.1 Magnetite - Chalcopyrite - Syenite Breccia

The magnetite - chalcopyrite - syenite breccia mineralization is best represented in exposures on the Scotch 12 claim between 4,500 and 6,000' in elevation.

The area is underlain entirely by the Hickman pluton. Alkaline series rocks represented are quartz monzonite to monzodiorite in composition. A fracture-joint orientation trending north, northwest and north by northeast with steep easterly dips cut the pluton. It is these fractures that host the gold mineralization.

Mineralization consists of massive magnetite-quartz-tourmaline-chalcopyrite-pyrite veins and shears that range in width from less than 0.5 meters to 10.5 meters. Zones can be traced on surface in excess of 50 m. The veins and shears are enveloped by potassically altered wallrock which grades outward into a weak phyllic zone and then quickly into a propylitic zone of alteration. In addition veining and shearing has created intense brecciation of the wallrock and brecciated



1340
2010(24.6)1.94% Cu
1165(—)2.26% Cu
2360(13.2)8.30% Cu
2760(66.4)8.30% Cu
1280(14.0)1.08% Cu

0.10oz/t Au (10.6oz/t Ag)
0.21oz/t Au (9.6oz/t Ag)

0.12 oz/t Au (9.8 oz/t Ag)
0.09oz/t Au (5.8 oz/t Ag)

0.03oz/t Au (7.4 oz/t Ag)

0.13 oz/t Au
2.63oz/t Au
0.56oz/t Au

1420(22.0)2.8oz/t Ag

305, 4.2 oz/t Ag

0.27 oz/t Au

2380

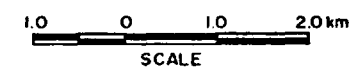
1735 (3.4 oz/t Ag)
0.20 oz/t Au (4.4 oz/t Ag)

★ 16.4' / 0.229 oz/ton Au
(20.79 oz/ton Ag)

1290(3.8)~1.5% Cu
1020(0.8)
1150(1.6)~1.0% Cu

0.73oz/t Au (9.7)
1090(6.0)
3285(6.8)

1755 (18.7) 4.36% Cu
1020 (—) 0.74% Cu
2760 (24.1) 8.99% Cu
1650 (9.1) 2.48% Cu
1340 (—) 2.14% Cu
1100 (23.6) 4.75% Cu
1180 (11.2) 4.81% Cu
1860 (13.3) 4.99% Cu
2060 (12.3) 2.92% Cu
2310 (9.8) 2.06% Cu
1635 (8.1) 3.13% Cu
3090 (20.9) 10.00% Cu



★ LOCATION OF THE 1987 DISCOVERIES:
PTARMIGAN, HUMMINGBIRD AND EAGLE
PRECIOUS-METAL-BEARING STRUCTURES

Note: Values shown in ppb Au
(ppm Ag), unless otherwise
noted.

Continental Gold Corp.

TROPHY GOLD PROJECT
Northwestern British Columbia

1988 Precious
Metal Discoveries

Llrod Mining Division

Drawn by: B.A.M	Date: Oct., 1988	NTS:	Figure: 3
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fragments within these zones are potassically altered as well. Mineralized zones are commonly marked by abundant malachite staining, as well as jarosite, goethite and manganese oxide. Grab and continuous chip samples yielded gold values to 3,050 ppb and copper values in excess of 99,999 ppm. See Table 2.

TABLE 2
TROPHY PROJECT
ASSAY COMPILATION
MAGNETITE - CHALCOPYRITE - SYENITE BRECCIA

Sample Type	Sample Number	Width (m)	Assay / Geochemistry				
			Au ppb	Ag ppm	Pb %	Zn %	Cu ppm
Chip	BL 4775	1.5	420	1.8	-	-	5,926
Chip	BL 4776	1.5	545	2.5	-	-	11,554
Chip	BL 4779	0.5	1,755	18.7	-	-	43,599
Chip	BL 4786	1.5	1,020	3.1	-	-	7,427
Grab	BL 4791	-	240	2.9	-	-	99,999
Chip	BL 4792	1.2	2,760	24.1	-	-	89,879
Chip	BL 4796	1.6	1,650	9.1	-	-	27,776
Chip	BL 4797	2.0	1,340	4.6	-	-	21,362
Chip	BL 4803	0.30	540	6.3	-	-	17,980
Grab	PB 6334	-	1,100	23.6	-	-	47,481
Float	PB 6339	-	1,180	11.2	-	-	48,078
Chip	KM 5346	1.5	810	4.5	-	-	16,263
Chip	KM 5347	1.5	630	8.1	-	-	21,223
Chip	KM 5352	1.5	480	2.7	-	-	7,278
Chip	KM 5354	1.5	1,860	13.3	-	-	49,926
Grab	KM 5355	-	2,060	12.3	-	-	29,171
Grab	KM 5356	-	2,310	9.8	-	-	20,571
Chip	KM 5357	1.5	690	3.0	-	-	2,629
Float	BA-4388	-	3,090	20.9	-	-	99,999
	BM 7427	-	1,635	8.1	-	-	31,301

Note: 1 oz/T = 34.2 ppm
 10,000 ppm = 1.0%

5.2 Magnetite - Chalcopyrite Skarn

Magnetite - chalcopyrite skarn hosted mineralization was discovered on the west side of the South Scud River (Trophy 3 claim) colinear with a regional northeast structure trending through the 'Bear Pass' discoveries of 1987.

Skarn mineralization here is hosted by Permian crinoidal limestones with minor cherts or silicified limestones. Andesite dykes cross-cut the limestone and appear to be spatially related to some of the skarn mineralization. Intense shearing and strong fracturing effect the entire mineralized zone. Skarn mineralization is manifested by fine-grained green mineralization -possibly diopside, in addition to massive lensoid and lenticular magnetite bodies. Recrystallization of the limestone is obscured by the intense shearing and fracturing. Limonite and goethite oxidation is especially well-developed in the areas of intense shearing. Clay-sericite-quartz-carbonate alteration is strong in the highly fractured/sheared cherts or silicified limestones. Fractures in this silicified material are typically malachite-stained. Visible chalcopyrite is rare. This material, while not showing abundant sulphides, does show a marked enrichment in zinc with a high of 5.4% found in a locally derived piece of float. Copper is enriched in this clay-rich material to 0.5%.

Highly anomalous gold values correlate well with magnetite-rich zones. Gold values up to 1,290 ppb and copper values to 17,750 (1.78%) were obtained from these magnetite rich zones. Table 3 summarizes some of the other precious and base metal values. This metallogeny bears a striking resemblance to Gulf International Minerals Ltd., McLymont Creek property located in the Iskut River Gold Belt. On this property magnetite-chalcopyrite skarn mineralization is hosted within crinoidal Permian limestone and drilling has returned spectacular intersections including 36.5 feet of 1.61 oz/T Au.

TABLE 3
TROPHY PROJECT
ASSAY COMPILATION
MAGNETITE - CHALCOPYRITE SKARN

<u>Sample Type</u>	<u>Sample Number</u>	<u>Width (m)</u>	<u>Assay / Geochemistry</u>				
			<u>Au ppb</u>	<u>Ag ppm</u>	<u>Pb %</u>	<u>Zn %</u>	<u>Cu %</u>
Chip	PB 6225	2.6	1,150	1.6	-	-	1.06*
Chip	PB 6226	2.5	105	2.2	-	-	0.37*
Chip	PB 6393	1.0	470	5.6	-	-	1.35*
Chip	PB 6394	1.0	420	4.5	-	-	1.31
Chip	PB 6395	1.0	490	4.4	-	-	1.58
Chip	PB 6396	1.0	430	3.8	-	-	1.77
Chip	PB 6397	1.0	1,290	3.8	-	-	1.1
Grab	KM 2529	-	435	3.2			1.78
Chip	BA 4262	1.0	830	1.4	-	-	0.29
Float	4263	-	1,020	0.8	-	-	1.60
Float	4265	-	810	2.1	-	-	1.66
Chip	4266	1.0	890	4.0	-	-	0.26
Chip	4267	1.0	660	4.5	-	-	0.72
Chip	4268	1.0	260	1.9	-	-	0.21
Grab	4271	-	92	2.0	-	-	2.74

* denotes calculated value from ppm value

5.3 Trench Lake - Cu - Ag Vein Mineralization

All mineralization in the area locally known as Trench Lake is related to a parallel set of 120° striking quartz and quartz carbonate veins of variable width. The veins range in width is from 20 cm to over 1 m. Typically, in excess of 10 veins occur across a 50 m width. Veins typically contain the sulfides galena, sphalerite, chalcopyrite and pyrite.

All veins are enriched in base metals, especially copper, with subordinate values in lead and zinc. In addition they are often enriched in silver with values up to 96.6 ppm (2.8 oz/T Ag) being obtained (Table 4). There is a strong positive correlation between copper and silver in these veins. Gold was anomalous, with values up to 1,420 (0.035 oz/T) being returned from grab samples.

Most of the veins are hosted in either strongly foliated tuffs or massive to fractured andesites. Veins were also observed in chert, chert breccia and volcanic conglomerate in addition to minor sweats, veins and blowouts in limestone to the south of Trench Lake.

TABLE 4
TROPHY PROJECT
ASSAY COMPILATION
TRENCH LAKE MINERALIZATION

<u>Sample Type</u>	<u>Sample Number</u>	<u>Width (m)</u>	<u>Assay / Geochemistry</u>				
			<u>Au ppb</u>	<u>Ag ppm</u>	<u>Pb %</u>	<u>Zn %</u>	<u>Cu %</u>
Grab	BA 4306	-	-	24.9	-	-	1.54*
Grab	BA 4312	-	-	58.7	-	-	2.83*
Grab	BA 4314	-	-	27.4	-	1.51*	1.62*
Grab	BA 4316	-	1,420	22.0	-	2.76*	1.30*
Chip	BA 4320	0.50	-	30.5	-	-	1.96*
Float	BA 4322	-	-	71.5	-	-	3.84*
Grab	BA 4325	-	-	32.2	-	-	2.52*
Float	PB 6277	-	-	47.5	-	-	3.75*
Grab	PB 6278	-	-	60.0	0	0	3.50*
Grab	PB 6279	-	-	96.9	-	-	5.6*

*denotes calculated value using the conversion
10,000 ppm = 1%

5.4 Limestone Hosted Shears

Late in the field season base and precious metal bearing shears were found hosted within Permian limestone. Only three samples were taken, and all three were very anomalous in base metals and gold (see Table 5).

Sample BA 4516 was taken from a silicified malachite stained shear zone with 3% pyrite and 1% chalcopyrite. The sample was anomalous in gold and copper, and very rich in zinc. Sample BA 4517 was taken 2 m along strike from BA 4516 and consisted of massive sphalerite, chalcopyrite and pyrite. This sample yielded spectacular results in zinc and very encouraging gold values. Sample BA 4518 was taken 2 m further along strike in similar host mineralization as BA 4516. Results were very encouraging, with values of 0.20 oz/T Au and 4.5 oz Ag being returned.

TABLE 5
TROPHY PROJECT
ASSAY COMPILATION
LIMESTONE HOSTED SHEAR MINERALIZATION

<u>Sample Type</u>	<u>Sample Number</u>	<u>Width (m)</u>	<u>Assay / Geochemistry</u>				
			<u>Au ppb</u>	<u>Ag ppm</u>	<u>Pb %</u>	<u>Zn %</u>	<u>Cu %</u>
Grab	BA 4516	-	199	7.3	46	2.4*	2201
Chip	BA 4517	0.50	.05 oz/t*	3.5 oz/t*	177	10%	1.5%*
Grab	BA 4518	-	0.20 oz/t*	4.5 oz/t*	1426	7162	3473

* denotes calculated values using the following conversions:

Au 34,300 ppb = 1 oz/t

Ag 34.3 ppm = 1 oz/t

base metals 10,000 ppm = 1%

5.5 Other Gold Showings

Numerous other gold showings were discovered during the 1988 field season. Many of these showings are associated with regional faults and shears. Sulphides identified with these include chalcopyrite, pyrite, galena, sphalerite and arsenopyrite.

On the Glacier 12 claim, on the east shore of Galore Creek, gold associated with massive chalcopyrite veining was discovered. Host to this vein is a highly sheared and fractured mafic volcanic rock. Values to 2760 ppb Au, 1.94 oz/t Ag and 8.30% copper were returned from this vein system (see Table 6). Widths varied from 15 cm to 1.0 m, and the vein could be traced in excess of 100 m.

Similar metallogeny was discovered in the northwest quadrant of the Glacier 5 claim. Here a 15 to 50 cm wide chalcopyrite vein hosted within a sheared intermediate volcanic carries up to 40% coarse-grained chalcopyrite and 10% pyrite.

TABLE 6

**TROPHY PROJECT
ASSAY COMPILATION
LIMESTONE HOSTED SHEAR MINERALIZATION**

<u>Sample Type</u>	<u>Sample Number</u>	<u>Width (m)</u>	<u>Assay / Geochemistry</u>				
			<u>Au ppb</u>	<u>Ag ppm</u>	<u>Pb %</u>	<u>Zn %</u>	<u>Cu %</u>
Grab	BM 7324		49	2.0 oz/t*			9.8%*
Chip	BM 7325	1.0	1,340	7.9			4,215
Chip	BM 7328	0.75	2,010	24.6			1.94%*
Chip	BM 7329	0.30	1,165	6.9			2.26%*
Grab	BM 7330	-	2,360	13.2			8.30%*
Grab	BM 7333	-	2,760	1.94 oz/t*			8.30%*

Sample Type	Sample Number	Width (m)	Assay / Geochemistry				
			Au ppb	Ag ppm	Pb %	Zn %	Cu %
Chip	BM 7334	0.60	530	26.7			1.36%*
Float	BM 7335	-	725	10.6		3.72%*	
Chip	BM 7336	0.15	350	10.0		2.15%*	
Grab	LB 5747	-	60	2.06 oz/t*		9.47%*	
Grab	LB 5749	-	1,280	14.0		1.08%*	
Grab	LB 5750	-	6	0.9		1.03%*	
Grab	LB 5752	-	570	12.7		1.95%*	

* denotes calculated values using the following conversions

Au: 34,300 ppb = 1 oz/t

Ag: 34.3 ppm = 1 oz/t

base metals: 10,000 ppm = 1%

Chip samples over 15 cm ran an impressive 0.20 oz/t Au, 15.57 oz/t Ag and 17.49% copper, (Table 7). This zone could be traced in excess of 50 m.

TABLE 7

**TROPHY PROJECT
ASSAY COMPILATION
GLACIER CHALCOPYRITE VEIN**

Sample Type	Sample Number	Width (m)	Assay / Geochemistry				
			Au %	Ag %	Pb %	Zn %	Cu %
Chip	PB 6388	0.50	760	3.54 oz/t		67.4*	2.70%
Grab	PB 6389	-	.122 oz/t	11.7 oz/t		1,104*	6.23%
Chip	PB 6391	0.15	.20 oz/t	15.57 oz/t		3,554*	17.49%

* values in ppm

Southeast of Trench Lake numerous quartz-calcite base metal veins similar to those around Trench Lake were discovered. Sample #BA-4334 and BA-4535 returned significant base metal and silver values and anomalous gold values (see Table 8). Sample BA-4343 was interesting in that the host was a brecciated limestone lens within laminated contorted limestones, containing 25% pyrite, 1% visible chalcopyrite, trace galena and trace sphalerite as breccia matrix. This sample returned values of 4.42 oz/t Ag and 4.71% copper with anomalous (see Table 8).

TABLE 8
TROPHY PROJECT
ASSAY COMPILATION
SOUTHEAST OF TRENCH LAKE

Sample Type	Sample Number	Width (m)	Assay / Geochemistry				
			Au ppb	Ag opt	Pb %	Zn %	Cu %
Grab	BA 4334	-	295	12.2	2.42	3.48	2,084*
Grab	BA 4335	-	206	3.15	1.51	1.26	627*
Grab	BA 4343	-	305	4.42	442*	3,999*	4.71

*denotes ppm for Ag and base metals

On the Glacier 3 claim a narrow pyritic shear is hosted in strongly fractured andesites. This shear consists of a quartz boxwork texture with 90% strongly weathered pyrite. Values to 0.268 oz/t Au were obtained (Table 9).

In the northwest quadrant of the Glacier 5 claim, limited sampling and prospecting on a large, highly ankeritized, sheared volcanic unit returned 2,380 ppb Au (Sample #BA 4299) with anomalous silver, copper, lead and zinc. The alteration consists of iron carbonate and sericite with very little visible sulphides, and effects a 75 m x 50 m area. The resultant gossan is highly visible.

TABLE 9
TROPHY PROJECT
ASSAY COMPILATION

<u>Sample Type</u>	<u>Sample Number</u>	<u>Width (m)</u>	<u>Assay / Geochemistry</u>				
			<u>Au ppm</u>	<u>Ag ppm</u>	<u>Pb ppm</u>	<u>Zn ppm</u>	<u>Cu ppm</u>
Grab	BA 4280	-	0.268 oz/t*	2.9	9	9	233
Chip	BA 4395	15	2,290	1.5	18	9	12
Chip	BA 4299	20x20cm	2,380	0.9	15	7	322
Grab	BA 4365	-	0.123 oz/t*		9.78*	2.48%*	
Grab	BA 4366	-	3055	5.8 oz/t*	2.18%*	6.29%*	
Grab	BM 7424	-	2.63 oz/t*	27.2	271	308	187
Grab	LB 5771	-	0.56 oz/t*	7.1	113	39	174
Chip	BA 4384	5 cm	4,120	1.0	14	139	10
Grab	BA 4428	-	1,090	6.0	137	125	6,873
Grab	BA 4422	-	0.73 oz/t	9.7	27	4,513	116
Grab	PB 6357	-	3,285	6.8	68	28	400

In the southeast quadrant of the Glacier 5 claim a 10-25 cm shear hosted in fragmental volcanoclastic rocks and laminated black siltstones, contained 8% chalcopyrite and 10% to massive galena with possible trace tetrahedrite, (Samples BA 4365 and 4366, Table 9).

On the Glacier 8 claim, extremely high grade gold mineralization has been found in arsenopyrite rich quartz - carbonate - iron carbonate veins. The veins are 5 to 10 cm wide and contain 5-8% arsenopyrite. Attendant wallrock alteration up to 50 cm on either side of the vein consists of iron carbonate, quartz and sericite. The surface expression of this alteration is manifested by a bright orange-brown weathering. Values to 90,300 ppb Au or 2.63 oz/t Au were obtained in grab samples (see Table 9, Samples BM 7424, LB 5771, BA 4384).

On the Saddle 14 claim, limited prospecting in plagioclase porphyritic volcanics returned some impressive values of upto 0.73 oz/t Au (see Table 9; Samples BA 4422, 4428 and PB 6357). The only sulphides observed were 5-10% fracture controlled and disseminated pyrite with traces of chalcopyrite. No follow-up work was completed on these samples.

6.0 CONCLUSIONS AND RECOMMENDATIONS

Continental Gold Corp's 1988 surface exploration program on the Trophy Gold Project successfully located 13 new precious metal mineralized zones. Sulfide-rich gold mineralization is both shear controlled and also related to skarnified crinoidal limestones. Detailed follow-up work is recommended on all of the new precious metal discoveries including geological mapping, prospecting, silt sampling, soil sampling, trenching, litho geochemistry and diamond drilling. In addition an airborne magnetometer survey should be flown over the entire project area to search for both Au-bearing magnetite - chalcopyrite skarns and Au-bearing magnetite - chalcopyrite - syenite breccias.

Continental Gold's Trophy Gold Project area covers 82 mi² of ground with excellent potential for hosting Iskut River - style gold-silver mineralization. During 1988 over 150 mi² of new mineral claims were staked adjacent to Continental Gold Corp's Trophy Gold Project area. New claims were staked in the region by both major and junior mining companies in response to Continental's gold discoveries announced in early 1988. The 1989 field exploration season will be an extremely exciting one, with over 15 exploration companies aggressively exploring their claims adjacent to Continental's precious metal discoveries.

7.0 REFERENCES

Dawson, G.J., Heinrich, S.M., 1988; Geology on the Trophy 1-4 Claims, Unpublished Company Report (In Progress).

Forster, D.F., 1988; Geological and Geochemical Report on the Trophy 1-4, Bear 1-2, Scotch 1-12, Catto 1-2, and Saddle 1-13 Mineral Claims.

Reed, P.B., 1988; Trophy Property of Continental Gold Corp., Company Report.

APPENDIX I


STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, BERNHARDT E.K. AUGSTEN, of 214 - 144 West 4th Street, of the City of North Vancouver, British Columbia do hereby certify that:

1. I am currently employed as Senior Exploration Geologist by Continental Gold Corp. offices at #1020 - 800 West Pender Street, Vancouver, B.C.
2. I graduated from Carleton University in geology, having obtained my Honours Bachelor of Science in 1985.
3. I have worked in the field of mineral exploration in B.C., Manitoba, Ontario and Quebec.
4. The foregoing report is based on:
 - (a) A study of all available company and government reports.
 - (b) My examination of the property during the period June 16 to September 23, 1988.

Vancouver, B.C.


Bernhardt E.K. Augsten, B.Sc.
Senior Exploration Geologist
CONTINENTAL GOLD CORP.

DOKDAON CREEK PROJECT

SUMMARY REPORT

DOK 1 - 6 CLAIMS

**Liard Mining Division
British Columbia
NTS 104 G / 12**

**Latitude 57° 32' N
Longitude 131° 35' W**

FOR

**CONTINENTAL GOLD CORP.
1020 - 800 West Pender Street
Vancouver, B.C.
V6C 2V6**

BY

**DOUGLAS B. FORSTER
VICE-PRESIDENT, PROJECT DEVELOPMENT
CONTINENTAL GOLD CORP.**

October 15, 1988

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APPENDIX I - Statement of Qualifications

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1.0 SUMMARY

Continental Gold Corp.'s Dokdaon Creek Project encompasses the DOK 1-6 claims totalling 115 units (4600 ha). The project area, located 50 kms southwest of Telegraph Creek, B.C., is underlain by Upper Triassic volcanics and sediments, which are intruded by a Lower Jurassic syenite stock. Large gossanous zones are developed throughout the claim group, with numerous faults and shear zones being recognized on the property. Mineralization in the project area is typically shear-controlled with the sulfides galena, sphalerite, chalcopyrite and pyrite being documented. A piece of pyritic float collected during 1988 from a creek draining Continental's DOK 5 and 6 claims assayed 0.303 ounces per ton Au. Major mining companies have staked ground adjoining Continental's claims in the Dokdaon Creek area.

The region covered by Continental Gold Corp.'s Dokdaon Creek Project has excellent potential of hosting shear zone hosted Au - Ag - Cu - Pb - Zn mineralization similar to mineralization found in the Iskut River region of northwest British Columbia.

2.0 INTRODUCTION

The Dokdaon Creek Project (NTS 104G/12) encompasses the DOK 1-6 claims totalling 115 units. The claims are registered in the name of Douglas B. Forster and held in trust for Continental Gold Corp., who owns an undivided 100% interest in the claims. Douglas B. Forster is a Senior Officer and Director of Continental Gold Corp.

The claims were staked in June of 1988 to cover a large hydrothermally altered zone in volcanics and sediments adjacent to a syenite, porphyry stock.

As well, the claim group was positioned to cover the DOK (Cu), LLK (Cu, Mo, Ag, Au), PR (Cu), GU (Cu, Pb, Zn, Mo) and GU North (Cu) mineral prospects as noted on the B.C. Ministry of Mines Minfile Map 104G.

Only minor prospecting has been conducted on the claims during 1988.

2.1 Location and Access

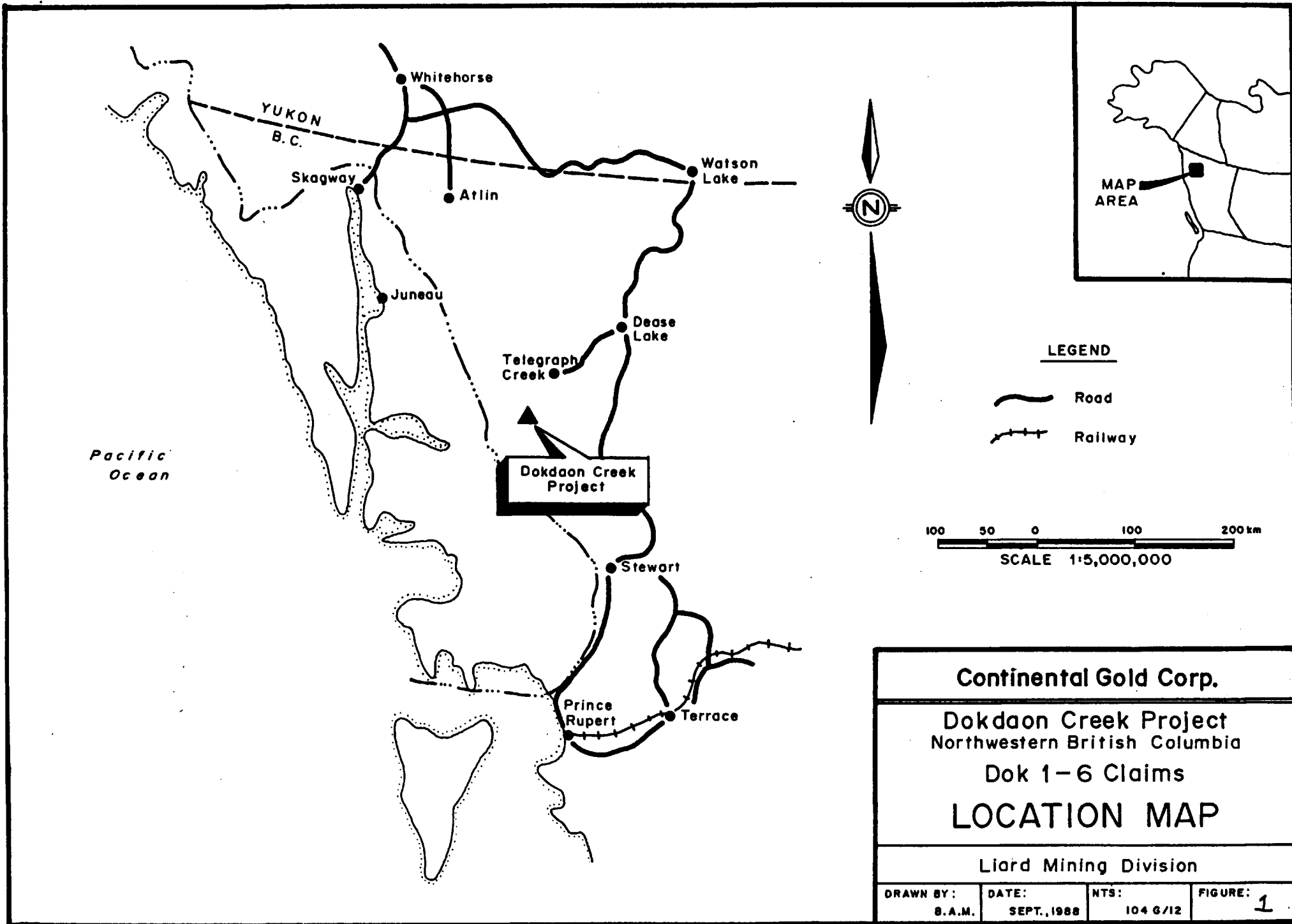
Continental Gold Corp.'s DOK 1-6 claims are situated between Dokdaon and Strata Creeks, approximately 50 kms southwest of Telegraph Creek in northwest British Columbia (Figure 1). Access to the property is via helicopter from Dease Lake or Telegraph Creek.

The DOK 1-6 claims are centred near Latitude 57° 32' North and Longitude 131° 35' West on NTS map sheet 104G/12.



2.2 Topography and Climate

The Dokdaon Creek Project claims are located within the drainage basin of the Stikine River, at the eastern margin of the Coast Range Mountains. The project area is in moderate alpine terrain with elevations ranging from 900 meters to 1,900 meters a.s.l.

Precipitation in the vicinity of the claims is variable throughout the year with sudden snow flurries and rain showers being common. Snow is on many north facing slopes until late June. Many cirques remain snow-filled all year round. The best months to conduct mineral exploration are July, August and September, with snow beginning to accumulate on the ground by early to mid-October.



LEGEND

-  Road
-  Railway



Continental Gold Corp.

Dokdaon Creek Project
Northwestern British Columbia

Dok 1-6 Claims

LOCATION MAP

Liard Mining Division

DRAWN BY: S.A.M.	DATE: SEPT., 1988	NTS: 104 G/12	FIGURE: 1
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Tree line is approximately 900 meters, with most of the claim region occurring above this elevation. Minor grass and shrubs cover portions of the higher elevations, with many portions of the claim region being underlain by talus and moraine.

Outcrop exposure on the DOK claims is approximately 35%, with overburden and talus covering the rest of the region.

2.3 Exploration History

The first reconnaissance geological mapping in the Telegraph Creek map area was undertaken by Forrest A. Kerr (1948) of the Geological Survey of Canada, who mapped the mountains adjacent to the Stikine and Iskut rivers in the years 1924 to 1929. In 1956 the Geological Survey of Canada carried out "Operation Stikine" which included a helicopter reconnaissance of the Telegraph Creek map area.

This initial work combined with geological mapping conducted by J.G. Souther, led to the publication of a 1:250,000 scale geologic map of the Telegraph Map Sheet (104G); Souther (1972).

The first recorded mineral exploration in the Telegraph - Stikine River region was undertaken in 1861 when placer gold was discovered on the Stikine River just below the townsite of Telegraph Creek.

During the 1920's, 1930's and 1940's the emphasis had shifted from placer exploration to exploration for lode deposits. Early exploration was confined to accessible areas along the Stikine River, with a number of small copper occurrences being discovered.

The first recorded exploration in the region covered by the DOK 1-6 claims was in 1970 when Canadex Mining Corp. staked the EWK 1-4, LLK 1-4 and DOK 1-36 claims. Canadex conducted soil sampling and geological

mapping locating a number of pyrite - chalcopyrite veins associated with numerous northerly trending fault zones.

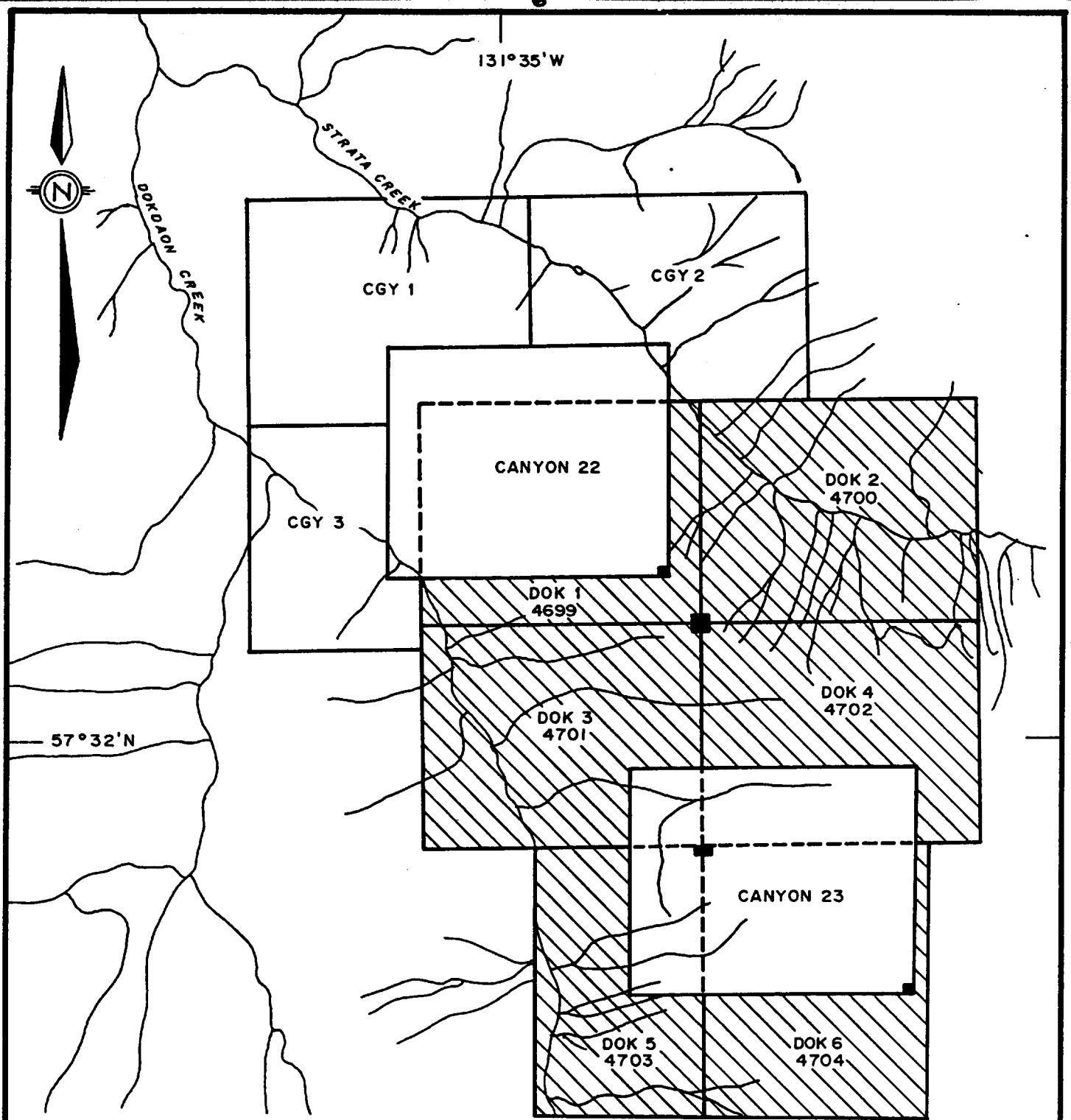
In 1971, the Swiss Aluminum Mining Co. of Canada (SAMCC) optioned the ground presently covered by Continental's DOK 1-6 claims. Swiss Aluminum established cut grids on the property and conducted soil sampling, trenching and a ground magnetics geophysical survey. A total of 83 hand dug pits were excavated during 1971 and 1972, with abundant galena, sphalerite, pyrite and chalcopyrite mineralization being found to be associated with syenite and felsite dykes on the property. A large Cu and Pb soil anomaly was also outlined in the project area now covered by the DOK 1-6 claims.

As the Swiss Aluminum Mining Company was looking for porphyry-Cu deposits, only assays for Cu are reported. Significant Cu assays were reported from many regions of the project area associated with silicified shears and fault zones containing disseminated sulfides. Reported assays for Cu include 0.32% Cu over 75 feet, 0.66% Cu over 125 feet and 0.72% Cu over 50 feet (all true widths). No diamond drilling has ever been conducted in the Dokdaon Creek region.

No further exploration work has been recorded in the region prior to Continental staking the DOK 1-6 claims in June of 1988.

2.4 Property Status

The Dokdaon Creek Project consists of six contiguous claims (DOK 1-6), totalling 115 units (4600 ha). All mineral claims are owned by Continental Gold Corp. and are registered in the name of D.B. Forster, Vice-President and Director of Continental Gold. Corp. Pertinent claim information is outlined in Table 1. The location of the DOK 1-6 claims is depicted in Figure 2.



LEGEND

- Legal corner post
- ~ River, creek



Continental Gold Corp.			
Dokdaon Creek Project Northwestern British Columbia Dok 1-6 Claims CLAIM MAP			
Liard Mining Division			
DRAWN BY: B.A.M.	DATE: SEPT., 1988	NTS: 104 G/12	FIGURE: 2

TABLE 1
CLAIM SCHEDULE

<u>Claim</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Area (ha)</u>	<u>Units</u>
DOK 1	4699	June 23, 1988	800	20
DOK 2	4700	June 23, 1988	800	20
DOK 3	4701	June 23, 1988	800	20
DOK 4	4702	June 23, 1988	800	20
DOK 5	4703	June 23, 1988	600	15
DOK 6	4704	June 23, 1988	800	20
			<hr/> 4600 ha	<hr/> 115

A portion of the ground claimed by Continental was also claimed by an exploration syndicate composed of Homestake Mineral Development Company and Equity Silver Mines Ltd. Approximately 25% of the ground claimed by Continental is covered by the Homestake - Equity Canyon 22 (4726) and Canyon 23 (4727) claims (Figure 2). The Canyon 22 and 23 claims were staked five days prior to Continental's DOK 1-6 claims.

Continental was able to flag and blaze a major portion of the DOK 1-6 claim lines. Whereas the Homestake-Equity Silver Syndicate did not attempt to run any of their claim lines, staking both claims by simply positioning the two legal corner posts (LCP's).

Subsequent to Continental acquiring the DOK 1-6 claims, Seamus Young of Donegal Div. Ltd., tied on three claims to Continental's northern claim boundary. The CGY 1-3 claims (4772, 4773, 4774) were staked on June 25, 1988, two days after Continental had acquired the DOK 1-6 claims.

3.0 PROPERTY GEOLOGY

3.1 Stratigraphy and Structure

The Dokdaon Creek Project area is predominantly underlain by Upper Triassic volcanics and sediments as outlined by Souther (1972) in Figure 3. The volcanic rocks are composed of dacitic flows and tuffs as well as cherty-looking rhyolite flows. The rhyolites have a very siliceous character and contain up to 3% disseminated pyrite.

A small plug of syenite porphyry is located in the northern part of the claim group. The syenite is highly sheared and fractured and altered to sericite and minor clay minerals.



Figure 3: Geology of the Dokdaon Creek Project Area, (After Souther, 1972)

LEGEND

QUATERNARY

PLEISTOCENE AND RECENT

- 29 Fluvialite gravel; sand, silt; glacial outwash, till, alpine moraine and colluvium
- 28 Hot-spring deposit, tufa, aragonite
- 27 Olivine basalt, related pyroclastic rocks and loose tephra; younger than some of 29

TERTIARY AND QUATERNARY

UPPER TERTIARY AND PLEISTOCENE

- 26 Rhyolite and dacite flows, lava domes, pyroclastic rocks and related sub-volcanic intrusions; minor basalt
- 25 Basalt, olivine basalt, dacite, related pyroclastic rocks and subvolcanic intrusions; minor rhyolite; in part younger than some 26

CRETACEOUS AND TERTIARY

UPPER CRETACEOUS AND LOWER TERTIARY

SLOKO GROUP

- 24 Light green, purple and white rhyolite, trachyte and dacite flows, pyroclastic rocks and derived sediments
- 22, 23 22. Biotite leucogranite, subvolcanic stocks, dykes and sills
23. Porphyritic biotite andesite, lava domes, flows and (?) sills

SUSTUT GROUP

- 21 Chert-pebble conglomerate, granite-boulder conglomerate, quartzose sandstone, arkose, siltstone, carbonaceous shale and minor coal
- 20 Felsite, quartz-feldspar porphyry, pyritiferous felsite, orbicular rhyolite; in part equivalent to 22
- 19 Medium-to coarse-grained, pink biotite-hornblende quartz monzonite

JURASSIC AND/OR CRETACEOUS

POST-UPPER TRIASSIC PRE-TERTIARY

- 18 Hornblende diorite
- 17 Granodiorite, quartz diorite; minor diorite, leucogranite and migmatite

JURASSIC

MIDDLE (?) AND UPPER JURASSIC

BOWSER GROUP

- 16 Chert-pebble conglomerate, grit, greywacke, subgreywacke, siltstone and shale; may include some 13

MIDDLE JURASSIC

- 15 Basalt, pillow lava, tuff-breccia, derived volcaniclastic rocks and related subvolcanic intrusions

LOWER AND MIDDLE JURASSIC

- 14 Shale, minor siltstone, siliceous and calcareous siltstone, greywacke and ironstone

LOWER JURASSIC

- 13 Conglomerate, polymictic conglomerate; granite-boulder conglomerate, grit, greywacke, siltstone; basaltic and andesitic volcanic rocks, peperites, pillow-breccia and derived volcaniclastic rocks

TRIASSIC AND JURASSIC

POST-UPPER TRIASSIC PRE-LOWER JURASSIC

- 12 Syenite, orthoclase porphyry, monzonite, pyroxenite

HICKMAN BATHOLITH

- 10, 11 10. Hornblende granodiorite, minor hornblende-quartz diorite 11. Hornblende, quartz diorite, hornblende-pyroxene diorite, amphibolite and pyroxene-bearing amphibolite

TRIASSIC

UPPER TRIASSIC

- 9 Undifferentiated volcanic and sedimentary rocks (units 5 to 8 inclusive)
- 8 Augite-andesite flows, pyroclastic rocks, derived volcaniclastic rocks and related subvolcanic intrusions; minor greywacke, siltstone and polymictic conglomerate
- 7 Siltstone, thin-bedded siliceous siltstone, ribbon chert, calcareous and dolomitic siltstone, greywacke, volcanic conglomerate, and minor limestone
- 6 Limestone, feld argillaceous limestone, calcareous shale and reefoid limestone; may be in part younger than some 7 and 8
- 5 Greywacke, siltstone, shale; minor conglomerate, tuff and volcanic sandstone

MIDDLE TRIASSIC

- 4 Shale, concretionary black shale; minor calcareous shale and siltstone

PERMIAN

MIDDLE AND UPPER PERMIAN

- 3 Limestone, thick-bedded mainly bioclastic limestone; minor siltstone, chert and tuff

PERMIAN AND OLDER

- 2 Phyllite, argillaceous quartzite, quartz-sericite schist, chlorite schist, greenstone, minor chert, schistose tuff and limestone

MISSISSIPPIAN

- 1 Limestone, crinoidal limestone, ferruginous limestone; maroon tuff, chert and phyllite
- B Amphibolite, amphibolite gneiss; age unknown probably pre-Upper Jurassic
- A Ultramafic rocks; peridotite, dunite, serpentinite; age unknown, probably pre-Lower Jurassic

- Geological boundary (defined and approximate, assumed)
- Bedding (horizontal, inclined, vertical, overturned) + / / /
- Anticline
- Syncline
- Fault (defined and approximate, assumed)
- Thrust fault, teeth on hanging-wall side (defined and approximate, assumed)
- Fossil locality
- Mineral property 15x
- Glacier

Figure 3a: Legend for Geological Map in Figure 3, (After Souther, 1972)

In the southern portion of the claim group, a granodiorite intrusive complex is evident. Along the intrusive contact the rhyolitic flows are highly brecciated and gossanous.

Dykes of syenite, felsite and rhyolite are abundant throughout the claim group. Syenite dykes range in width from 0.5 metres to 5 metres, with dykes of other compositions also exhibiting similar width ranges.

Faults and shear zones occur throughout the claim group, being marked by major gullies or stream beds. Most faults trend in a northeast direction, although northerly trending faults are also very abundant.

Landsat photo structural analysis indicates the northerly trending major fault which crosses through the centre of Continental's Trophy Gold Project area extends northward to the Dokdaon Creek Project area, passing on west side of the DOK 4 claim down Dokdaon Creek. This pronounced, regional-scale structural feature quite likely plays a major role in the genesis of precious metal mineralization as delineated on Continental's Trophy Gold Project located 33 kms south of the DOK 1-6 claims.

3.2 Mineralization and Geochemistry

Only very minor prospecting was undertaken by Continental Gold geologists on the DOK 1-6 claims during the 1988 field season.

Sulfide mineralization as noted by the Swiss Aluminum Mining Company (SAMCC) during their 1971 investigation occurs throughout the DOK 1-6 claims, as is evident by the bright red and orange oxidation/gossan zone extending over the entire claim group. Pyrite and chalcopyrite occur within 0.5 to 4 metre wide shear zones within a gangue of sericite and quartz.

The Swiss Aluminum Mining Company reported assays of up to 0.66% Cu over 125 feet from their 1971 exploration program.

Abundant sulfide mineralization was also noted adjacent to syenite and felsite dykes during the 1971 investigation by SAMCC. In addition, massive galena float was discovered by SAMCC in the region now covered by the DOK 5 and 6 claims. The source of this float was never located, although a large Pb soil anomaly was outlined on the property.

During the staking of the claims in June of 1988, a Continental geologist located a piece of pyritic rhyolite float in a creek draining the DOK 5 and 6 claims. When assayed, this sample returned a value of 0.303 ounces per ton Au. Due to the rugged terrain and time constraints, the source-region of this sample was never located. However, numerous dykes and flows of rhyolitic composition and known to occur within the claim group.

Much of the syenite porphyry and intruded volcanics on the DOK claims has been extensively altered to sericite and chlorite.

Sericite is the main alteration feature associated with gold and silver deposition on Continental's Trophy Gold Project located 33 kms south of the DOK 1-6 claims. At Trophy, syenite to monzonitic intrusions have created the hydrothermal drive, with wide zones of sericitized and brecciated volcanics acting as host to precious and base metal mineralization. Highly sericitized volcanic and intrusive rocks on the Trophy claims host shear zone related pyrite, galena, sphalerite and arsenopyrite mineralization with surface assays of up to 0.39 oz/ton Au and 14.04 oz/ton Ag over 26.1 feet being documented.

On July 27, 1988, the British Columbia Ministry of Energy and Mines released the results from their Regional Geochemical Stream Sediment Survey which covered the entire Telegraph map sheet (104G). Stream

sediments from creeks draining Continental's DOK 1-6 claims are highly anomalous in Pb, Cu, Ni, Co and Cd as outlined below:

Pb	20 ppm
Cu	156 ppm
Ni	232 ppm
Co	38 ppm
Cd	0.4 ppm

Only one creek draining the claim group was sampled during the Government survey.

4.0 TARGET TYPE AND POTENTIAL

The region covered by Continental Gold Corp.'s Dokdaon Creek Project has excellent potential for hosting shear zone hosted gold-silver mineralization similar to mineralization found in the Iskut River region of northwest B.C.

The DOK 1-6 claims' proximity to a Lower Jurassic syenite intrusion and to large zones of hydrothermal alteration, compare favourably to the geological environments of Continental's gold-silver mineralization on the Trophy claims, and to Delaware/Cominco's SNIP Project in the Iskut River area (1.2 million tons grading 0.75 oz/ton Au).

The Dokdaon Creek Project is situated in a relatively unexplored portion of a 200 km long belt of structurally controlled precious and base metal deposits stretching from Westmin's Premier/Big Missouri Mines in the south to North American Metals' Golden Bear deposit in the north.

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APPENDIX I

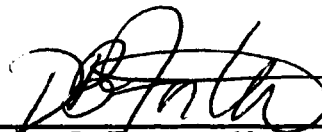
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Douglas B. Forster of #313-1350 Comox Street of the City of Vancouver, British Columbia, do hereby certify that:

1. I am currently employed as Vice-President, Project Development of Continental Gold Corp. with offices at 1020 - 800 West Pender Street, Vancouver, B.C.
2. I graduated from the University of British Columbia in geology, having obtained my Bachelor of Science in 1981 and my Master of Science in 1984.
3. I have worked in the field of mineral exploration in B.C., Manitoba, Saskatchewan and the Yukon Territories since 1977.
4. I am an Associate of the Geological Association of Canada.
5. I am a Director of Continental Gold Corp., and hold securities of the aforementioned.
6. This report is based in part on my personal observations on the property, and a review of all pertinent data.

Vancouver, B.C.



Douglas B. Forster, Msc.
Vice-President, Project Development
Continental Gold Corp.

D E V I L ' S E L B O W P R O J E C T

S U M M A R Y R E P O R T

D E V 1 - 4 C L A I M S

**Liard Mining Division
British Columbia
NTS 104 G / 12**

**Latitude 57° 32' N
Longitude 131° 40' W**

FOR

**CONTINENTAL GOLD CORP.
1020-800 W. Pender Street
Vancouver, B.C.
V6C 2V6**

BY

**DOUGLAS B. FORSTER
VICE PRESIDENT, PROJECT DEVELOPMENT
CONTINENTAL GOLD CORP.**

October 15, 1988

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APPENDIX II - Statement of Qualifications

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1.0 SUMMARY

The Devil's Elbow Project encompasses the DEV 1-4 claims totalling 80 units (3200ha). The project area, located 50 kms southwest of Telegraph Creek (NTS 104 G/12) is underlain by limestone, phyllite, argillite, chert, rhyolite and granodiorite. Large gossans are developed throughout the claim group, especially in regions where the sediments and volcanics are intruded by small stocks and plugs.

Prospecting to date has located numerous zones of precious and base metal mineralization associated with shear zones and brecciated zones in volcanics and sediments, as well as skarn hosted Ag-Pb-Zn mineralization. Minimal sampling within the mineralized zones discovered to date has returned assays of up to 9.8 oz/ton Ag, 2.62% Pb and 1.08% Zn over 5.25m (17.2 feet true width). Grab samples from other zones have assayed up to 2290 ppb Au (0.067 oz/ton Au), 4.7 oz/ton Ag and 10% Zn. Numerous other gossanous/mineralized zones were not investigated during 1988.

The Devils Elbow Project has excellent potential for hosting shear-hosted gold-silver mineralization and precious metal-bearing skarns similar to mineralization found in the Iskut River region of B.C. and at Continental Gold Corp.'s Trophy Gold Project located 35 kms. southeast of the DEV 1-4 claims.

2.0 INTRODUCTION

The Devil's Elbow Project (NTS 104G/12) encompasses the DEV 1-4 claims totalling 80 units. The claims are registered in the name of Douglas B. Forster and held in trust for Continental Gold Corp., who owns an undivided 100% interest in the claims. Douglas B. Forster is a Senior Officer and Director of Continental Gold Corp.

The claims were staked in July of 1988 to cover a large hydrothermally altered zone in volcanics and sediments, where prospecting had discovered heavily oxidized pyrite-sphalerite mineralization which assayed 2290 ppb Au, 4.7 oz/ton Ag and 10% zinc.

The DEV 1-4 claims were also located to cover the APEX Au, Ag, Pb, Zn, Cu, Wo mineral occurrence #013 on the Ministry of Energy and Mines' Mineral Inventory Map for NTS 104G.

2.1 Location and Access

Continental Gold Corp.'s DEV 1-4 claims are situated approximately 50 kms southwest of Telegraph Creek in northwestern British Columbia (Figure 1). Access to the property is via helicopter from Dease Lake or Telegraph Creek. As well, equipment and supplies can be flown in by float plane to the Stikine River, located 2.0 kms. from the western claim boundary.

The DEV 1-4 claims are centred near latitude 57°32'N and longitude 131°40'W on NTS map sheet 104G/12.

2.2 Topography and Climate

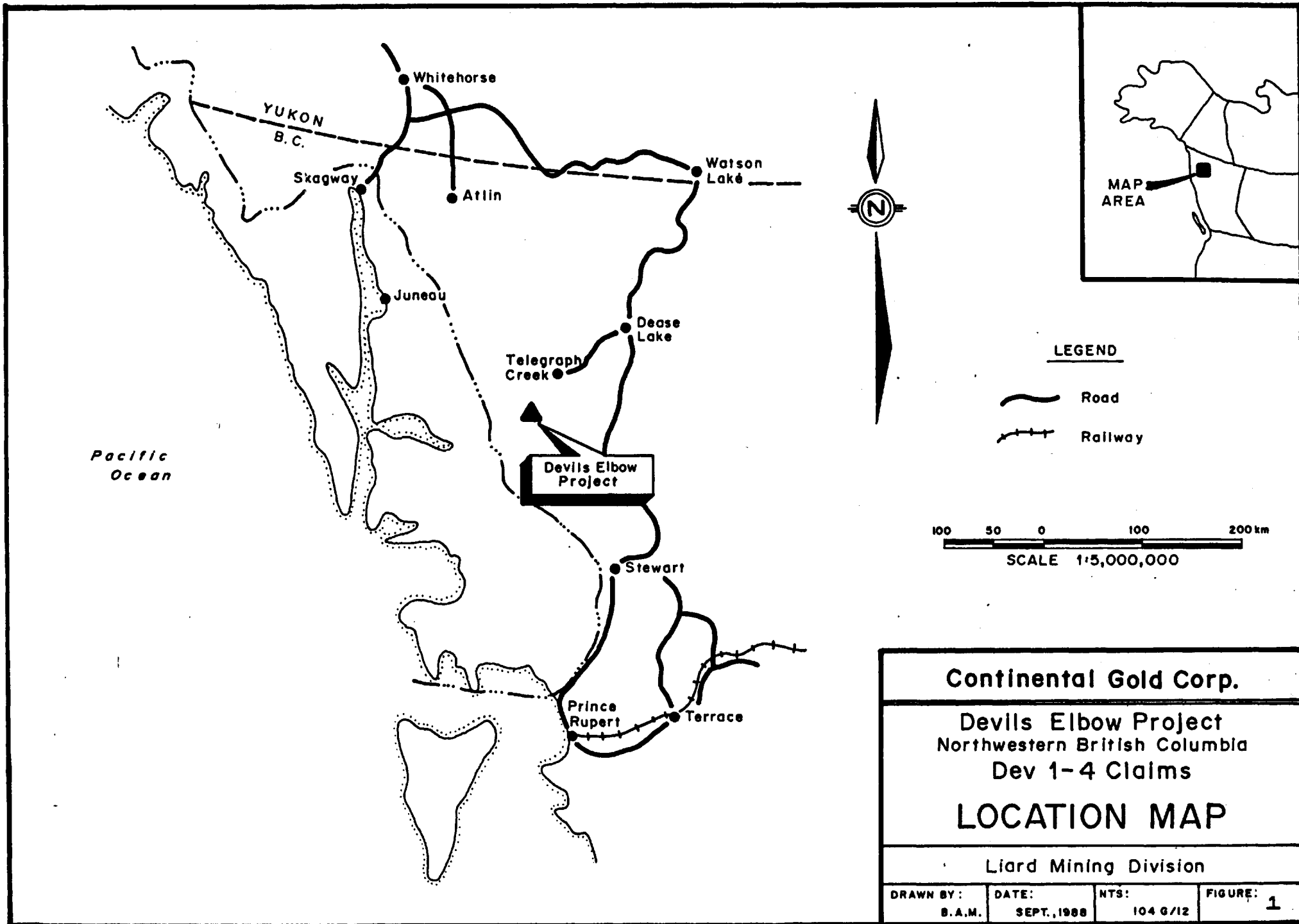
The DEV 1-4 claims are located within the drainage basin of the Stikine River at the eastern margin of the Coast Range Mountains. The project area is in

moderate alpine terrain with elevations ranging from 300 meters to 1900 meters a.s.l.

Precipitation in the vicinity of the claims is variable throughout the year with sudden snow flurries and rain showers being common. Snow is on many north facing slopes until late June. Many cirques remain snow-filled all year round. The best months to conduct mineral exploration are July, August and September, with snow beginning to accumulate on the ground by early to mid-October.

Tree line is approximately 1200 meters, with all mineralization discovered to date occurring above this elevation. Minor grass and shrubs cover portions of the higher elevations, with much of the claim region being underlain by talus and forest.

Outcrop exposure on the DEV claims is approximately 35%, with overburden and talus covering the rest of the region.



Continental Gold Corp.

Devils Elbow Project
 Northwestern British Columbia
 Dev 1-4 Claims

LOCATION MAP

Liard Mining Division

DRAWN BY: B.A.M.	DATE: SEPT., 1988	NTS: 104 G/12	FIGURE: 1
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2.3 Exploration History

The first reconnaissance geological mapping in the Telegraph Creek map area was undertaken by Forrest A. Kerr (1948) of the Geological Survey of Canada, who mapped the mountains adjacent to the Stikine and Iskut rivers in the years 1924 to 1929. In 1956 the Geological Survey of Canada carved out "Operation Stikine" which included a helicopter reconnaissance of the Telegraph Creek map area.

This initial work combined with geological mapping conducted by J.G. Souther, led to the publication of a 1:250,000 scale geologic map of the Telegraph Map Sheet (104G); Souther (1972).

The first recorded mineral exploration in the Telegraph - Stikine River region was undertaken in 1861 when placer gold was discovered on the Stikine River just below the townsite of Telegraph Creek.

During the 1920's, 1930's and 1940's the emphasis had shifted from placer exploration to exploration for lode deposits. Early exploration was confined to

accessible areas along the Stikine River, with a number of small copper occurrences being discovered.

During the 1920's and 1930's, the region covered by the DEV 1-4 claims was staked a number of times as the APEX claims.

No record of work exists for this early exploration period, although while staking the ground Continental geologists identified a number of pits and trenches on Devil's Elbow Ridge on DEV 1 and 2. Early explorationists were most likely interested in the extensive galena-sphalerite mineralization identified throughout the claim group.

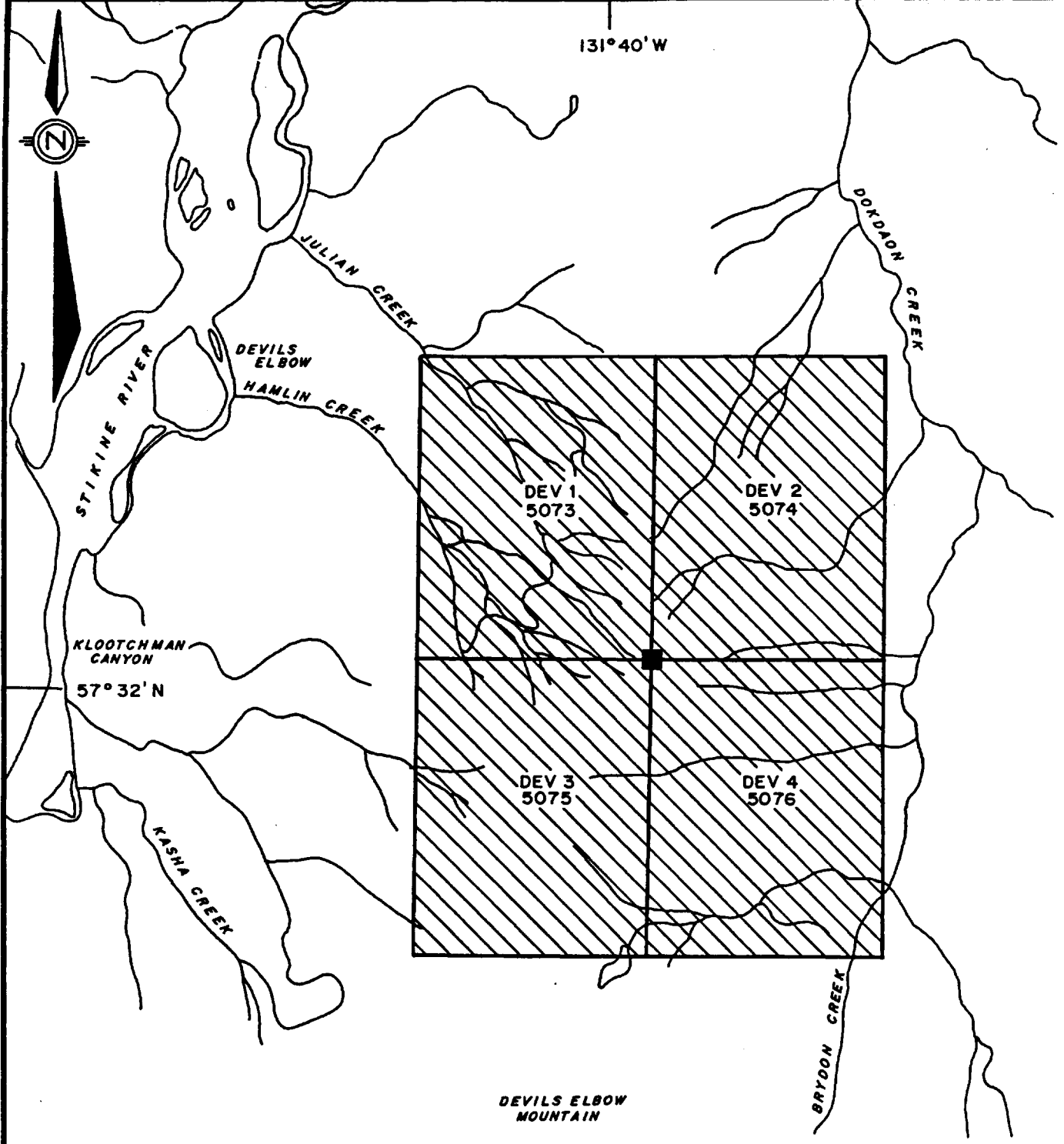
Continental Gold Corp. geologists became interested in the region covered by the DEV 1-4 claims as a result of their precious metal discoveries on Continental's Trophy claims located 35kms southeast of the Devil's Elbow Project. On the Trophy claims, major north-south structures act as host to brecciated and silicified zones in limestone and volcanics with assays of up to 0.39 oz/ton Au and 14.04 oz/ton Ag over 26 feet being documented.

The DEV 1-4 claims are located adjacent to the same major north-south trending shear zone which hosts the Trophy Gold Project mineralization. The geology of the DEV 1-4 claims is also very similar to the geology found on the Trophy claims.

Prospecting initiated in early June by Continental Gold Corp. geologists located pyritic, highly oxidized float on the present claim group which assayed 2290 ppb Au (0.067 opt Au) 4.7 opt Ag and 10% zinc. The DEV 1-4 claims were staked in July 1988 to cover a gossanous, highly altered zone on Devil's Elbow Ridge, which is undoubtedly the source locality for the anomalous float.

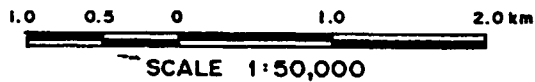
2.4 Property Status

The Devil's Elbow Project consists of 4 contiguous claims (DEV 1-4) totalling 80 units (3200ha). All mineral claims are owned by Continental Gold Corp., and registered in the name of D.B. Forster, Vice President and Director of Continental Gold Corp. Pertinent claim information is outlined in Table 1. The location of the DEV 1-4 claims is depicted in Figure 2.



LEGEND

- Legal corner post
- River, creek



Continental Gold Corp.

**Devils Elbow Project
Northwestern British Columbia**

Dev 1-4 Claims

CLAIM MAP

Liard Mining Division

DRAWN BY: B.A.M.	DATE: SEPT., 1988	NTS: 104 G/12	FIGURE: 2
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T A B L E 1
CLAIM SCHEDULE

<u>Claim</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Area (ha)</u>	<u>No. Units</u>
DEV 1	5073	July 21, 1988	800	20
DEV 2	5074	July 21, 1988	800	20
DEV 3	5075	July 21, 1988	800	20
DEV 4	5076	July 21, 1988	<u>800</u>	<u>20</u>
			3200	80

3.0 PROPERTY GEOLOGY

3.1 Stratigraphy

The regional geology of the Telegraph Creek map area has been discussed in detail by Kerr (1948) and by Souther (1972). The region covered by the DEV 1-4 claims is underlain by Permian sediments and volcanics which are well exposed over much of the property (Figure 3). In the extreme southern portion of the project area the sediments are intruded by granodiorite of Jurassic age. Upper Triassic volcanics also crop out within the claim group to the west of the Palaeozoic section. Lower Jurassic syenite intrusions occur both to the south and east of the claim group.

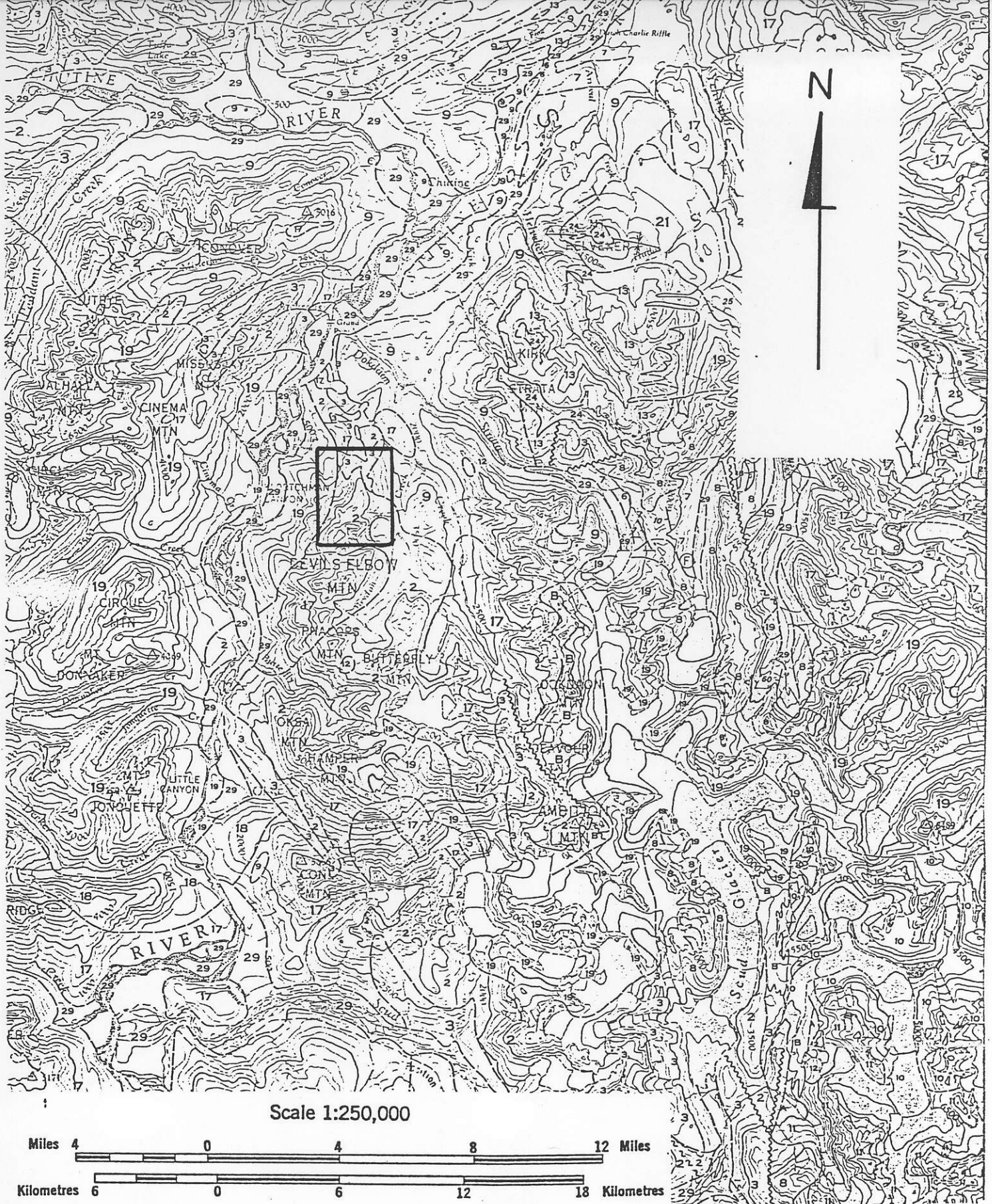


Figure 3: Regional Geologic Map
 Devils Elbow Project
 (After Souther, 1972)

LEGEND

QUATERNARY

PLEISTOCENE AND RECENT

- 29 Fluvialite gravel; sand, silt; glacial outwash, till, alpine moraine and colluvium
- 28 Hot-spring deposit, tufa, aragonite
- 27 Olivine basalt, related pyroclastic rocks and loose tephra; younger than some of 29

TERTIARY AND QUATERNARY

UPPER TERTIARY AND PLEISTOCENE

- 26 Rhyolite and dacite flows, lava domes, pyroclastic rocks and related subvolcanic intrusions; minor basalt
- 25 Basalt, olivine basalt, dacite, related pyroclastic rocks and subvolcanic intrusions; minor rhyolite; in part younger than some 26

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- 24 Light green, purple and white rhyolite, trachyte and dacite flows, pyroclastic rocks and derived sediments
- 22, 23 22. Biotite leucogranite, subvolcanic stocks, dykes and sills
23. Porphyritic biotite andesite, lava domes, flows and (?) sills
- 21 Chert-pebble conglomerate, granite-boulder conglomerate, quartzose sandstone, arkose, siltstone, carbonaceous shale and minor coal
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SUSTUT GROUP

JURASSIC AND/OR CRETACEOUS

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- 18 Hornblende diorite
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LOWER AND MIDDLE JURASSIC

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LOWER JURASSIC

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TRIASSIC AND JURASSIC

POST-UPPER TRIASSIC PRE-LOWER JURASSIC

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HICKMAN BATHOLITH

- 10, 11 10. Hornblende granodiorite, minor hornblende-quartz diorite 11. Hornblende, quartz diorite, hornblende-pyroxene diorite, amphibolite and pyroxene-bearing amphibolite

TRIASSIC

UPPER TRIASSIC

- 9 Undifferentiated volcanic and sedimentary rocks (units 5 to 8 inclusive)
- 8 Andite-andesite flows, pyroclastic rocks, derived volcaniclastic rocks and related subvolcanic intrusions; minor greywacke, siltstone and polymictic conglomerate
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MIDDLE AND UPPER PERMIAN

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PERMIAN AND OLDER

- 2 Phyllite, argillaceous quartzite, quartz-sericite schist, chlorite schist, gneiss, minor chert, schistose tuff and limestone

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- B Amphibolite, amphibolite gneiss; age unknown probably pre-Upper Jurassic
- A Ultramafic rocks; peridotite, dunite, serpentinite; age unknown, probably pre-Lower Jurassic

- Geological boundary (defined and approximate, assumed)
- Bedding (horizontal, inclined, vertical, overturned) + / \ \
- Anticline ↑
- Syncline ↓
- Fault (defined and approximate, assumed) ~~~~~
- Thrust fault, teeth on hanging-wall side (defined and approximate, assumed), ↘
- Fossil locality ⊙
- Mineral property15x
- Glacier ○

Figure 3a: Legend for Geologic Map,
Figure 3 (After Souther, 1972)

The Palaeozoic rocks consist of phyllite, argillite, chert, flow banded rhyolite and limestone. This section is intruded by numerous felsic and mafic dykes, which vary in width from 0.5 to 10 metres.

Shear zones, faults, and fault breccias have been recognized throughout the claim group and generally trend north-south to north-east.

3.2 Mineralization and Geochemistry

Only limited prospecting was conducted on the DEV 1-4 claims during the 1988 field season.

On July 27, 1988 the British Columbia Ministry of Energy and Mines released the results from their Regional Geochemical Stream Sediment Survey which covered the entire Telegraph mapsheet (104G). Stream sediments from creeks draining the DEV 1-4 claims are highly anomalous in Pb, Zn, Ag, As and Cd and moderately anomalous in Au. Ninety-fifth percentile Ag, Pb, Zn and As anomalies were documented in creeks draining both east and west from the ridge that runs down the centre of the claim group.

To date, prospecting has discovered two major styles of precious and base metal mineralization on the DEV 1-4 claims. In the southern portion of the project area sulfide-bearing shear zones have been documented near the margin of a granodiorite stock. A large gossanous zone occurs near the contact of the granodiorite on DEV 3 and 4. Shear zones are recognized by the presence of abundant quartz, and calcite gangue within brecciated and sheared volcanics or sediments. Mineralization consists of the sulfides pyrite, arsenopyrite, galena, chalcopyrite and sphalerite. Minor amounts of magnetite also occur within these zones. Minimal rock sampling has returned highly anomalous values in both base and precious metals as outlined below and indicated on Figure 4.

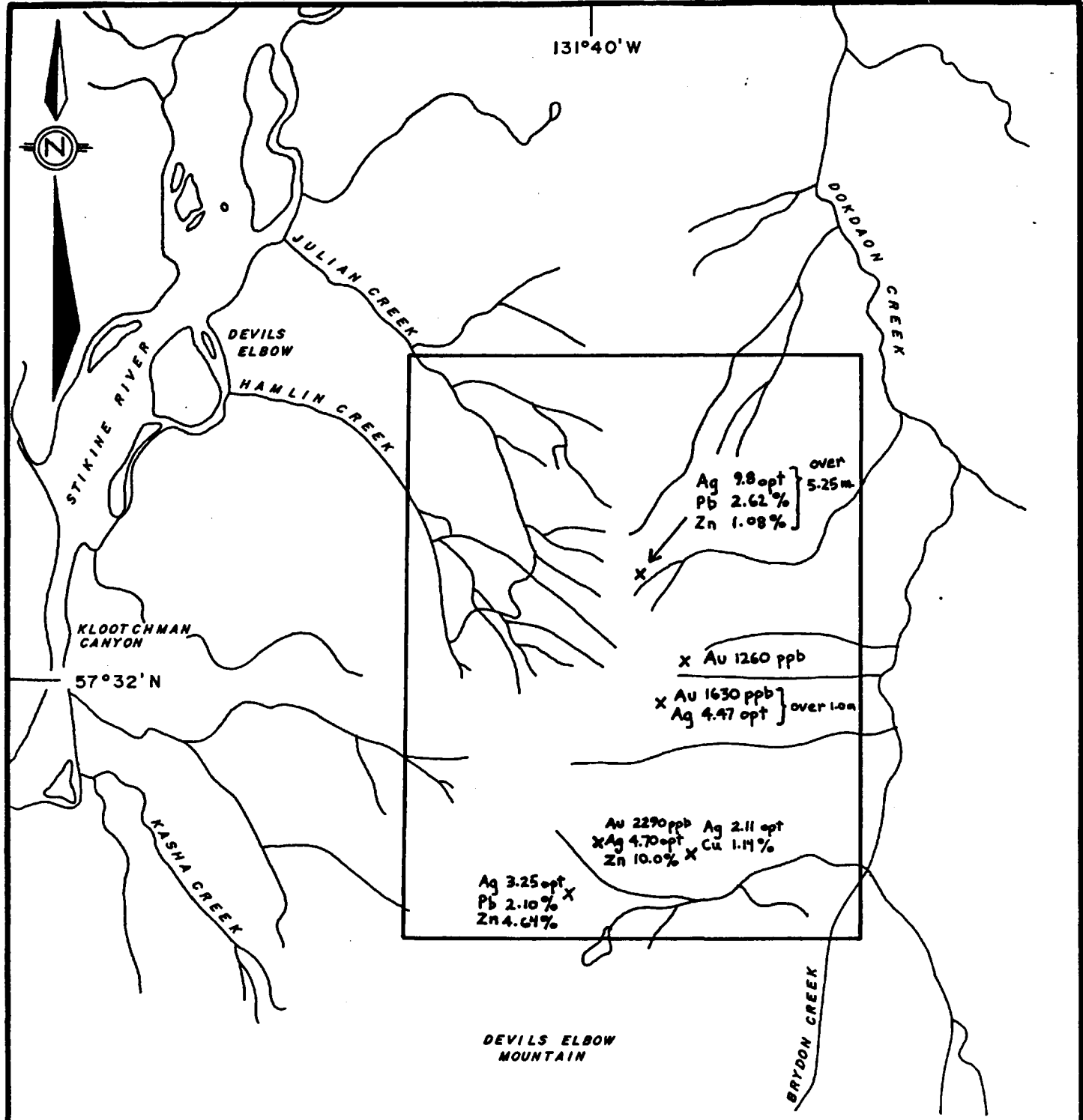
<u>SAMPLE NUMBER</u>	<u>ASSAYS</u>
5319	Au: 1260 ppb
7394	Au: 1630 ppb Ag: 4.47 oz/ton
7407	Au: 62 ppb Ag: 3.25 oz/ton Pb: 2.10% Zn: 4.64%
7735	Au: 2290 ppb Ag: 4.70 oz/ton Zn: 10%
7732	Ag: 2.11 oz/ton Cu: 1.14%

This style of mineralization is widespread on the southern portion of the claim group.

A second style of mineralization has been located in the northern portion of the property. Skarnified limestones occur on the DEV 1 claim about 500 metres north of the LCP just below, and west of the ridge crest. Old workings, in the form of several small trenches were found in this location. Mineralization within the skarn is banded, with banding being defined by alternating layers of galena, pyrite, magnetite and sphalerite within a gangue of actinolite, epidote and quartz. Continuous chip samples were taken across the banding in the skarn yielding a weighted average over a 5.25 metre (17.22 foot) true width section assaying:

Ag:	9.8 oz/ton)	
Pb:	2.62%)	over 5.25 metres
Zn:	1.08%)	(Sample #'s 4770-4772)

The banding in the skarn dips gently eastward and strikes about north-south. Three hundred metres north of this location another outcrop of skarn assayed 1.8 oz/ton Ag and 0.91% Cu.



LEGEND

- X 7281 Sample location
- ~~~~~ River, creek
- └─── Property boundary



Continental Gold Corp.			
Devils Elbow Project Northwestern British Columbia Dev 1-4 Claims			
SAMPLE LOCATIONS & Au Ag Pb Zn GEOCHEMISTRY			
Liard Mining Division			
DRAWN BY: B. A.M.	DATE: SEPT., 1988	NTS: 10 ⁴ G/12	FIGURE: 4

Numerous other gossanous pyrite-rich mineralized zones have been located on the property, although no attempt was made to investigate these regions during 1988.

4.0 TARGET TYPE AND POTENTIAL

The region covered by Continental Gold Corp's Devil's Elbow Project has excellent potential for hosting shear zone hosted gold-silver mineralization similar to mineralization found in the Iskut River region of northwest B.C. In addition precious metal-bearing skarn mineralization is widespread in the project area and is similar in many respects to Gulf International Mineral's, McLymont Creek Project in the Iskut River area, where recent drilling of sulfide skarns has yielded drill intercepts which assayed up to 1.6 oz/ton Au and 39.73 oz/ton Ag over 36.5 feet.

The Devil's Elbow Project is situated in a relatively unexplored portion of a 200 km long belt of structurally controlled precious and base metal deposits stretching from Westmin's Premier/Big Missouri Mines in the south to North American Metals' Golden Bear deposit in the north.

5.0 BIBLIOGRAPHY

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APPENDIX I

GEOCHEMISTRY

SAMPLE#	Mo PPM	Cu PPM	Pd PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	V PPM	Au PPM	Pb PPM	Sr PPM	Cd PPM	Se PPM	Bi PPM	W PPM	Ca %	Cr %	La PPM	Li PPM	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au- PPB
BM-11-7300	1	95	8	21	.1	16	10	400	3.23	34	5	ND	1	97	1	2	2	73	.79	.106	4	3	1.15	27	.20	9	1.37	.06	.33	1	1
BM-11-7301	5	173	8	18	.1	1	15	210	6.38	4	5	ND	1	34	1	2	4	84	.38	.052	3	4	1.21	18	.16	2	1.37	.04	.12	1	1
BM-11-7302	15	1317	5	48	.1	72	33	662	12.87	6	5	ND	1	105	1	2	2	49	3.00	.091	5	59	1.84	661	.01	2	1.29	.01	.20	1	3
BM-11-7303	3	106	8	33	.1	24	13	617	3.76	2	5	ND	1	83	1	2	2	80	1.32	.099	3	37	1.39	69	.16	2	1.58	.04	.34	1	4
GD-00-7728	5	34	34	27	.1	41	14	60	5.08	2	5	ND	1	515	1	2	2	19	4.41	.047	2	12	.10	11	.09	2	7.07	.63	.04	1	1
GD-00-7729	3	24	22	53	.1	24	9	64	5.07	2	5	ND	1	518	1	2	4	15	4.62	.042	2	12	.06	16	.08	4	6.89	.57	.04	1	1
GD-00-7730	4	27	15	18	.1	36	9	72	3.40	2	5	ND	1	444	1	2	2	60	3.28	.043	2	41	1.13	36	.10	6	6.32	.55	.38	1	1
GD-00-7731	1	13	19	24	.1	30	5	65	1.82	2	5	ND	1	490	1	2	2	19	4.17	.019	2	11	.17	14	.07	3	6.52	.50	.07	1	1
GD-00-7732	13	11457	510	620	71.8	177	40	2517	10.04	5	5	ND	1	66	5	2	33	30	1.57	.031	2	12	.70	8	.04	2	1.45	.02	.04	4	13
GD-00-7733	3	735	314	792	8.3	38	13	4029	1.76	2	5	ND	1	75	7	2	22	15	3.76	.083	2	5	.72	2	.06	2	.94	.01	.02	1	1
GD-00-7734	1	33	21	61	.7	53	19	105	5.88	49	5	ND	1	283	1	2	8	31	1.80	.052	2	19	.45	44	.05	3	3.50	.33	.15	1	1
GD-00-7735	1	47	162	99999	160.5	9	8	636	12.78	652	5	2	1	21	802	11	174	3	.45	.202	2	2	.04	8	.01	7	.14	.01	.04	3	2290
GD-00-7736	1	36	12	1782	1.4	21	5	114	3.40	185	5	ND	2	19	26	2	2	13	.15	.015	2	13	.52	35	.02	5	.89	.02	.20	1	4
GD-00-7737	1	17	3	193	.5	27	5	233	2.86	47	5	ND	2	39	1	2	2	13	.14	.010	2	18	.88	26	.01	2	1.18	.02	.11	1	6
GD-00-7738	1	2	4	32	.7	10	3	42	2.53	46	5	ND	1	19	1	2	54	11	.05	.003	2	9	.16	31	.05	7	.21	.02	.13	1	1
GD-00-7739	1	5	10	898	2.1	22	3	61	2.16	26	5	ND	1	103	6	2	2	29	.85	.067	2	21	.60	27	.07	4	1.78	.15	.27	1	10
GD-00-7740	4	20	14	143	.7	68	10	79	5.76	102	5	ND	1	298	1	2	2	34	2.30	.046	2	21	.72	55	.04	7	4.35	.36	.20	1	1
GD-00-7741	1	39	13	38	.3	36	12	155	3.05	3	5	ND	1	103	1	2	2	35	1.81	.109	2	27	.50	13	.20	9	2.37	.23	.05	1	1
GD-00-7742	1	111	19	30	.8	21	12	188	8.39	4	5	ND	1	197	1	2	2	68	1.73	.087	2	72	1.76	50	.15	2	3.77	.27	.28	1	1
KM-09-5268	1	174	7	44	.1	17	12	699	15.84	2	5	ND	2	52	1	3	3	22	.72	.035	3	2	.28	32	.04	2	.82	.03	.09	1	1
KM-09-5269	1	97	16	61	.1	19	24	717	22.24	3	5	ND	3	30	1	2	2	48	.82	.037	2	5	.46	60	.06	7	1.25	.02	.07	1	2
KM-09-5270	1	355	12	59	.1	13	10	1253	15.38	2	5	ND	2	38	1	2	2	38	.97	.051	2	5	.97	35	.07	2	1.80	.05	.11	1	2
KM-09-5271	1	41	6	16	.1	4	6	240	2.26	2	5	ND	1	25	1	2	2	24	.92	.073	6	3	.28	133	.07	14	1.07	.07	.03	1	3
KM-09-5272	1	108	5	28	.1	8	9	926	5.59	2	5	ND	1	67	1	2	2	23	3.14	.052	6	6	.36	27	.06	13	1.30	.01	.01	1	1
KM-09-5273	4	58	8	266	.3	22	5	205	2.48	2	5	ND	2	16	2	2	2	29	1.08	.078	5	35	.69	318	.05	2	1.32	.01	.07	1	1
KM-09-5274	3	73	6	28	.2	104	16	339	4.64	11	5	ND	1	81	1	2	3	43	2.08	.244	9	84	.91	66	.06	6	2.38	.04	.05	1	1
KM-11-5275	1	193	12	44	.4	19	7	490	2.87	2	5	ND	1	49	1	2	3	44	3.50	.100	4	34	.87	19	.08	8	2.81	.07	.06	3	1
KM-11-5276	4	225	9	74	.3	13	10	386	3.47	2	5	ND	1	72	1	2	5	62	1.91	.243	7	8	.65	65	.08	5	1.66	.05	.08	1	1
KM-11-5277	8	489	9	20	.7	7	7	292	2.85	2	5	ND	1	17	1	2	2	50	2.75	.118	4	4	.66	15	.11	3	2.69	.04	.04	1	1
KM-11-5278	1	95	6	57	.1	5	7	408	2.74	2	5	ND	1	45	1	2	2	36	1.56	.143	4	6	.56	19	.12	3	1.85	.08	.04	1	2
LB-11-5729	1	180	15	64	.1	43	26	849	5.11	2	5	ND	1	41	1	2	2	130	3.10	.090	2	62	2.38	239	.17	10	2.83	.13	.53	1	2
LB-11-5730	3	242	10	35	.3	51	26	319	5.30	4	5	ND	1	69	1	4	5	106	1.12	.082	2	77	1.33	14	.15	2	1.99	.02	.17	2	32
LB-11-5731	7	69	13	31	.1	56	18	384	3.33	5	5	ND	1	45	1	2	2	61	1.13	.092	2	74	1.27	17	.12	4	1.65	.06	.09	2	9
LB-11-5732	2	128	17	27	.1	17	15	259	3.76	4	5	ND	1	22	1	2	2	39	1.58	.152	2	14	.85	66	.11	4	1.75	.05	.23	2	7
LB-11-5733	1	62	20	69	.1	28	21	601	4.80	152	5	ND	1	31	1	2	2	87	1.83	.138	3	21	1.33	25	.12	2	2.09	.06	.10	1	6
LB-11-5734	1	40	7	80	.1	5	14	693	5.08	3	5	ND	1	28	1	2	2	100	1.78	.096	5	3	1.36	30	.10	3	1.90	.04	.24	1	1
STD C/AU-R	17	57	41	132	7.1	69	27	1046	4.10	36	16	E	37	47	18	16	23	56	.46	.083	38	56	.92	172	.06	33	1.93	.06	.24	12	480

DEVILS
ELBOW

ELBOW

DEVILS

- ASSAY REQUIRED FOR CORRECT RESULT for Cu Zn > 10,000 ppm
Ag > 35 ppm

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	NI PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Tl %	B PPM	Al %	Na %	K %	V PPM	Au* PPB
BA-15-4373	9	97	200	37	4.5	39	15	24	3.78	219	5	ND	2	19	1	2	3	24	.11	.073	2	30	.02	26	.01	5	.21	.01	.24	1	520
BA-15-4374	3	2790	150	188	197.3	8	2	93	.75	126	5	4	3	647	11	67	2	5	.41	.035	3	23	.09	187	.01	2	.14	.01	.08	2	4190
BA-47-4370	1	43	20	77	.9	5	8	1940	7.42	2	5	ND	3	193	1	2	2	95	9.18	.085	14	4	2.82	120	.01	2	3.73	.01	.20	1	10
PB-00-6312	5	26	33	360	.8	21	3	116	1.66	2	5	ND	3	106	1	2	2	6	.58	.005	2	31	.18	146	.01	3	.39	.02	.03	1	1
PB-00-6313	2	18	39	62	1.0	18	2	256	2.63	10	5	ND	4	104	1	2	3	38	.64	.065	2	52	.98	25	.05	3	1.96	.11	.04	1	1
PB-00-6314	6	11	14	34	.2	13	1	57	.96	2	5	ND	1	35	1	2	2	5	.16	.005	2	37	.10	23	.01	2	.25	.02	.01	1	1
PB-00-6315	2	44	28	128	1.0	14	13	165	5.09	2	5	ND	5	91	1	2	2	84	1.23	.281	15	26	1.88	40	.19	6	1.98	.08	.15	1	1
PB-00-6316	4	28	10	63	.5	14	7	611	3.78	4	5	ND	4	62	1	2	2	49	1.48	.036	4	21	.98	18	.02	8	1.57	.03	.06	1	3
PB-00-6317	2	41	13	39	.3	28	6	70	3.06	14	5	ND	3	29	1	2	2	24	.08	.008	6	25	1.10	58	.01	6	1.55	.02	.23	1	4
PB-00-6318	6	172	7	69	.3	22	5	404	5.66	2	5	ND	4	115	1	2	2	224	.26	.004	3	193	1.57	152	.16	4	2.81	.06	.50	1	3
PB-00-6319	3	1897	14	70	3.4	79	160	1169	16.48	2	8	ND	5	1	1	2	4	13	4.10	.017	3	15	.01	8	.02	2	.46	.01	.04	2	1
PB-00-6320	3	2454	9	66	2.6	32	74	286	16.17	2	5	ND	4	15	1	2	9	7	.45	.023	6	17	.09	10	.03	2	.52	.05	.03	21	118
PB-00-6321	7	443	26	32	1.8	42	24	286	6.64	3	5	ND	5	151	1	2	2	35	3.93	.404	19	24	.65	18	.09	2	5.15	.18	.09	1	3
PB-00-6322	2	186	48	33	1.3	17	14	268	6.76	2	5	ND	4	74	1	2	2	37	3.07	.578	15	20	.34	24	.10	2	2.48	.07	.08	1	28
PB-00-6323	3	40	35	87	1.2	21	11	559	3.35	17	9	ND	9	77	1	2	2	54	.92	.073	16	45	1.19	250	.06	3	2.23	.04	.16	1	8
PB-00-6324	5	5076	8	83	1.7	7	32	446	7.46	3	5	ND	12	38	1	2	6	81	.80	.060	26	8	1.01	34	.25	5	2.10	.08	.15	1	8
PB-07-6311	6	110	35	105	.9	11	15	1119	5.44	11	5	ND	5	149	1	2	2	199	2.11	.164	17	24	1.72	45	.17	5	1.26	.01	.29	1	38
BK-00-7384	5	32710	35	57	9.5	7	5	539	4.51	8	5	ND	2	122	8	2	35	123	4.90	.066	3	15	.29	20	.18	20	4.15	.01	.02	10	23
BK-00-7385	2	58258	16	111	26.5	22	13	1663	12.91	14	5	ND	2	12	6	5	28	8	.12	.001	8	20	.03	29	.01	2	.11	.01	.07	1	107
BK-00-7390	1	175	13	41	.4	7	4	141	1.89	7	5	ND	5	122	1	2	2	31	.51	.047	4	10	.60	45	.04	6	1.45	.09	.08	1	3
BK-00-7391	1	242	11	497	.6	19	6	295	3.59	19	5	ND	5	300	2	2	3	23	1.53	.049	2	19	1.15	48	.01	9	2.36	.11	.12	1	2
BK-00-7392	4	66	4	49	.3	72	8	229	3.01	26	5	ND	1	27	1	2	2	15	.09	.016	2	32	.91	32	.03	3	1.15	.02	.21	1	4
BK-00-7393	2	43	366	9	8.7	6	1	22	1.48	5	5	ND	1	13	1	2	11	2	.01	.003	2	38	.02	266	.01	5	.18	.03	.10	1	5
BK-00-7394	5	33	58	13	152.8	19	2	27	2.21	572	5	2	1	9	1	57	2	2	.01	.004	2	33	.01	23	.01	2	.13	.01	.07	1	1630
BK-00-7395	2	19	16	16	.6	9	1	51	4.63	2	5	ND	4	62	1	2	11	22	.15	.029	2	52	.52	45	.06	4	.64	.05	.13	1	3
BK-00-7396	5	13	13	19	7.1	20	2	120	2.08	78	5	ND	1	10	1	5	2	12	.02	.011	2	34	.42	26	.01	5	.55	.01	.09	1	14
BK-00-7397	2	22	15	85	1.4	69	9	255	8.10	39	5	ND	5	126	1	2	2	23	.61	.049	2	37	.79	25	.02	2	1.90	.14	.09	1	10
BK-00-7398	2	8	8	31	.4	8	3	315	1.59	2	5	ND	27	32	1	2	2	14	1.08	.044	43	19	.35	28	.01	2	.58	.03	.15	1	4
BK-00-7399	2	21	9	165	.6	52	5	211	2.24	4	5	ND	4	565	1	2	3	36	8.24	.032	5	53	.46	46	.08	3	4.02	.31	.04	1	2
BK-00-7400	4	52	8	39	.6	67	14	130	5.18	2	5	ND	4	155	1	2	2	29	1.83	.011	2	31	.54	17	.05	2	2.05	.10	.05	1	1
BK-00-7401	16	8	9	25	.5	15	2	95	.78	15	5	ND	3	12	1	2	2	8	.35	.009	5	46	.08	11	.01	2	.15	.01	.05	1	2
BK-00-7402	4	44	2	94	.3	10	3	234	1.23	2	5	ND	4	25	1	2	2	16	1.70	.013	3	33	.13	6	.06	2	.59	.01	.03	1	31
BK-00-7403	2	16	2	23	.1	16	2	85	.70	2	5	ND	3	26	1	2	2	16	.51	.009	3	44	.13	12	.05	5	.49	.02	.04	5	4
BK-00-7404	8	44	1455	1032	9.8	33	4	897	2.71	51	5	ND	4	25	7	4	2	12	1.64	.039	3	24	.52	35	.04	2	.66	.01	.07	1	15
BK-00-7405	35	682	19239	54398	38.1	18	21	1002	17.60	147	5	ND	5	30	410	25	3	49	.31	.028	2	34	.99	5	.04	2	1.68	.01	.04	2	5
BK-00-7406	75	151	19495	28051	15.5	27	18	2001	13.22	1462	5	ND	3	17	193	9	2	91	.28	.042	2	50	2.48	23	.03	2	3.61	.02	.06	1	7
STD C/AU-R	17	58	44	133	6.6	67	28	1049	3.95	39	17	6	38	47	17	17	20	55	.48	.087	38	55	.69	172	.06	33	1.94	.06	.13	11	485

DEVILS ELBOW

GEOCHEMICAL ANALYSIS CERTIFICATE

ICP - .500 GRAM SAMPLE IS DIGESTED WITH 3ML 3-1-2 HCL-HNO₃-H₂O AT 95 DEG. C FOR ONE HOUR AND IS DILUTED TO 10 ML WITH WATER.
 THIS LEACH IS PARTIAL FOR MN FE SR CA P LA CR MG BA TI B W AND LIMITED FOR NA K AND AL. AU DETECTION LIMIT BY ICP IS 3 PPM.
 - SAMPLE TYPE: ROCK AU* ANALYSIS BY ACID LEACH/AA FROM 10 GM SAMPLE.

DATE RECEIVED: AUG 5 1988 DATE REPORT MAILED: *Aug 10/88* ASSAYER: *C. Long* D. TOYE OR C. LEONG, CERTIFIED B.C. ASSAYERS

CONTINENTAL GOLD CORP. File # 88-3328 Page 1

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Ni PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Bi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Ti %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
BL-00-4740	2	23	6	45	.4	12	2	167	3.74	25	5	ND	1	38	1	2	2	23	.08	.035	2	33	.70	30	.01	4	.98	.03	.07	1	1
BL-00-4741	4	13	8	30	.2	40	6	127	2.87	12	5	ND	1	32	1	2	2	11	.13	.010	2	29	.55	39	.01	7	.93	.04	.08	1	1
BL-00-4742	3	10	37	282	.8	40	6	92	2.96	63	5	ND	2	324	2	2	4	42	1.21	.024	3	44	1.20	41	.07	3	3.11	.30	.17	1	1
BL-00-4743	5	12	6	40	.7	19	1	246	3.50	53	5	ND	1	57	1	2	2	20	.08	.013	2	41	.80	22	.02	2	1.14	.04	.04	1	3
BL-00-4744	3	21	112	357	2.2	38	4	221	2.31	2	5	ND	1	472	1	2	2	61	2.49	.021	3	59	.56	44	.07	2	4.71	.33	.16	1	16
BL-00-4745	4	9	118	1305	3.0	68	30	879	3.50	95	5	ND	2	268	5	2	17	82	3.26	.082	5	45	1.24	45	.11	7	4.64	.37	.38	1	11
BL-00-4746	37	14	24	72	.9	31	3	241	.91	37	5	ND	1	14	1	2	2	8	.56	.009	6	47	.06	14	.01	2	.20	.01	.04	6	11
BL-00-4747	5	18	4	41	.1	53	7	192	2.10	4	5	ND	1	611	1	2	2	32	1.39	.010	2	37	.58	57	.03	5	3.42	.29	.08	1	1
BL-00-4748	3	17	4	48	.4	22	3	175	2.94	40	5	ND	1	55	1	2	2	21	.09	.019	3	43	.91	33	.01	3	1.05	.05	.08	1	3
BL-00-4749	4	59	9	24	.3	45	10	150	3.80	2	5	ND	2	432	1	2	2	34	2.09	.034	6	35	.50	66	.12	5	3.58	.23	.03	1	1
BL-00-4750	2	15	15	44	.4	76	7	75	3.83	41	5	ND	1	255	1	2	4	31	1.55	.032	2	41	.81	26	.05	2	3.14	.23	.09	1	1
BL-00-4751	2	7	5	21	.4	25	2	192	.83	13	5	ND	1	986	1	2	2	12	24.56	.018	3	24	.26	14	.04	2	1.78	.12	.06	1	1
BL-00-4769	4	52	86	345	3.1	68	7	1748	2.79	2	5	ND	1	225	1	2	9	32	7.07	.054	2	37	.95	6	.09	6	2.07	.01	.01	1	1
BL-00-4770	46	69	21255	6238	260.6	47	17	4771	2.62	10	5	ND	1	184	56	2	579	31	6.60	.042	3	41	.77	12	.13	5	1.93	.03	.01	9	11
BL-00-4771	76	42	30973	12328	346.3	44	28	5398	3.06	14	5	ND	1	125	104	2	1128	29	5.25	.044	2	45	.76	15	.10	3	1.65	.01	.01	1	19
BL-00-4772	16	100	24461	12230	368.8	34	28	4968	2.48	8	5	ND	1	202	101	2	846	29	6.10	.078	4	40	.71	14	.13	3	2.33	.10	.03	34	16
BL-00-4773	7	9061	1840	1890	60.1	91	28	3001	3.30	8	5	ND	1	76	13	2	69	16	2.59	.027	3	15	.50	7	.12	7	1.03	.01	.01	1	4
BL-00-4774	4	155	311	223	5.6	32	8	451	2.10	3	5	ND	1	251	2	2	8	17	4.75	.083	4	22	.26	17	.16	3	5.90	.39	.02	1	1
BL-47-4739	8	1245	213	168	6.3	30	71	651	7.79	2	5	ND	1	91	1	2	9	100	2.40	.080	4	50	1.08	37	.17	3	1.58	.04	.62	1	16
KM-00-5327	4	14	27	90	.8	31	4	191	3.42	8	5	ND	1	264	1	2	2	20	1.63	.015	2	35	.63	34	.05	6	3.25	.20	.13	1	1
KM-00-5328	3	29	53	30	1.1	83	7	61	3.43	41	5	ND	1	64	1	2	2	19	.06	.022	7	22	.72	66	.01	7	.93	.03	.28	1	1
KM-00-5329	3	19	12	61	.3	9	11	134	3.28	20	5	ND	2	146	1	2	2	62	1.48	.079	6	11	1.25	92	.09	3	2.69	.25	.17	1	1
KM-00-5330	7	1873	2757	2790	32.5	76	17	4424	3.71	3	5	ND	1	135	23	2	57	31	5.49	.018	2	25	.50	6	.10	2	1.86	.02	.01	8	4
KM-00-5331	8	3251	3777	4753	42.6	85	34	4020	5.62	6	5	ND	1	283	39	2	50	38	4.30	.036	2	36	.70	12	.08	2	3.46	.16	.04	5	4
KM-00-5332	6	1973	1696	2399	21.3	119	18	2948	4.74	3	5	ND	1	237	19	2	20	32	4.61	.027	2	34	.47	12	.10	2	2.48	.12	.03	8	1
KM-00-5333	4	1238	3024	4189	23.4	84	14	1806	3.61	2	5	ND	1	734	34	2	41	65	5.41	.030	3	49	.82	27	.10	2	6.90	.57	.13	21	3
KM-00-5334	3	2152	364	358	31.4	28	20	3223	9.49	2	5	ND	1	164	2	2	30	36	2.79	.196	6	23	1.09	33	.13	3	2.68	.07	.04	11	1
KM-00-5335	2	101	203	2313	3.6	9	3	472	14.81	6902	5	ND	2	97	9	17	6	25	6.98	.041	2	24	.20	55	.04	2	.38	.01	.07	1	53
KM-22-5326	7	446	15	170	1.9	12	18	1965	5.79	43	5	ND	2	163	1	2	2	162	3.76	.187	12	13	1.27	38	.05	2	.82	.01	.78	1	23
BA-13-4365	8	22611	24769	45909	335.5	31	11	349	8.33	103	5	2	1	18	262	69	2	48	.26	.077	4	52	.50	22	.02	3	.85	.01	.12	14	4220
BA-13-4366	2	3935	21787	62933	198.9	13	6	161	2.92	23	5	3	1	6	423	616	2	18	.11	.031	2	23	.27	5	.01	2	.32	.01	.04	1	3055
BA-13-4367	2	2260	6915	17906	27.0	27	16	502	2.26	87	5	ND	1	66	104	9	2	50	5.99	.091	10	46	.61	14	.04	3	.73	.03	.10	1	188
BA-13-4368	3	3373	27125	25330	226.3	22	11	409	3.07	66	5	ND	1	32	154	179	2	53	2.99	.075	4	50	.71	16	.03	2	.77	.01	.08	1	590
BA-13-4369	16	231	330	262	1.7	15	9	343	2.70	18	5	ND	4	592	1	2	2	59	2.21	.348	12	17	.27	32	.01	15	.28	.02	.25	1	31
BA-14-4371	1	461	13492	1501	18.9	45	19	1010	3.84	13	5	ND	1	94	9	15	2	87	8.51	.074	2	26	3.58	306	.01	11	.32	.02	.12	1	40
BA-15-4372	8	139	158	42	5.7	50	20	169	8.24	290	5	ND	2	49	1	6	2	42	.30	.174	5	27	.05	19	.01	11	.33	.01	.37	1	475
STD C/AU-R	17	58	39	132	6.6	67	28	1047	3.97	37	19	7	36	48	17	18	20	56	.48	.089	38	55	.90	172	.06	33	1.93	.06	.14	11	520

DEVILS ELBOW

- ASSAY REQUIRED FOR CORRECT RESULT for Cu Pb Zn > 10,000 ppm
 Ag > 35 ppm

APPENDIX II

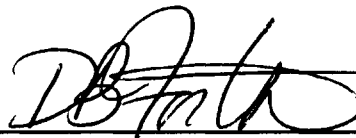
STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Douglas B. Forster of #313-1350 Comox Street of the City of Vancouver, British Columbia, do hereby certify that:

1. I am currently employed as Vice President - Project Development of Continental Gold Corp. with offices at 1020-800 West Pender Street, Vancouver, B.C.
2. I graduated from the University of British Columbia in geology, having obtained my Bachelor of Science in 1981 and my Master of Science in 1984.
3. I have worked in the field of mineral exploration in B.C., Manitoba, Saskatchewan and the Yukon Territories since 1977.
4. I am an Associate of the Geological Association of Canada.
5. I am a Director of Continental Gold Corp., and hold securities of the aforementioned.
6. This report is based in part on my personal observations on the property, and a review of all pertinent data.

Vancouver, B.C.



Douglas B. Forster, Msc.
Vice President - Project Development
Continental Gold Corp.

R U G G E D M O U N T A I N P R O J E C T

S U M M A R Y R E P O R T

S H A K E 1 - 4 C L A I M S

**Liard Mining Division
British Columbia
NTS 104 G / 12**

**Latitude 57° 49' N
Longitude 131° 36' W**

FOR

**CONTINENTAL GOLD CORP.
1020-800 W. Pender Street
Vancouver, B.C.
V6C 2V6**

BY

**DOUGLAS B. FORSTER
VICE PRESIDENT, PROJECT DEVELOPMENT
CONTINENTAL GOLD CORP.**

October 15, 1988

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1.0 SUMMARY

Continental Gold Corp.'s Rugged Mountain Project encompasses the SHAKE 1-4 claims totalling 80 units (3200ha). The project area, located 28 kilometres southwest of Telegraph Creek is underlain by Upper Triassic volcanics, which are intruded by a Lower Jurassic syenite stock. Large gossanous zones are developed throughout the claim group, with both the syenite and volcanics being intensely shattered and sheared. Stream sediments collected from creeks draining the project area are highly anomalous in Au, Zn, Cu, V, Co and Ba. Major mining companies have staked ground adjoining Continental's claims on Rugged Mountain.

The region covered by Continental Gold Corp's Rugged Mountain Project has excellent potential of hosting shear zone hosted gold-silver mineralization similar to mineralization found in the Iskut River region of northwest British Columbia.

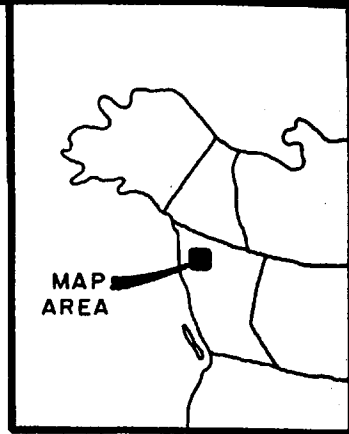
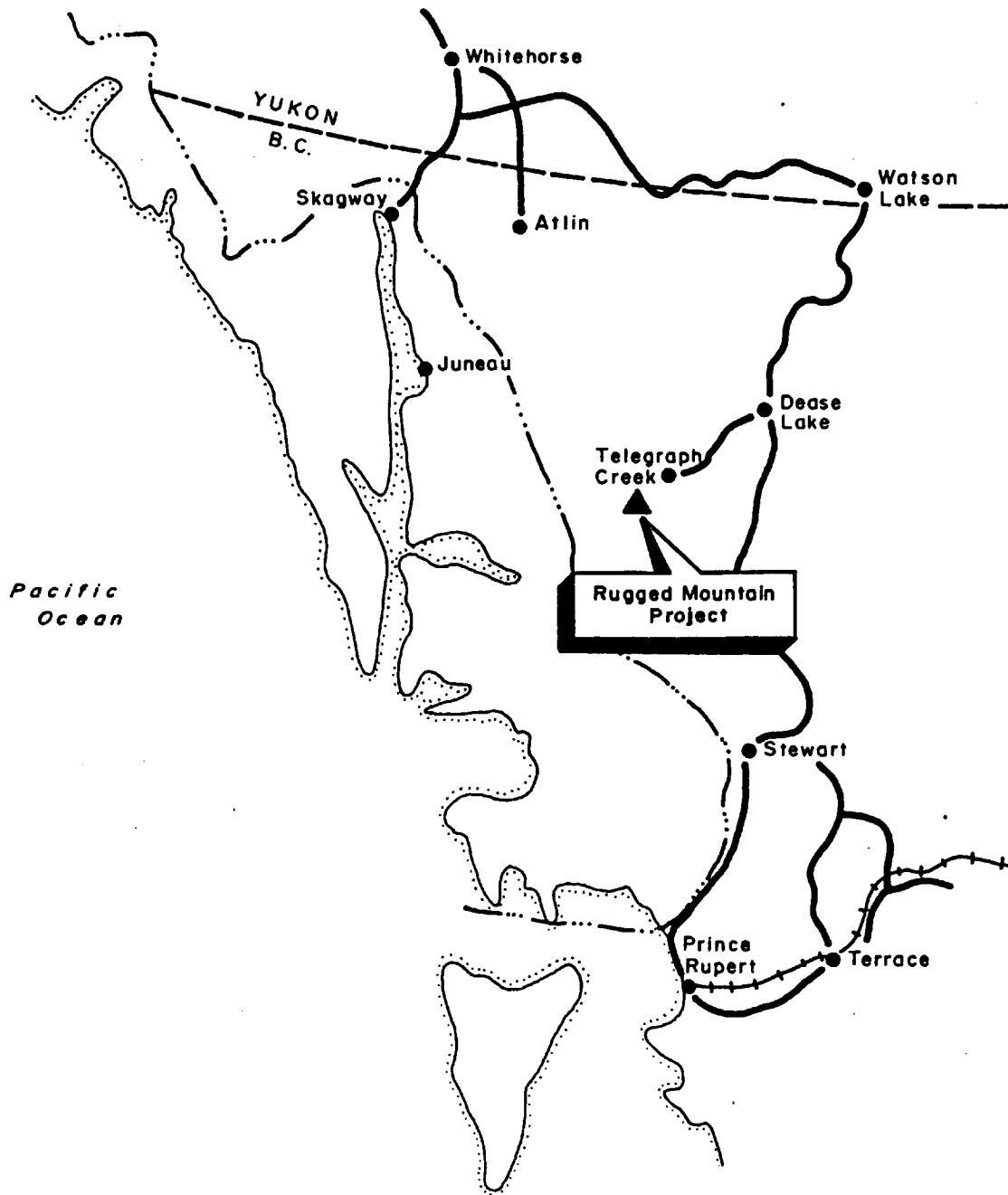
2.0 INTRODUCTION

The Rugged Mountain Project (NTS 104 G/13) encompasses the SHAKE 1-4 claims totalling 80 units. The claims are registered in the name of Douglas B. Forster and held in trust for Continental Gold Corp., who owns an undivided 100% interest in the claims. Douglas B. Forster is a Senior Officer and Director of Continental Gold.


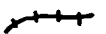
The claims were staked in June of 1988 to cover a large hydrothermally altered zone in volcanic rocks adjacent to a syenite porphyry stock. No work was conducted by Continental Gold on these claims during 1988.

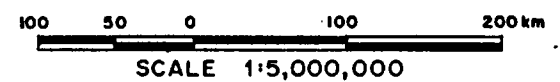
2.1 Location and Access

Continental Gold Corp's SHAKE 1-4 claims are situated approximately 28 kilometres southwest of Telegraph Creek at Rugged Mountain, in northwest British Columbia (Figure 1). Access to the property is via helicopter from Dease Lake or Telegraph Creek. As well, a 1960's vintage cat track from Telegraph Creek comes to within 250 metres of the claim boundary.



LEGEND

-  Road
-  Railway



Continental Gold Corp.			
Rugged Mountain Project Northwestern British Columbia Shake 1-4 Claims LOCATION MAP			
Liard Mining Division			
DRAWN BY: B.A.M.	DATE: SEPT., 1988	NTS: 104 G/13	FIGURE: 1

The SHAKE 1-4 claims are centred near latitude 57° 49' N and longitude 131° 36' W on NTS map sheet 104G/13.

2.2 Topography and Climate

The SHAKE 1-4 claims are located within the drainage basin of the Stikine River, at the eastern margin of the Coast Range Mountains. The project area is in rugged alpine terrain with elevations ranging from 900 meters to 1900 meters a.s.l.

Precipitation in the vicinity of the claims is variable throughout the year with sudden snow flurries and rain showers being common. Snow is on many north facing slopes until late June. Many cirques remain snow-filled all year round. The best months to conduct mineral exploration are July, August and September, with snow beginning to accumulate on the ground by early to mid-October.

Tree line is approximately 900 meters, with most of the claim region occurring above this elevation. Minor grass and shrubs cover portions of the higher elevations, with portions of the claim region being underlain by talus and morrain.

Outcrop exposure on the SHAKE claims is approximately 75% with overburden and talus covering the rest of the region.

2.3 Exploration History

The first reconnaissance geological mapping in the Telegraph Creek map area was undertaken by Forrest A. Kerr (1948) of the Geological Survey of Canada, who mapped the mountains adjacent to the Stikine and Iskut rivers in the years 1924 to 1929. In 1956 the Geological Survey of Canada carved out "Operation Stikine" which included a helicopter reconnaissance of the Telegraph Creek map area.

This initial work combined with geological mapping conducted by J.G. Souther, led to the publication of a 1:250,000 scale geologic map of the Telegraph Map Sheet (104G); Souther (1972).

The first recorded mineral exploration in the Telegraph - Stikine River region was undertaken in 1861 when placer gold was discovered on the Stikine River just below the townsite of Telegraph Creek.

During the 1920's, 1930's and 1940's the emphasis had shifted from placer exploration to exploration for lode deposits. Early exploration was confined to accessible areas along the Stikine River, with a number of small copper occurrences being discovered.

There has been no previous, documented mineral exploration in the region covered by the SHAKE 1-4 claims, although 97 2-post claims were staked over much of the present day claim group prior to the 1960's.

No prospecting or geological investigations were conducted by Continental on the SHAKE 1-4 claims during the 1988 field season.

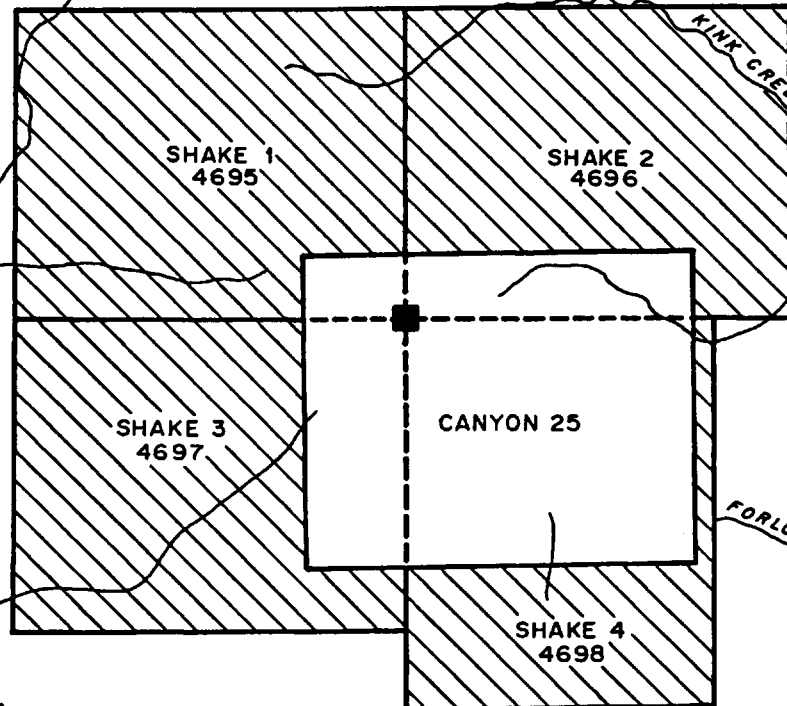
2.4 Property Status

The Rugged Mountain Project consists of 4 contiguous claims (SHAKE 1-4) totalling 80 units (3200ha). All mineral claims are owned by Continental Gold Corp., and are registered in the name of D.B. Forster, Vice President and Director of Continental Gold. Pertinent claim information is outlined in Table 1. The location of the SHAKE 1-4 claims is depicted in Figure 2.




131°36'W



57°49'N



LEGEND

-  Legal corner post
-  River, creek
-  Road



SCALE 1:50,000

Continental Gold Corp.

Rugged Mountain Project
 Northwestern British Columbia
 Shake 1-4 Claims
CLAIM MAP

Liard Mining Division

DRAWN BY: B.A.M.	DATE: SEPT., 1988	NTS: 104 G/13	FIGURE: 2
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A portion of the ground claimed by Continental was also claimed by an exploration syndicate composed of Homestake Mineral Development Company and Equity Silver Mines Ltd. Approximately 25% of the ground claimed by Continental is covered by the Homestake-Equity Canyon 25 (4729) claim (Figure 2). The Canyon 25 claim was staked one day prior to Continental's SHAKE 1-4 claims

T A B L E 1
CLAIM SCHEDULE

<u>Claim</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Area (ha)</u>	<u>No. Units</u>
SHAKE 1	4695	June 19, 1988	800	20
SHAKE 2	4696	June 19, 1988	800	20
SHAKE 3	4697	June 19, 1988	800	20
SHAKE 4	4698	June 19, 1988	<u>800</u>	<u>20</u>
			3200	80

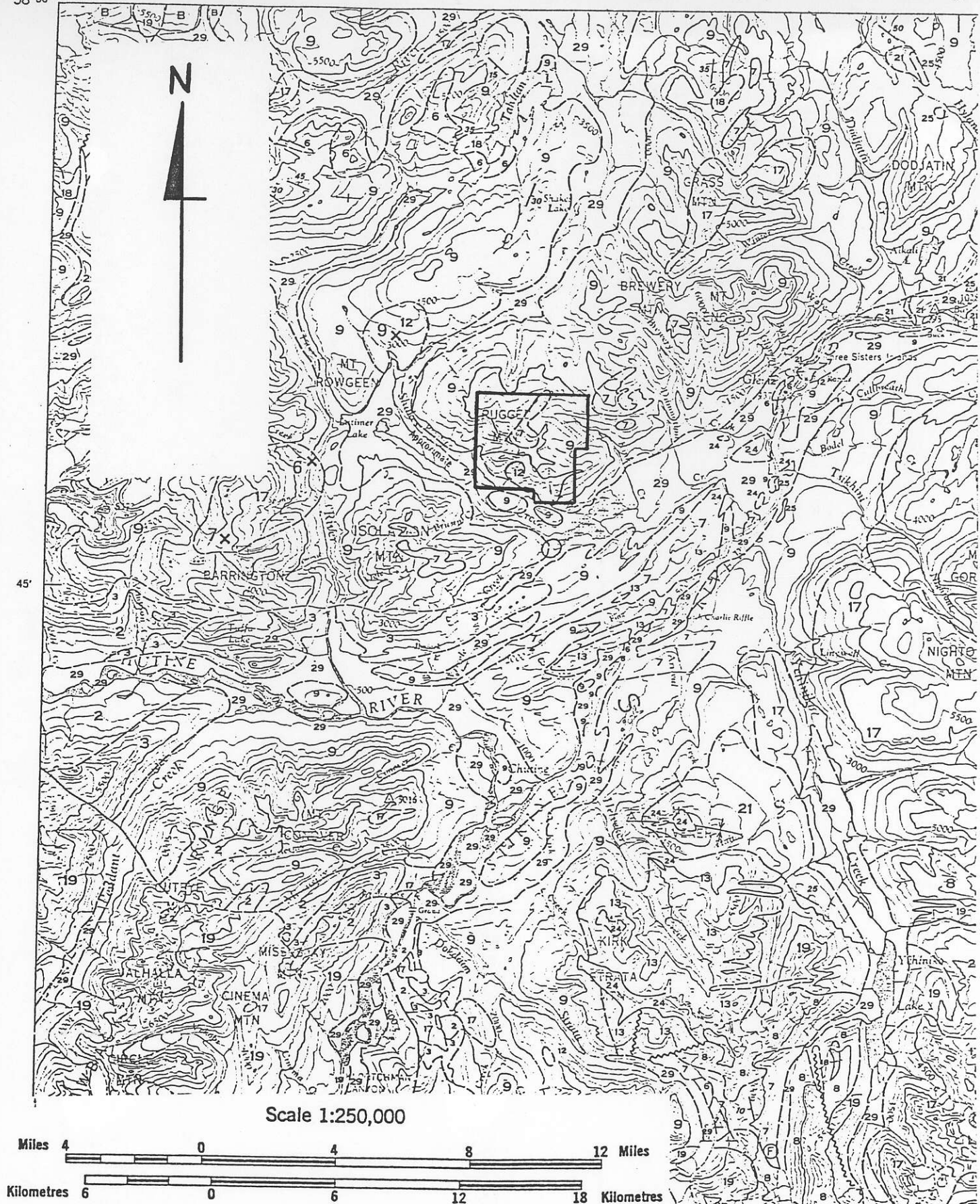
3.0 PROPERTY GEOLOGY

3.1 Stratigraphy and Structure

The geology of the SHAKE 1-4 claims is taken from Kerr (1948). Kerr made special mention of the Rugged Mountain/Shakes Creek region of the Telegraph Creek

map area in his 1948 report due to the abundance of gossanous and hydrothermally altered volcanic rocks, and the presence of a large mass of Lower Jurassic syenite.

Much of the southern portion of the Rugged Mountain project area is underlain by syenite of Lower Jurassic age (Figure 3). As described by Kerr (1948), the syenite mass 'has been greatly jointed, sheared and altered to secondary minerals'. The chief alteration minerals in the syenite are sericite and chlorite. Sericite is the main alteration feature associated with gold and silver deposition on Continental's Trophy Gold Project located 63kms south of the SHAKE 1-4 claims. At Trophy, syenitic to monzonitic intrusions have hydrothermally altered the younger stratigraphy with wide zones of sericitized and brecciated volcanics acting as host to precious and base metal mineralization. Highly sericitized volcanic and intrusive rocks on the Trophy claims host shear zone related pyrite, galena, sphalerite and arsenopyrite mineralization with surface assays of up to 0.39 oz/ton Au and 14.04 oz/ton Ag over 26.1 feet being documented.



Scale 1:250,000

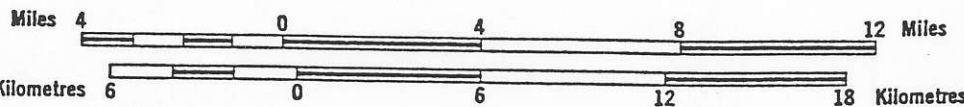


Figure 3: Regional Geological Map
Shake 1-4 Claims
(After Souther, 1972)

LEGEND

- QUATERNARY
PLEISTOCENE AND RECENT
- 29 Fluvialite gravel; sand, silt; glacial outwash, till, alpine moraine and colluvium
 - 28 Hot-spring deposit, tufa, aragonite
 - 27 Olivine basalt, related pyroclastic rocks and loose tephra; younger than some of 29

- TERTIARY AND QUATERNARY
UPPER TERTIARY AND PLEISTOCENE
- 26 Rhyolite and dacite flows, lava domes, pyroclastic rocks and related subvolcanic intrusions; minor basalt
 - 25 Basalt, olivine basalt, dacite, related pyroclastic rocks and subvolcanic intrusions; minor rhyolite; in part younger than some 26

- CRETACEOUS AND TERTIARY
UPPER CRETACEOUS AND LOWER TERTIARY
SLOKO GROUP
- 24 Light green, purple and white rhyolite, trachyte and dacite flows, pyroclastic rocks and derived sediments
 - 22, 23 22. Biotite leucogranite, subvolcanic stocks, dykes and sills
23. Porphyritic biotite andesite, lava domes, flows and (?) sills
- SUSTUT GROUP
- 21 Chert-pebble conglomerate, granite-boulder conglomerate, quartzose sandstone, arkose, siltstone, carbonaceous shale and minor coal
 - 20 Felsite, quartz-feldspar porphyry, pyritiferous felsite, orbicular rhyolite; in part equivalent to 22
 - 19 Medium-to coarse-grained, pink biotite-hornblende quartz monzonite

- JURASSIC AND/OR CRETACEOUS
POST-UPPER TRIASSIC PRE-TERTIARY
- 18 Hornblende diorite
 - 17 Granodiorite, quartz diorite; minor diorite, leucogranite and migmatite

- JURASSIC
MIDDLE (?) AND UPPER JURASSIC
BOWSER GROUP
- 16 Chert-pebble conglomerate, grit, greywacke, subgreywacke, siltstone and shale; may include some 13

- MIDDLE JURASSIC
- 15 Basalt, pillow lava, tuff-breccia, derived volcaniclastic rocks and related subvolcanic intrusions

- LOWER AND MIDDLE JURASSIC
- 14 Shale, minor siltstone, siliceous and calcareous siltstone, greywacke and ironstone

- LOWER JURASSIC
- 13 Conglomerate, polymictic conglomerate; granite-boulder conglomerate, grit, greywacke, siltstone; basaltic and andesitic volcanic rocks, peperites, pillow-breccia and derived volcaniclastic rocks

- TRIASSIC AND JURASSIC
POST-UPPER TRIASSIC PRE-LOWER JURASSIC
- 12 Syenite, orthoclase porphyry, monzonite, pyroxenite

- HICKMAN BATHOLITH
- 10, 11 10. Hornblende granodiorite, minor hornblende-quartz diorite 11. Hornblende, quartz diorite, hornblende-pyroxene diorite, amphibolite and pyroxene-bearing amphibolite

- TRIASSIC
UPPER TRIASSIC
- 9 Undifferentiated volcanic and sedimentary rocks (units 5 to 8 inclusive)
 - 8 Andite-andesite flows, pyroclastic rocks, derived volcaniclastic rocks and related subvolcanic intrusions; minor greywacke, siltstone and polymictic conglomerate
 - 7 Siltstone, thin-bedded siliceous siltstone, ribbon chert, calcareous and dolomictic siltstone, greywacke, volcanic conglomerate, and minor limestone
 - 6 Limestone, feld argillaceous limestone, calcareous shale and reefoid limestone; may be in part younger than some 7 and 8
 - 5 Greywacke, siltstone, shale; minor conglomerate, tuff and volcanic sandstone

- MIDDLE TRIASSIC
- 4 Shale, concretionary black shale; minor calcareous shale and siltstone

- PERMIAN
MIDDLE AND UPPER PERMIAN
- 3 Limestone, thick-bedded mainly bioclastic limestone; minor siltstone, chert and tuff

- PERMIAN AND OLDER
- 2 Phyllite, argillaceous quartzite, quartz-sericite schist, chlorite schist, greenstone, minor chert, schistose tuff and limestone

- MISSISSIPPIAN
- 1 Limestone, crinoidal limestone, ferruginous limestone; maroon tuff, chert and phyllite
 - B Amphibolite, amphibolite gneiss; age unknown probably pre-Upper Jurassic
 - A Ultramafic rocks; peridotite, dunite, serpentinite; age unknown, probably pre-Lower Jurassic




- Geological boundary (defined and approximate, assumed)
- Bedding (horizontal, inclined, vertical, overturned) + / / /
- Anticline 
- Syncline 
- Fault (defined and approximate, assumed)
- Thrust fault, teeth on hanging-wall side (defined and approximate, assumed)
- Fossil locality ⊙
- Mineral property15x
- Glacier 

Figure 3a: Legend for Geological Map in Figure 3, (After Souther, 1972)

On the SHAKE 1-4 claims the sheared syenite stock intrudes Upper Triassic volcanic rocks and sediments. Numerous pyritic stringers cut both the syenite and the volcanic rocks (Kerr, 1948). Kerr indicates that the volcanic rocks at the contact of the syenite are very rusty for a long distance to the north. Both the syenite and the volcanics have undergone 'intense shearing and shattering' as described by Kerr.

Numerous dykes of syenite and felsite have been documented in the claim region. These dykes generally trend to northeast and vary from 0.5 to 15 metres in width.

3.2 Mineralization and Geochemistry

No prospecting or geological investigations were undertaken on the SHAKE 1-4 claims during the 1988 field season.

On July 27, 1988 the British Columbia Ministry of Energy and Mines released the results from their Regional Geochemical Stream Sediment Survey which covered the entire Telegraph mapsheet (104G). Stream sediments from creeks draining Continental's SHAKE 1-

4 claims are highly anomalous in Au, Cu, Zn, Ba,, V and Co. as outlined below:

Au	120 ppb *
Cu	392 ppm *
Zn	129 ppm
V	194 ppm *
Ba	1869 ppm *
Co	25 ppm *

* denotes 95th percentile anomalies

Many of the elements analyzed including Au, Cu, Ba, Co and V are 95th percentile anomalies, making them some of the highest anomalies in the entire mapsheet. Most of the anomalous elements including Au, are from creeks which drain Continental's claims as opposed to the Homestake-Equity claim.

4.0 TARGET TYPE AND POTENTIAL

The region covered by Continental Gold Corp.'s Rugged Mountain Project has excellent potential of hosting shear zone controlled gold-silver mineralization similar to mineralization found in the Iskut River region of northwest B.C. The SHAKE 1-4 claims' proximity to a Lower Jurassic syenite intrusion and large zones of hydrothermal alteration, compare favourably to the geological environments of Continental's gold-silver mineralization on the Trophy

claims, and to Delaware/Cominco's SNIP Project in the Iskut River area (1.2 million tons grading 0.75 oz/ton Au).

The Rugged Mountain Project is situated in a relatively unexplored portion of a 200 km long belt of structurally controlled precious and base metal deposits stretching from Westmin's Premier/Big Missouri Mines in the south to North American Metals' Golden Bear deposit in the north.

5.0 BIBLIOGRAPHY

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A P P E N D I X I

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Douglas B. Forster of #313-1350 Comox Street of the City of Vancouver, British Columbia, do hereby certify that:

1. I am currently employed as Vice President - Project Development of Continental Gold Corp. with offices at 1020-800 West Pender Street, Vancouver, B.C.
2. I graduated from the University of British Columbia in geology, having obtained my Bachelor of Science in 1981 and my Master of Science in 1984.
3. I have worked in the field of mineral exploration in B.C., Manitoba, Saskatchewan and the Yukon Territories since 1977.
4. I am an Associate of the Geological Association of Canada.
5. I am a Director of Continental Gold Corp., and hold securities of the aforementioned.
6. This report is based in part on my personal observations on the property, and a review of all pertinent data.

Vancouver, B.C.



Douglas B. Forster, Msc.
Vice President - Project Development
Continental Gold Corp.

CHUTINE RIVER PROJECT

SUMMARY REPORT

RUSH 5-8, 17-20, 23-24 CLAIMS

**Liard Mining Division
British Columbia
NTS 104 F / 9**

**Latitude 57° 37' N
Longitude 132° 15' W**

FOR

**CONTINENTAL GOLD CORP.
1020 - 800 West Pender Street
Vancouver, B.C.
V6C 2V6**

BY

**DOUGLAS B. FORSTER
VICE-PRESIDENT, PROJECT DEVELOPMENT
CONTINENTAL GOLD CORP.**

October 15, 1988

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1.0 SUMMARY

Continental Gold Corp's Chutine River Project encompasses the RUSH 5-8, 17-20 and 23-24 claims totalling 166 units (6640 ha). The project area, located 80 kms southwest of Telegraph Creek, B.C., is underlain by Triassic pillowed basalts, andesites and minor sedimentary rocks. Large altered and gossanous zones are developed throughout the claim group. Stream sediments from creeks draining the claim region are extremely anomalous in Au, Ag, Cu, Pb, Zn, Co, Sb, As, Cd and W. Major mining companies have staked ground adjoining Continental's land position.

The region covered by Continental Gold Corp's Chutine River Project has excellent potential for hosting volcanogenic Cu, Pb, Zn, Ag, Au massive sulfide mineralization similar to Westmin's Buttle Lake deposit on Vancouver Island.

2.0 INTRODUCTION

The Chutine River Project (NTS 104F/9) encompasses the RUSH 5-8, 17-20, 23-24 claims totalling 166 units. The claims are registered in the name of Douglas B. Forster and held in trust for Continental Gold Corp., who owns an undivided 100% interest in the claims.

The claims were staked in July of 1988 to cover a large hydrothermally altered zone in volcanics and sediments. The claims were also positioned in order to cover a multi-element stream sediment anomaly identified by the British Columbia Ministry of Energy and Mines in their Regional Geochemical Survey (RGS), released on July 27, 1988.

Only minor prospecting was conducted on the claims during 1988.

2.1 Location and Access

Continental Gold Corp.'s RUSH 5-8, 17-20, 23-24 claims are situated between Dirst and Triumph Creeks, approximately 80 kms southwest of Telegraph Creek in northwest British Columbia (Figure 1). The Chutine River, an east-west drainage of the Stikine River is located at the northern boundary of the claims. Access to the property is via helicopter from Dease Lake or Telegraph Creek.

The RUSH 5-8, 17-20, 23-24 claims are centered near Latitude 57°37' North and Longitude 132°15' West on NTS map sheet 104F/9.

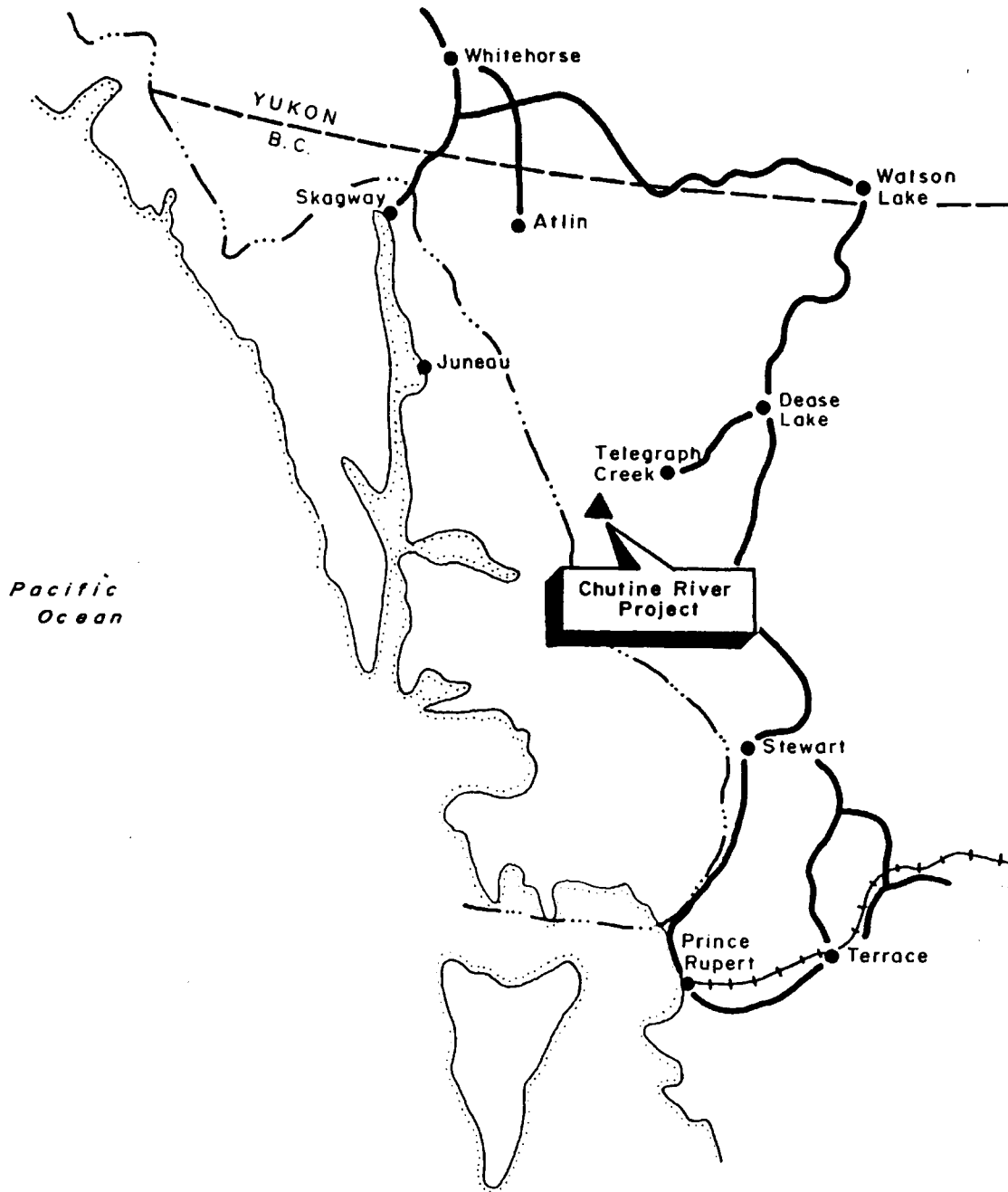
2.2 Topography and Climate

The Chutine River Project claims are located within the drainage basin of the Stikine River, at the eastern margin of the Coast Range Mountains. The project area is in moderate alpine terrain with elevations ranging from 500 meters to 1,500 meters a.s.l.



Precipitation in the vicinity of the claims is variable throughout the year with sudden snow flurries and rain showers being common. Snow is on many north facing slopes until late June. Many cirques remain snow-filled all year round. The best months to conduct mineral exploration are July, August and September, with snow beginning to accumulate on the ground by early to mid-October.

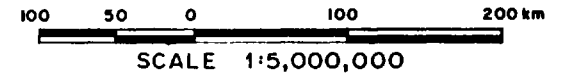
Tree line is approximately 600 meters, with most of the claim region occurring above this elevation. Minor grass and shrubs cover portions of the higher elevations, with many portions of the claim region being covered by thickets of tag alder.

Outcrop exposure on the RUSH claims is approximately 30%, with overburden, talus and alder covering the rest of the region.



LEGEND

-  Road
-  Railway



Continental Gold Corp.

Chutine River Project
 Northwestern British Columbia
 Rush 5-8, 17-20, 23-24 Claims
LOCATION MAP

Liard Mining Division

DRAWN BY: B.A.M.	DATE: SEPT., 1988	NTS: 104 F/9	FIGURE: 1
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2.3 Exploration History

The first reconnaissance geological mapping in the Telegraph Creek map area was undertaken by Forrest A. Kerr (1948) of the Geological Survey of Canada, who mapped the mountains adjacent to the Stikine and Iskut rivers in the years 1924 to 1929. In 1956 the Geological Survey of Canada carried out "Operation Stikine" which included a helicopter reconnaissance of the Telegraph Creek map area.

This initial work combined with geological mapping conducted by J.G. Souther, led to the publication of a 1:250,000 scale geologic map of the Sumdum Map Sheet (104F); Souther (1959).

The first recorded mineral exploration in the Telegraph - Stikine River region was undertaken in 1861 when placer gold was discovered on the Stikine River just below the townsite of Telegraph Creek.

During the 1920's, 1930's and 1940's the emphasis had shifted from placer exploration to exploration for lode deposits. Early exploration was confined to accessible areas along the Stikine River, with a number of small copper occurrences being discovered.

There has been no previous documented mineral exploration in the region covered by Continental's RUSH claims.

Only minor prospecting was conducted by Continental geologists on the project area during 1988.

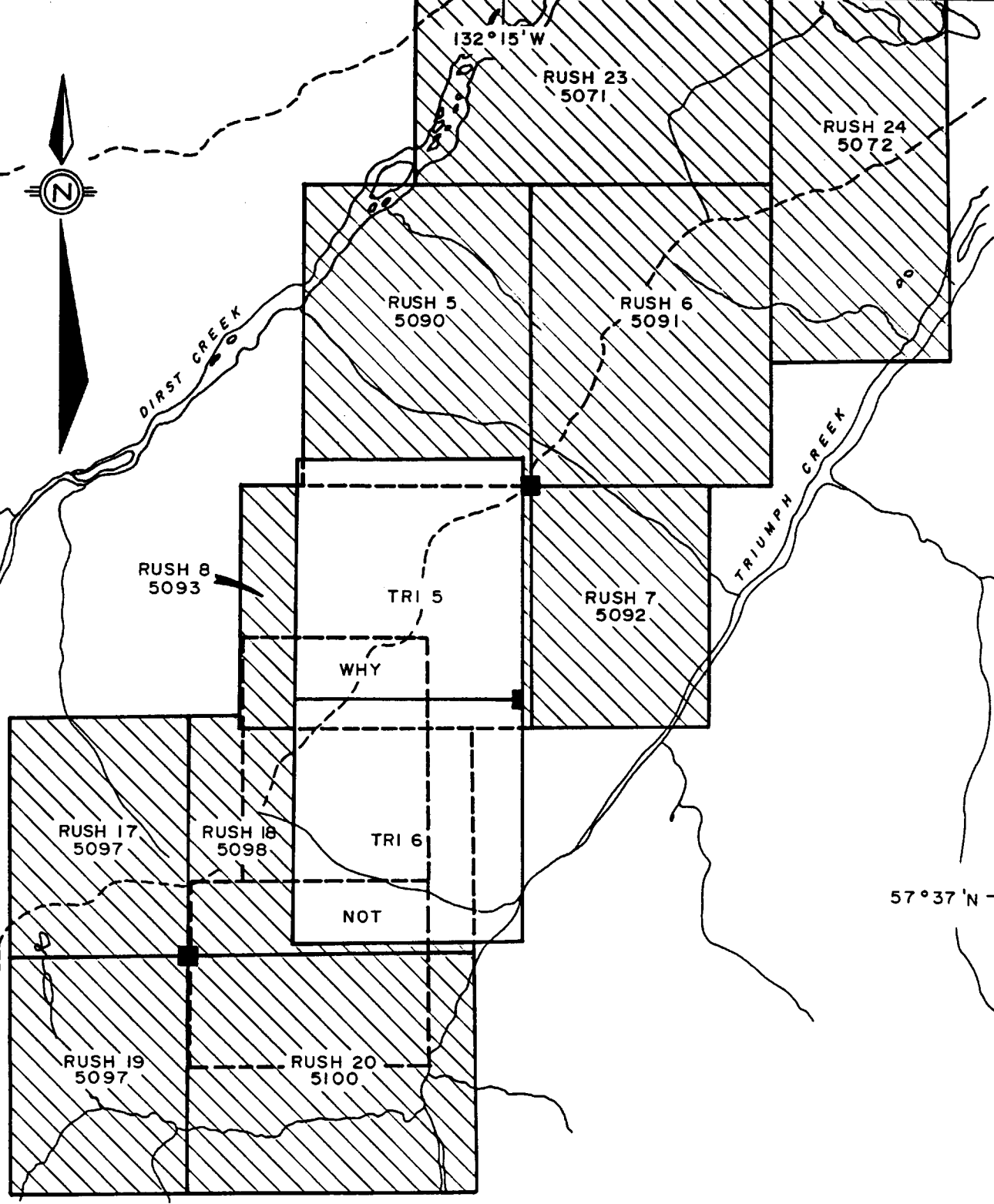
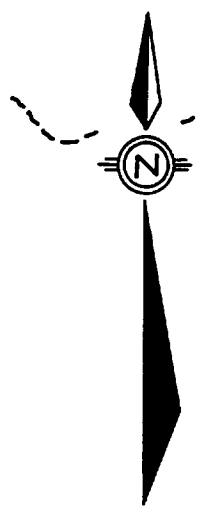
2.4 Property Status

The Chutine River Project consists of ten contiguous claims (RUSH 5-8, 17-20, 23-24) totalling 166 units (6640 ha). All mineral claims are owned by Continental Gold Corp. and are registered in the name of D.B. Forster, Vice-President and Director of Continental. Pertinent claim information is outlined in Table 1. The location of the RUSH claims is depicted in Figure 2.



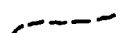
A small portion of the ground claimed by Continental was also claimed by Teck Corp. and an individual named S.B. Noakes. Teck's Why (5133) and Not (5134) claims were staked 4 hours prior to Continentals claims on July 28, 1988. In addition, S.B. Noakes has located the Tri 5 and Tri 6 claims in the same general area as Teck's Why and Not claims. No attempt was made by S.B. Noakes to run claim lines, whereas Continental's stakers were able to flag and blaze a significant portion of the RUSH 17-20 claim group which is in conflict with the Tri, Why and Not claims.

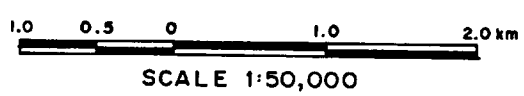
TABLE 1
CLAIM SCHEDULE

<u>Claim</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Area (ha)</u>	<u>Units</u>
RUSH 5	5090	July 28, 1988	800	20
RUSH 6	5091	July 28, 1988	800	20
RUSH 7	5092	July 28, 1988	480	12
RUSH 8	5093	July 28, 1988	800	20
RUSH 17	5097	July 28, 1988	480	12
RUSH 18	5098	July 28, 1988	800	20
RUSH 19	5099	July 28, 1988	480	12
RUSH 20	5100	July 28, 1988	800	20
RUSH 23	5071	July 28, 1988	600	15
RUSH 24	5072	July 28, 1988	<u>600</u>	<u>15</u>
			6,640 ha	166



LEGEND

-  Legal corner post
-  River, creek
-  Road, trail



Continental Gold Corp.			
Chutine River Project Northwestern British Columbia Rush 5-8, 17-20, 23-24 Claims CLAIM MAP			
Liard Mining Division			
DRAWN BY: B.A.M.	DATE: SEPT., 1988	NTS: 104 F/9	FIGURE: 2

3.0 PROPERTY GEOLOGY

3.1 Stratigraphy and Structure

The Chutine River Project area is predominantly underlain by Upper Triassic volcanics and sediments as outlined by Souther (1959). The volcanic rocks are composed of pillow basalts and greenish-grey andesite. Intercalated with these flows are phyllites and minor limestone. All rocks on the property are strongly foliated or bedded.

Rocks on the property strike to the northeast with steep to moderate dips to the south.

Triassic rocks in the project area are cut by 1-2 meter wide late andesite and rhyolite dykes.

3.2 Mineralization and Geochemistry

Only very minor prospecting was undertaken by Continental's geologists on the RUSH claims during the 1988 field season.

On July 27, 1988 the British Columbia Ministry of Mines released the results from their Regional Geochemical Stream Sediment Survey which covered both the Telegraph (104G) and Sumdum(104F) Map Sheets. Stream sediments from creeks draining Continental's RUSH claims are extremely anomalous in Au, Ag, Pb, Zn, Cu, As, Co, Sb, Cd and W. All of these elements are in fact 95th percentile anomalies, indicating that they are some of the highest values obtained in the entire 6,000 square mile survey area. The actual magnitude of each anomaly is outlined below:

Au	108 ppm*
Pb	130 ppm*
Zn	120 ppm*
Ag	7.2 ppm*
Cu	237 ppm*

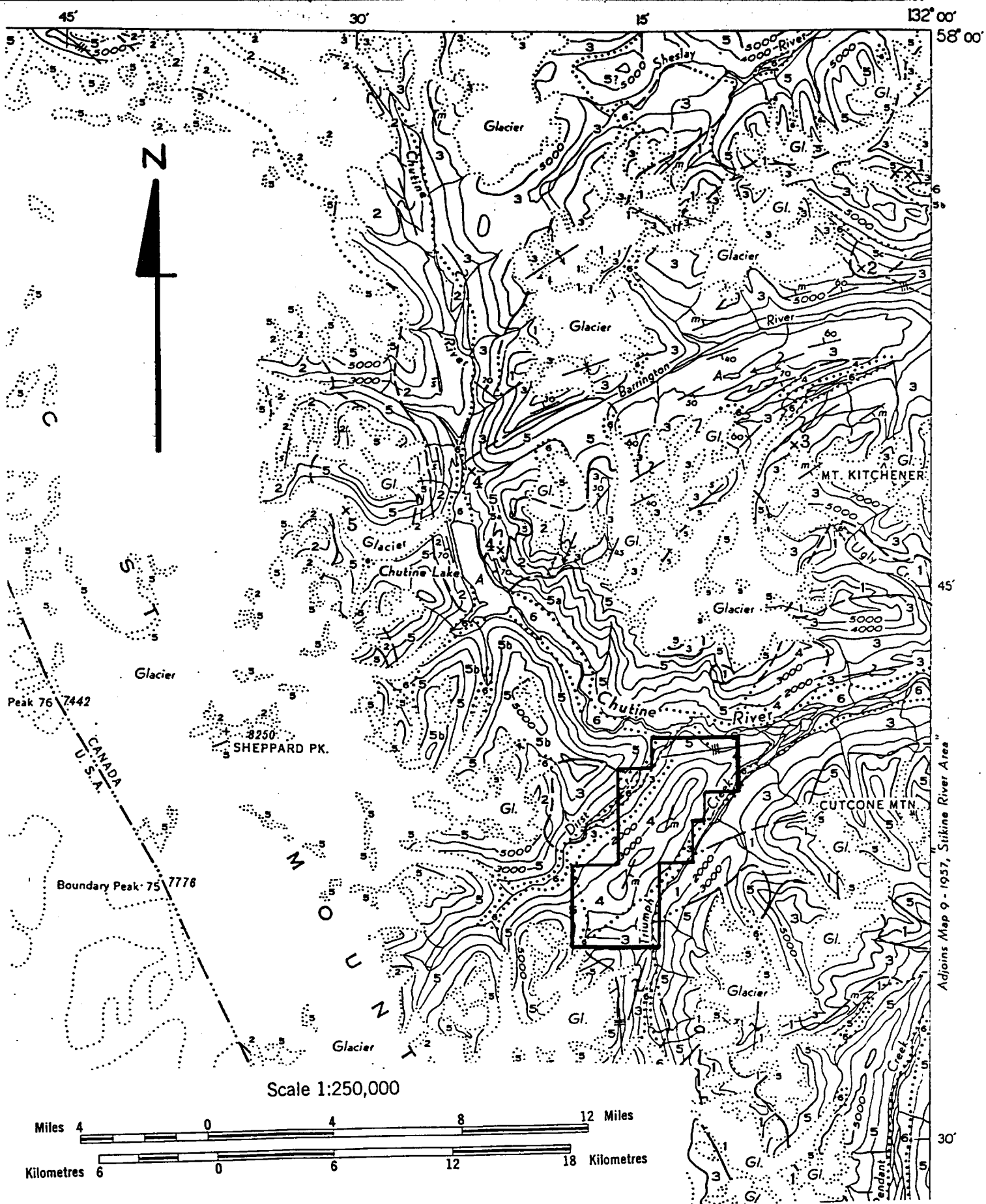


Figure 3: Geological Map of the Chutine River Project Area (After, Souther, 1959)

LEGEND

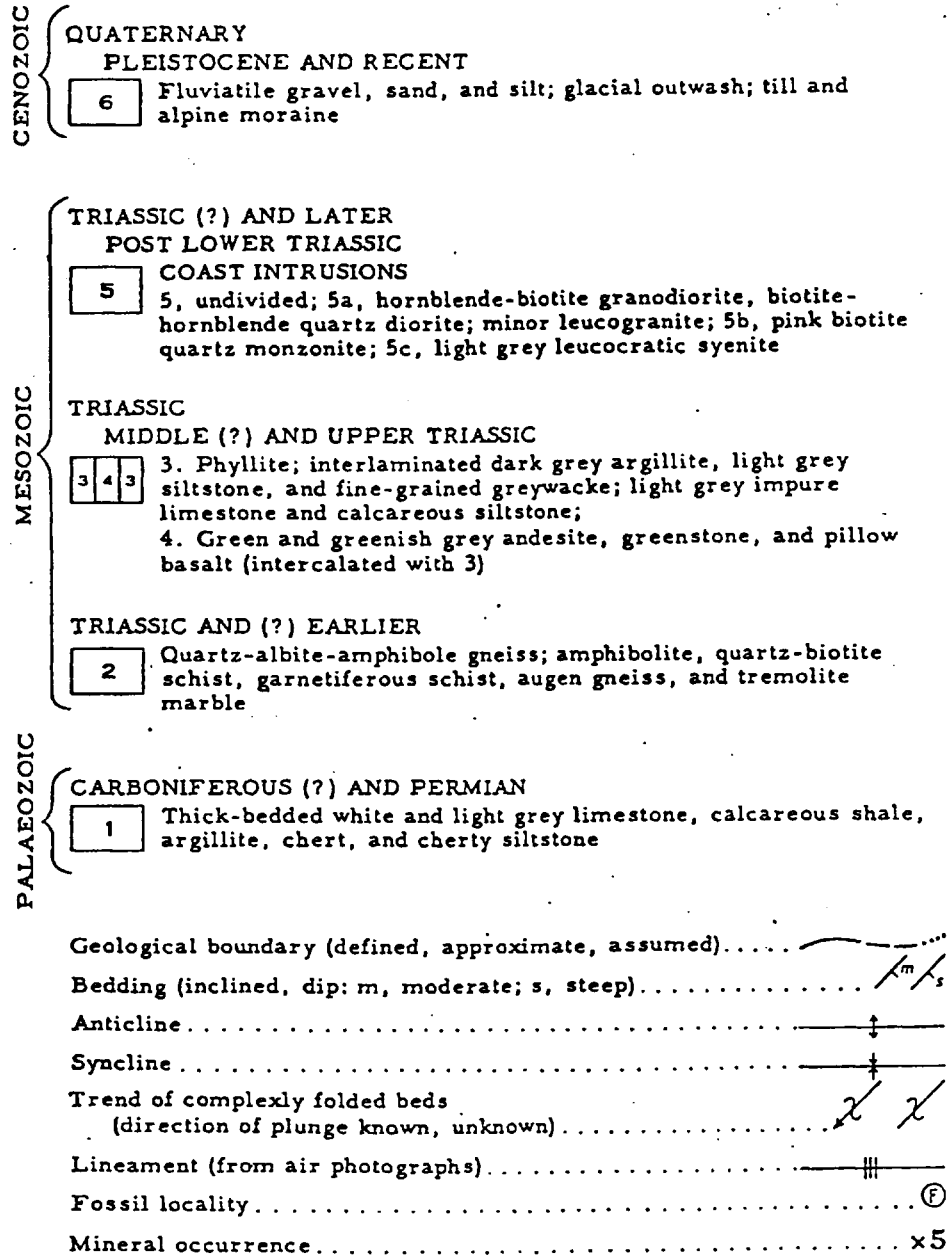


Figure 3a: Legend for Figure 3
(After, Souther, 1959)

As	195 ppm*
Co	29 ppm*
Sb	3.2 ppm*
Cd	9.8 ppm*
W	16 ppm*

* denotes 95th percentile anomaly

The stream sediment sample as analyzed above was collected from a creek that drains Continental's RUSH 18, Tecks' Why, and Noake's Tri 6 claims.

Creeks further to the northeast, draining Continentals' 100% owned RUSH 23, 24, 5 and 6 claims are also highly anomalous in Au, As, Co and Cd. Only 3 creeks draining Continentals 6,640 ha claim group were sampled by the Ministry of Mines.

Follow-up reconnaissance silt sampling by Continental geologists indicated a gold value of 345 ppb in the creek draining the RUSH 18 claims and a value of 99 ppb Au from a creek draining Continental's RUSH 6 claim.

In addition, creeks draining the northern portion of Continental's RUSH claims exhibit moderately anomalous values in Cu, Zn, Co, and As.

Major gossans and heavily oxidized alteration zones occur throughout the RUSH claim group. Due to inclement weather, and time constraints, no prospecting was conducted on the claim group during 1988. While staking the claim group, Continental geologists identified numerous 0.1 to 1.5 meter quartz veins cross-cutting both sedimentary and volcanic hosts.

Multi-element stream sediment anomalies as observed in Creeks draining the Chutine River Project area, are typical elemental signatures identified in creeks bisecting weathered massive sulfide deposits.

Pillowed basalts and andesites, as mapped on Continental Gold's RUSH 5-8, 17-20, and 23-24 claims, are typical host rocks of submarine exhalative volcanogenic massive sulfide deposits.

4.0 TARGET TYPE AND POTENTIAL

The region covered by Continental Gold Corp.'s Chutine River Project has excellent potential for hosting volcanogenic Cu-Pb-Zn-Au-Ag massive sulfide mineralization, similar to Westmin's Buttle Lake Zn, Cu, Pb, Ag, Au deposit on Vancouver Island. The Buttle Lake deposit is hosted in Triassic, submarine basalts similar to those found on Continental's RUSH 5-8, 17-20 and 23-24 claims.

The presence of pillowed basalt host rocks, and a multi-element, 95th percentile Au, Cu, Pb, Zn, Ag, Co, Cd, As, W stream sediment anomaly, compares favourably to geological environments that host Mesozoic massive sulfide deposits throughout the Cordillera.

Continental Gold Corp's RUSH claims cover the entire northeast trending submarine volcanogenic package as mapped by Souther (1959), and thus Continental's land position would cover the entire district potential for discovering stratabound volcanogenic Cu, Pb, Zn, Ag, Au massive sulfide mineralization.

The Chutine River Project is situated in a relatively unexplored portion of 200 km long belt of precious and base metal deposits stretching from Westmin's Premier/Big Missouri Mines in the south to North American Metals' Golden Bear deposit in the north.

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APPENDIX I

GEOCHEMISTRY

CONTINENTAL SHELL CORP. FIELD # 00 1004

SILTS

SAMPLE#	Mo PPM	Cu PPM	Pb PPM	Zn PPM	Ag PPM	Bi PPM	Co PPM	Mn PPM	Fe %	As PPM	U PPM	Au PPM	Th PPM	Sr PPM	Cd PPM	Sb PPM	Pi PPM	V PPM	Ca %	P %	La PPM	Cr PPM	Mg %	Ba PPM	Tl %	B PPM	Al %	Na %	K %	W PPM	Au* PPB
BA-00 4440	3	17	2	25	.2	8	5	170	2.58	4	5	ND	9	29	1	3	3	51	1.09	.088	12	17	.34	62	.04	6	.82	.01	.12	7	1
BA-00 4441	2	33	7	44	.4	12	6	214	3.09	15	5	ND	12	72	1	3	3	73	4.91	.083	10	12	.91	205	.03	2	.58	.01	.06	7	4
BA-00 4442	1	17	4	29	.2	7	5	186	2.84	18	5	ND	13	30	1	2	2	57	1.16	.105	11	17	.35	68	.04	8	.44	.01	.11	2	1
BA-00 4443	1	21	13	31	.4	9	7	210	6.13	9	15	ND	28	29	1	2	3	121	1.89	.135	15	27	.29	61	.04	4	.38	.01	.10	11	7
BA-00 4444	1	25	6	30	.3	9	7	190	4.17	7	5	ND	18	28	1	2	2	84	1.04	.122	15	22	.34	66	.04	2	.43	.01	.11	3	5
BA-00 4445	5	259	220	857	9.0	84	34	1575	7.14	347	5	ND	1	16	9	4	2	114	.48	.074	7	50	1.48	87	.09	2	2.30	.01	.10	8	345
BA-00 4446	1	5	3	18	.2	1	2	138	1.38	2	5	ND	30	6	1	3	2	16	.18	.050	22	6	.08	13	.02	2	.12	.01	.04	1	1
BA-00 4447	1	20	2	24	.1	7	4	170	2.36	2	5	ND	4	29	1	2	3	47	1.24	.099	10	16	.34	60	.04	3	.40	.01	.09	4	1
BA-00 4448	1	9	8	22	.3	2	5	160	4.03	4	5	ND	14	40	1	2	2	117	.59	.134	15	18	.18	63	.03	3	.48	.03	.08	1	1
BA-00 4449	1	22	5	37	.6	8	7	218	5.57	5	11	ND	24	29	1	2	2	107	1.24	.114	15	26	.33	63	.04	2	.41	.01	.12	7	99
BA-00 4450	4	237	9	134	.4	62	30	967	7.07	31	5	ND	1	28	1	3	2	144	.96	.061	5	44	1.59	35	.19	2	2.73	.01	.05	1	78
BA-00 4451	2	186	13	149	.4	46	19	445	4.41	20	5	ND	2	41	1	2	2	110	.96	.079	7	40	1.52	73	.14	2	2.50	.01	.11	1	15
BA-00 4452	1	72	5	62	.3	16	8	273	3.00	2	6	ND	5	27	1	3	2	64	.76	.114	13	25	.75	52	.09	2	1.33	.01	.09	1	1
BA-00 4453	3	189	8	97	.5	30	18	573	4.18	35	5	ND	1	37	1	2	2	93	1.11	.069	4	33	1.16	54	.08	2	1.94	.01	.06	1	1
BA-00 4454	2	76	15	137	.9	22	13	675	3.87	65	5	ND	2	20	1	3	2	57	.40	.080	9	26	1.08	91	.05	2	1.72	.01	.11	1	9
BA-59 4461	12	350	45	208	.5	28	27	841	5.94	64	5	ND	1	31	5	2	2	105	.79	.090	4	45	1.63	37	.15	3	2.24	.02	.04	1	61
BA-59 4462	16	210	40	151	.5	17	25	783	5.79	39	5	ND	1	32	3	2	3	103	.78	.085	4	24	1.51	31	.18	4	2.23	.01	.05	1	12
BN-08 7499	39	105	42	501	2.1	72	15	426	3.95	60	5	ND	1	86	7	13	2	48	2.87	.138	5	14	.33	150	.01	3	.30	.01	.09	5	1
FB-08 6384 (STREAM SEDS)	44	108	22	574	2.4	81	16	478	4.36	71	5	ND	1	52	7	15	2	63	1.90	.164	6	15	.40	161	.01	2	.43	.01	.08	4	5
STD C/AU-S	18	59	43	132	7.0	67	30	1020	4.17	41	18	8	37	49	18	18	21	60	.50	.094	60	58	.93	181	.07	32	1.96	.06	.15	13	48

CHUTINE RIVER

APPENDIX II

STATEMENT OF QUALIFICATIONS

STATEMENT OF QUALIFICATIONS

I, Douglas B. Forster of #313-1350 Comox Street of the City of Vancouver, British Columbia, do hereby certify that:

1. I am currently employed as Vice-President, Project Development of Continental Gold Corp. with offices at 1020 - 800 West Pender Street, Vancouver, B.C.
2. I graduated from the University of British Columbia in geology, having obtained my Bachelor of Science in 1981 and my Master of Science in 1984.
3. I have worked in the field of mineral exploration in B.C., Manitoba, Saskatchewan and the Yukon Territories since 1977.
4. I am an Associate of the Geological Association of Canada.
5. I am a Director of Continental Gold Corp., and hold securities of the aforementioned.
6. This report is based in part on my personal observations on the property, and a review of all pertinent data.

Vancouver, B.C.



Douglas B. Forster, Msc.
Vice-President, Project Development
Continental Gold Corp.

BARRINGTON RIVER PROJECT

**SUMMARY REPORT
RUSH 1-4 CLAIMS**

**LIARD MINING DIVISION
BRITISH COLUMBIA
NTS 104F/16**

**Latitude: 57° 53'N
Longitude: 132° 10'W**

FOR

**CONTINENTAL GOLD CORP.
1020 - 800 West Pender Street
Vancouver, B.c.
V6C 2V6**

BY

**DOUGLAS B. FORSTER
Vice-President, Project Development
Continental Gold Corp.**

October 15, 1988

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1.0 SUMMARY

Continental Gold Corp's Barrington River Project encompasses the RUSH 1-4 claims totalling 80 units (3,200 ha). The Project area located 58 kms west of Telegraph Creek, B.C. is underlain by Upper Triassic volcanics and sediments which are intruded by syenite dykes and plugs. Large altered and gossanous zones are developed throughout the claim group, with numerous faults and shear zones being recognized on the property. Mineralization in the project area is typified by the presence of concordant and cross-cutting quartz veins and vein-swarms containing the sulfides pyrite, galena, sphalerite and chalcopyrite. Quartz-sulfide veins are frequently shear-controlled, with most rocks on the claim group having undergone extensive faulting, folding, and hydrothermal alteration. Samples of sulfide-rich vein quartz collected by Continental geologists during 1988 returned highly anomalous values in both the precious and base metals up to 0.06 oz Au/ton, 4.18 oz Ag/ton, 2.1% Pb and 2.4% Zn.

Major mining companies have overstaked continentals land position in the region.

The region covered by Continental Gold Corp's Barrington River Project has excellent potential for hosting shear zone and quartz vein controlled Au-Ag-Cu-Pb-Zn mineralization similar to mineralization found in the Iskut River region of northwest British Columbia.

2.0 INTRODUCTION

The Barrington River Project (NTS 104F/16) encompasses the RUSH 1-4 claims totalling 80 units. The claims are registered in the name of Douglas B. Forster and held in trust for Continental Gold Corp., who owns an undivided 100% interest in the claims. Douglas B. Forster is a senior officer and Director of Continental Gold Corp.

The Rush 1-4 claims were staked in July 1988 to cover a large hydrothermally altered zone hosted in sediments and volcanics adjacent to a Lower Jurassic syenite stock. The claims were also positioned in order to cover a 350 ppb Au stream sediment anomaly identified by the British Columbia Ministry of Energy and Mines in their Regional Geochemical Survey (RGS), released on July 27, 1988.

Only minor prospecting was conducted on the claims during 1988.

2.1 Location and Access

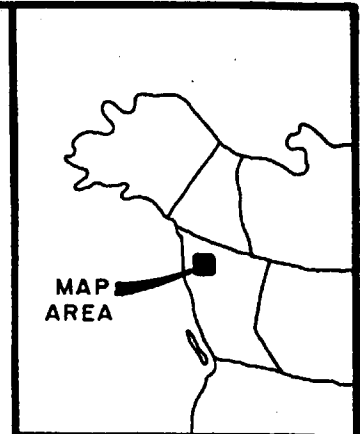
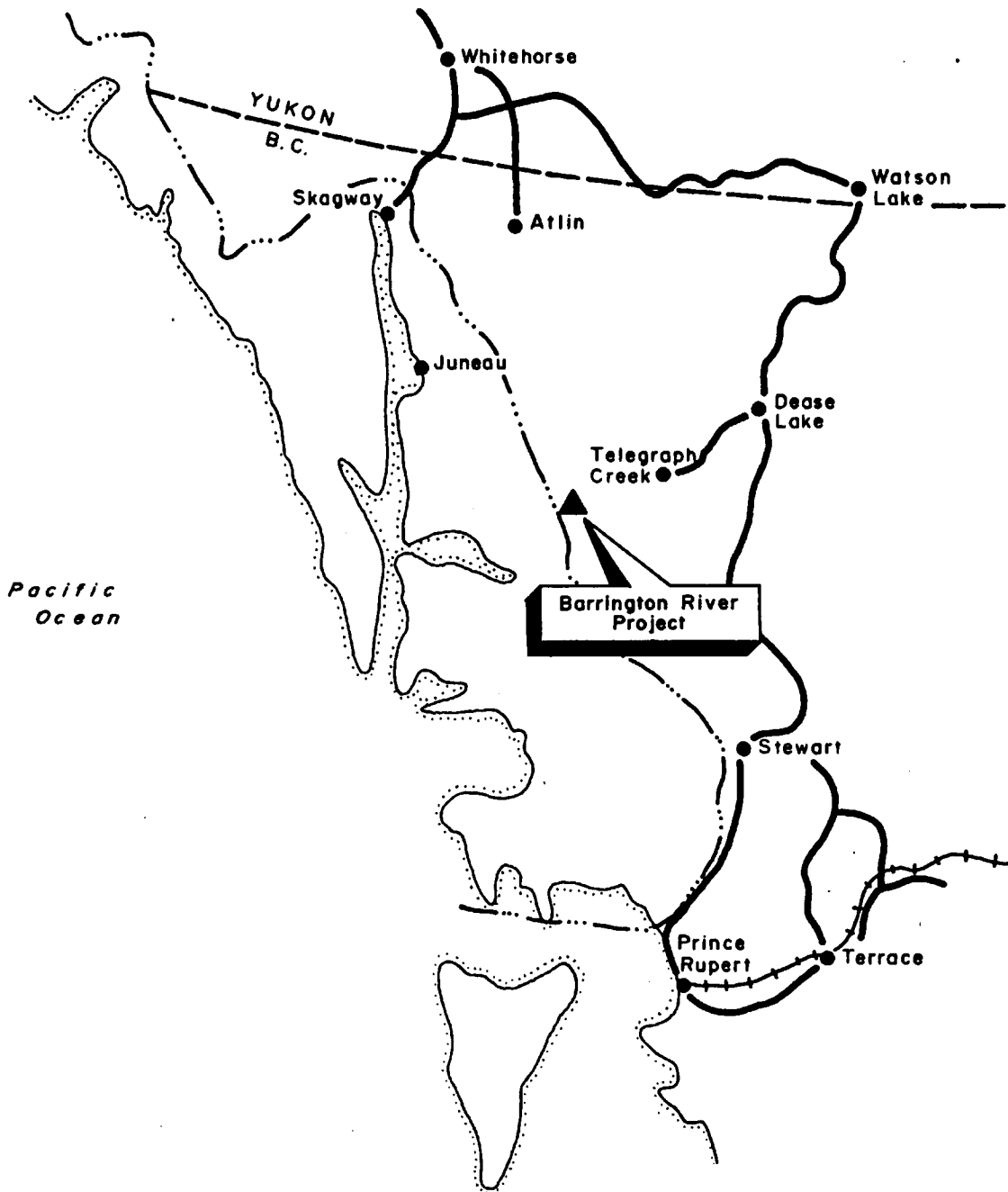
Continental Gold Corp's RUSH 1-4 claims are situated approximately 58 kms west of Telegraph Creek in northwestern British Columbia (Figure 1). The claims straddle the Barrington river which is an eastward flowing tributary of the Chutine River. Access to the property is via helicopter from Dease Lake or Telegraph Creek.

The RUSH 1-4 claims are centered near latitude 57° 53'N and longitude 132°10'W on NTS Map Sheet 104F/16.



2.2 Topography and Climate

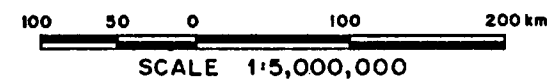
The Barrington River Project claims are located within the drainage basin of the Stikine River, at the eastern margin of the Coast Range Mountains. The project area is in moderate alpine terrain with elevations ranging from 700 meters to 2,000 meters a.s.l.

Precipitation in the vicinity of the claims is variable throughout the year with sudden snow flurries and rain showers being common. Snow is on many north facing slopes until late June. Many cirques remain snow-filled all year round. The best months to conduct mineral exploration are July, August and September, with snow beginning to accumulate on the ground by early to mid-October.



LEGEND

-  Road
-  Railway



Continental Gold Corp.			
Barrington River Project Northwestern British Columbia Rush 1-4 Claims LOCATION MAP			
Liard Mining Division			
DRAWN BY: S.A.M.	DATE: SEPT., 1988	NTS: 104 F/16	FIGURE: 1

Pacific Ocean

YUKON
B.C.

Whitehorse

Watson Lake

Atlin

Skagway

Juneau

Dease Lake

Telegraph Creek

Barrington River Project

Stewart

Prince Rupert

Terrace

Tree line is approximately 900 meters, with most of the claim region occurring above this elevation. Minor grass and shrubs cover portions of the higher elevations, with portions of the claim region being underlain by talus and morrain.

Outcrop exposure on the RUSH 1-4 claims is approximately 40%, with overburden and talus covering the rest of the region.

2.3 Exploration History

The first reconnaissance geological mapping in the Telegraph Creek and Sumdum (104 F and G) map areas was undertaken by Forrest A. Kerr (1948) of the Geological Survey of Canada, who mapped the mountains adjacent to the Stikine and Iskut rivers in the years 1924 to 1929. In 1956 the Geological Survey of Canada carved out "Operation Stikine" which included a helicopter reconnaissance of the Telegraph Creek map area.

This initial work combined with geological mapping conducted by J.G. Souther, led to the publication of a 1:250,000 scale geologic map of the Sumdum Map Sheet (104F); Souther (1959).

The first recorded mineral exploration in the Sumdum - Stikine River region was undertaken in 1861 when placer gold was discovered on the Stikine River just below the townsite of Telegraph Creek.

During the 1920's, 1930's and 1940's the emphasis had shifted from placer exploration to exploration for lode deposits. Early exploration was confined to accessible areas along the Stikine River, with a number of small copper occurrences being discovered.

The first recorded mineral exploration in the vicinity of the RUSH 1-4 claims was in 1958 when the Conwest-Balsom Group staked the LLC mineral claims to the east of the presently located RUSH 1-4 claims. In their search for porphyry Cu-Mo mineralization the Conwest group

conducted geological mapping, and surface stripping of a number of mineralized zones. According to 1958 reports by P.O. Hickey, pyrite-magnetite-sphalerite-molybdenum mineralization occurs in quartz veins associated with northerly trending faults, with base-metal mineralization being most intense where the northerly bearing faults are intersected by east-west lineaments. Quartz veining was also described as being prominent in syenite stocks, sills and dykes.

During 1958 a total of 1529 feet of diamond drilling was completed in two AX drill holes, with no base metal or gold assays being reported for either the drill holes or for the surface sampling.

Continental Gold Corp. conducted 4 man days of preliminary prospecting on the RUSH 1-4 claims during September 1988.

2.4 Property Status

The Barrington River Project consists of 4 contiguous claims (RUSH 1-4) totalling 80 units (3,200 ha). All mineral claims are 100% owned by Continental Gold Corp., and are registered in the name of D.B. Forster, Vice-President and Director of Continental. Pertinent claim information is outlined in Table 1. The location of the RUSH 1-4 claims is depicted in Figure 2.

TABLE 1
Claim Schedule

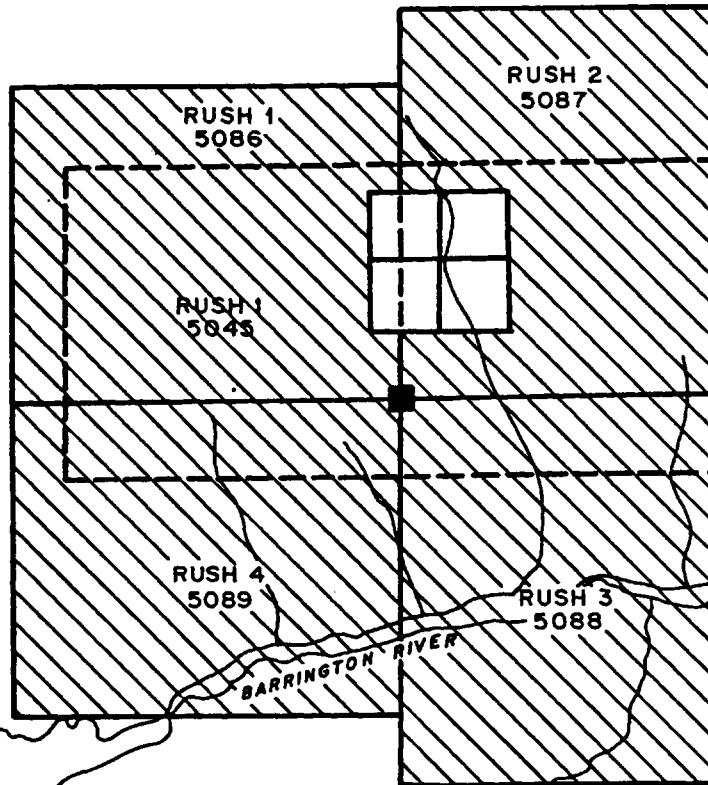
<u>Claim</u>	<u>Record No.</u>	<u>Record Date</u>	<u>Area (ha)</u>	<u>Units</u>
RUSH 1	5086	July 27, 1988	800	20
RUSH 2	5087	July 27, 1988	800	20
RUSH 3	5088	July 27, 1988	800	20
RUSH 4	5089	July 27, 1988	800	20
			3,200 ha	80 units

A small portion of the ground claimed by Continental was also claimed by an exploration syndicate composed of Homestake Mineral Development Company and Equity Silver Mines Ltd. Approximately 5% of the ground



132°10'W

57°53'N



BAR 1

BAR 3

LEGEND

■ Legal corner post

~~~~~ River, creek

1.0 0.5 0 1.0 2.0 km

SCALE 1:50,000

**Continental Gold Corp.**

**Barrington River Project  
Northwestern British Columbia**

**Rush 1-4 Claims  
CLAIM MAP**

**Liard Mining Division**

DRAWN BY:  
B.A.M.

DATE:  
SEPT., 1988

NTS:  
104 F/16

FIGURE: 2

claimed by Continental is covered by the Homestake-Equity Day 1-4 (3067-30670) 2-post claims (Figure 2).

The Homestake-Equity 2-post claims were staked inside Continental Gold's Modified Grid claims approximately 8 hours prior to Continental's stakers completing their staking in the region on July 27, 1988.

In addition, Integrated Resources Ltd. of Calgary has staked their own RUSH 1 and 2 claims on top of Continental's RUSH 1-4 claims (Figure 2). Integrated Resources Ltd. completed staking their claims five hours prior to Continental on July 27. Continental was able to flag and blaze a major portion of their RUSH 1-4 claim lines. Whereas Integrated Resources did not attempt to run any of their claim lines, staking both claims by simply positioning the Legal Corner Posts (LCP's).

Continental Gold Corp., as of October 5, 1988 has filed a section 50 Mineral Act Complaint Form with the Gold Commissioner in Victoria to have Integrated Resources' RUSH 1 and 2 claims disallowed and forfeited as their claims have been located contrary to Section 50(1)(a) of the mineral act.

Continental feels secure that their ground is staked properly and in accordance with the Mineral Act of B.C., and that the Integrated claims will be forfeited once a field examination is completed by a Ministry of Mines Claims Inspector.

### **3.0 PROPERTY GEOLOGY**

#### **3.1 Stratigraphy and Structure**

The Barrington River Project area is predominantly underlain by Upper Triassic volcanics and sediments as outlined by Souther (1959) in Figure 3. On the RUSH 1-4 claims Continental geologists have documented the presence of well-bedded and foliated tuffs, ferruginous argillites, cherts

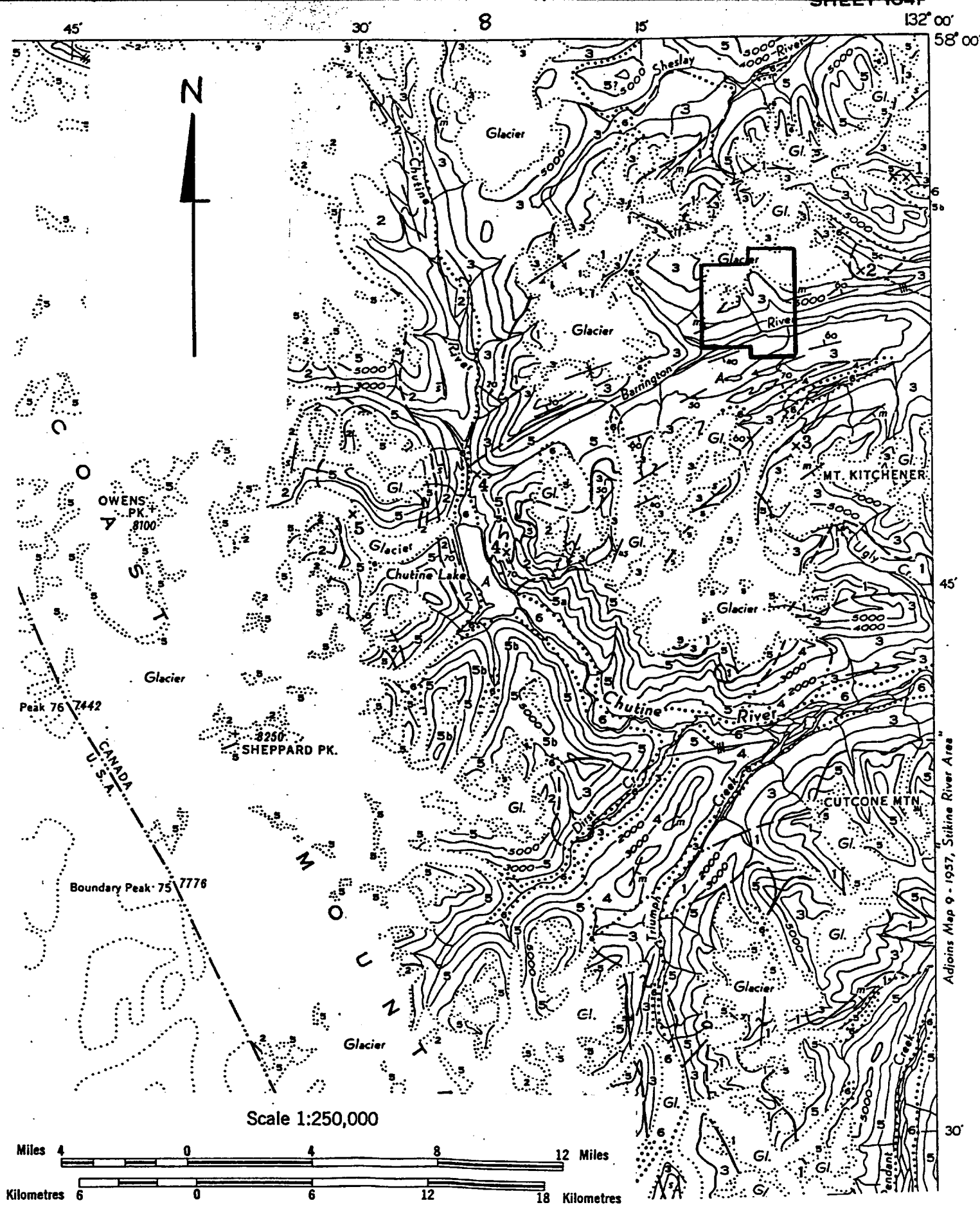


Figure 3: Geology of the Barrington River Project Area, (After Souther, 1959)

LEGEND

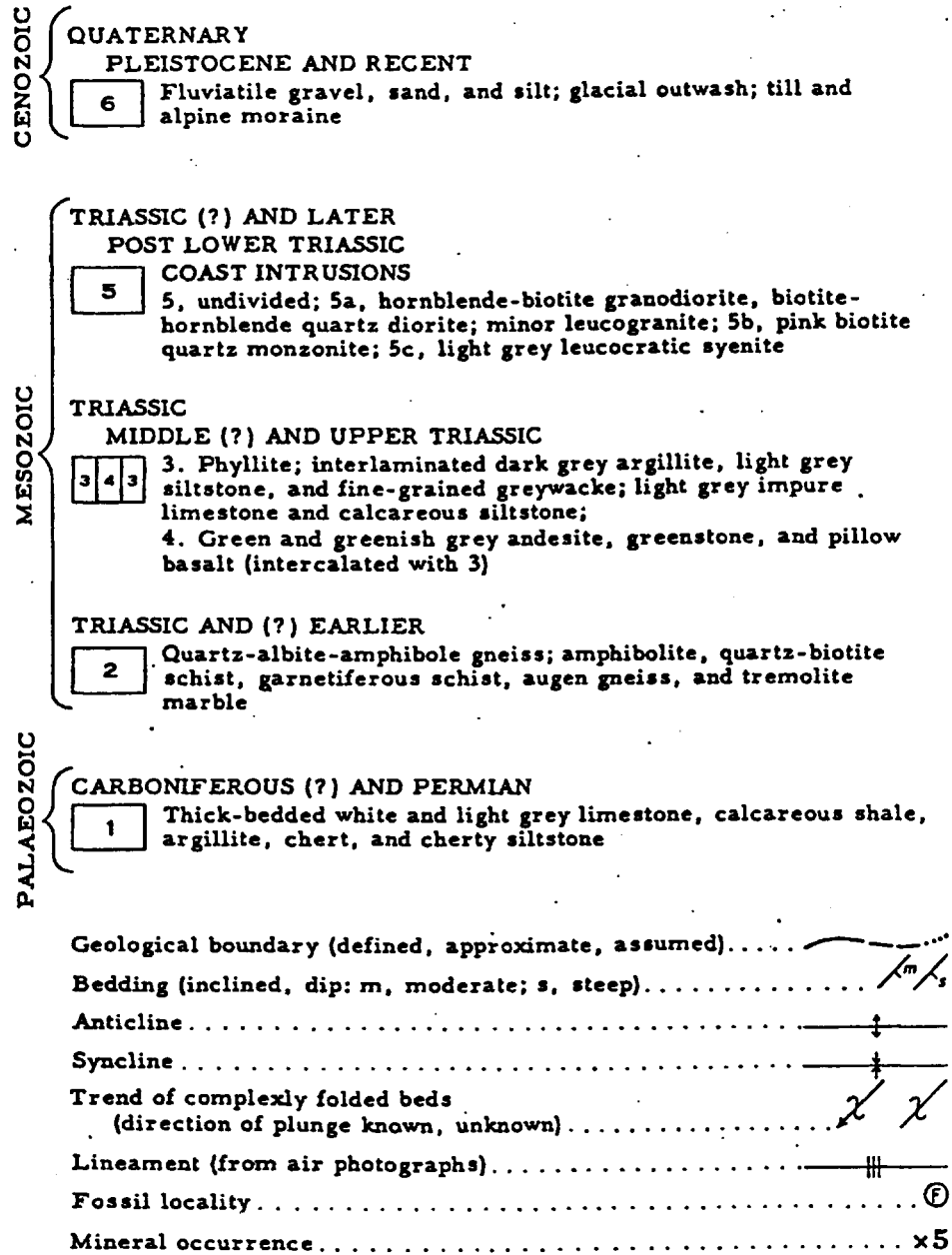


Figure 3a: Legend for Figure 3  
After Souther, 1959

and phyllites. The phyllites exhibit extensive chlorite development and are very well foliated. Foliation and bedding is in an east-northeast trend, but most units have undergone extensive folding and faulting. A large gossan covers much of the claim group.

Approximately 2 kms east of the RUSH claims, a Lower Jurassic syenite stock intrudes Upper Triassic sediments. The syenite is extensively shear-altered, with a prominent gossan marking the most intense alteration zone. Dykes of similar syenitic material have been located on Continental's RUSH 1-4 claims.

### 3.2 Mineralization and Geochemistry

Only very minor prospecting was undertaken by Continental Gold geologists on the RUSH 1-4 claims during the 1988 field season.

Throughout the claim group 0.5 to 1.5 meter wide quartz veins have been documented containing up to 15% disseminated chalcopyrite, sphalerite, pyrite and galena. Quartz veins are both bedding parallel within the phyllites, as well as being located within cross-cutting, highly altered shear zones. Many of the quartz veins occur in 'swarms' and are readily visible from the air.

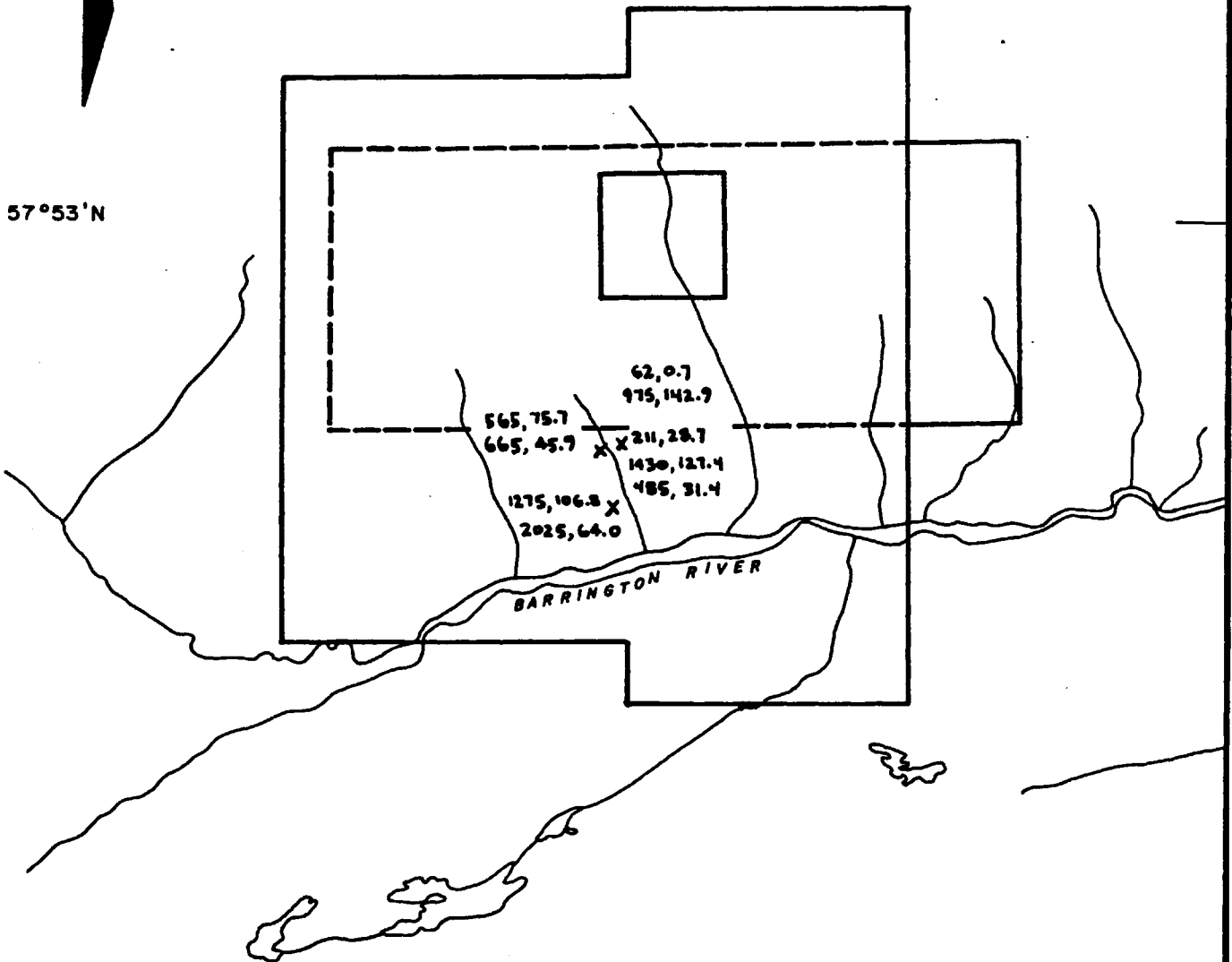
Grab samples of sulfide-rich quartz vein material have assayed up to 2025 ppb Au (0.06 oz Au/ton) and 64.00 ppm Ag (1.8 oz Ag/ton). Other samples assayed up to 2.1% Pb, 2.4% Zn, 4.18 oz Ag/ton and 975 ppb Au (Figure 4). In addition, a number of large gossanous zones are developed throughout the project area. These zones were not visited during the 1988 reconnaissance effort.

On July 27, 1988 the British Columbia Ministry of Mines released the results from their Regional Geochemical Stream Sediment Survey which covered both the Telegraph (104G) and Sumdum (104F) Map Sheets. Stream sediments from creeks draining Continental's RUSH 1-4 claims are highly anomalous in Au, Ag, Pb, Zn, Cu, Co, As and Cd as outlined below:



132°10'W

57°53'N



**LEGEND**

X 7281  
(3351,13.3)

Sample location  
— geochemistry ( Au ppb, Ag ppm)



River, creek

Property boundary



SCALE 1:50,000

**Continental Gold Corp.**

**Barrington River Project**  
Northwestern British Columbia  
Rush 1-4 Claims

**SAMPLE LOCATIONS &  
GOLD-SILVER GEOCHEMISTRY**

Liard Mining Division

DRAWN BY:  
B.A.M.

DATE:  
SEPT., 1988

NTS:  
104 F/16

FIGURE: 4

|    |      |     |
|----|------|-----|
| Au | 350  | ppb |
| Ag | 1.9  | ppm |
| Pb | 325  | ppm |
| Zn | 839  | ppm |
| Cu | 407  | ppm |
| Co | 33.0 | ppm |
| As | 89.0 | ppm |

Only one creek draining the claim group was sampled during the Government Survey. All anomalous elements documented during the stream sediment survey in creeks draining the RUSH 1-4 claims, including Au and Ag, are 95<sup>th</sup> percentile anomalies, indicating that they are some of the highest values obtained in the entire 6,000 square mile survey area.

#### **4.0 TARGET TYPE AND POTENTIAL**

The region covered by Continental Gold Corp's Barrington River Project has excellent potential for hosting vein and shear zone related precious and base metal mineralization similar to mineralization found in the Iskut River region of northwest British Columbia. The RUSH 1-4 claims proximity to Lower Jurassic syenite intrusions, and to large zones of hydrothermal alteration, compare favorably to the geological environments of Continental's gold-silver-zinc-lead mineralization on the Trophy claims located 100 kms southeast of the Barrington River Project. As well, documented base metal sulfide vein swarms carrying both precious and base metal values, indicate the presence of a well developed hydrothermal system as well structurally prepared host rocks on Continental's claims.

The Barrington River Project is situated in a relatively unexplored portion of a 200 km long belt of structurally controlled precious and base metal deposits stretching from Westmin's Premier/Big Missouri Mines in the south to North American Metals' Golden Bear deposit in the north.



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**APPENDIX I**

**GEOCHEMISTRY**

| SAMPLE#    | Mo<br>PPM | Cu<br>PPM | Pb<br>PPM | Zn<br>PPM | Ag<br>PPM | Ni<br>PPM | Co<br>PPM | Mn<br>PPM | Fe<br>% | As<br>PPM | U<br>PPM | Au<br>PPM | Th<br>PPM | Sr<br>PPM | Cd<br>PPM | Sb<br>PPM | Bi<br>PPM | V<br>PPM | Ca<br>% | P<br>% | La<br>PPM | Cr<br>PPM | Mg<br>% | Ba<br>PPM | Ti<br>% | B<br>PPM | Al<br>% | Na<br>% | K<br>% | V<br>PPM | Au*<br>PPB |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|---------|--------|-----------|-----------|---------|-----------|---------|----------|---------|---------|--------|----------|------------|
| BA-16-4502 | 1         | 26        | 11        | 76        | .5        | 33        | 32        | 1336      | 3.65    | 11        | 5        | WD        | 1         | 130       | 3         | 2         | 2         | 40       | 5.52    | .177   | 1         | 18        | 1.80    | 48        | .01     | 6        | .61     | .01     | .34    | 2        | 4          |
| BA-00-4503 | 21        | 1575      | 22        | 510       | 2.8       | 100       | 54        | 610       | 13.62   | 2         | 8        | WD        | 2         | 12        | 6         | 2         | 5         | 122      | .33     | .058   | 4         | 42        | 2.53    | 17        | .15     | 8        | 3.52    | .01     | .25    | 1        | 15         |
| BA-00-4504 | 4         | 60        | 2         | 61        | .1        | 14        | 2         | 148       | .59     | 2         | 5        | WD        | 1         | 13        | 1         | 2         | 2         | 1        | .50     | .001   | 2         | 9         | .05     | 55        | .01     | 2        | .07     | .01     | .01    | 1        | 63         |
| BA-00-4505 | 7         | 161       | 679       | 1049      | 5.9       | 15        | 6         | 837       | 1.46    | 23        | 5        | WD        | 1         | 20        | 33        | 2         | 4         | 7        | 1.52    | .003   | 2         | 8         | .24     | 10        | .01     | 3        | .07     | .01     | .03    | 1        | 39         |
| BA-00-4506 | 7         | 218       | 9011      | 4439      | 48.9      | 9         | 9         | 2264      | 3.53    | 1091      | 5        | WD        | 1         | 80        | 143       | 2         | 45        | 4        | 4.44    | .004   | 1         | 10        | .80     | 8         | .01     | 2        | .04     | .01     | .01    | 1        | 665        |
| BA-00-4507 | 12        | 55        | 15564     | 484       | 72.2      | 10        | 1         | 51        | 1.11    | 322       | 5        | WD        | 1         | 1         | 14        | 2         | 112       | 1        | .02     | .001   | 2         | 7         | .01     | 6         | .01     | 2        | .01     | .01     | .01    | 1        | 155        |
| BA-00-4508 | 5         | 1074      | 17392     | 2259      | 75.7      | 10        | 3         | 197       | 1.90    | 493       | 5        | WD        | 1         | 10        | 82        | 9         | 71        | 1        | .44     | .001   | 2         | 8         | .13     | 4         | .01     | 2        | .01     | .01     | .01    | 1        | 565        |
| BA-00-4509 | 263       | 379       | 29        | 503       | 1.1       | 39        | 25        | 1027      | 6.63    | 2         | 5        | WD        | 1         | 16        | 10        | 2         | 28        | 179      | 1.04    | .032   | 1         | 28        | 1.91    | 23        | .19     | 3        | 1.88    | .01     | .08    | 6        | 4          |
| BA-00-4510 | 37        | 185       | 9579      | 1055      | 106.8     | 8         | 2         | 36        | 2.34    | 211       | 5        | WD        | 1         | 2         | 29        | 217       | 209       | 1        | .01     | .001   | 2         | 5         | .01     | 4         | .01     | 2        | .01     | .01     | .01    | 1        | 1275       |
| BA-00-4511 | 88        | 44        | 1566      | 176       | 64.0      | 11        | 2         | 32        | 1.25    | 62        | 5        | WD        | 1         | 1         | 3         | 16        | 138       | 1        | .01     | .001   | 2         | 7         | .01     | 96        | .01     | 2        | .02     | .01     | .01    | 2        | 2025       |
| BH-00-7525 | 9         | 325       | 56        | 54        | 1.3       | 13        | 27        | 541       | 6.24    | 4         | 5        | WD        | 1         | 14        | 2         | 2         | 2         | 129      | 1.43    | .061   | 1         | 17        | 1.45    | 14        | .22     | 2        | 1.74    | .27     | .08    | 1        | 6          |
| BH-00-7526 | 2         | 167       | 12        | 27        | .1        | 17        | 11        | 297       | 3.42    | 2         | 5        | WD        | 1         | 23        | 1         | 2         | 2         | 60       | .77     | .115   | 10        | 21        | .56     | 35        | .16     | 2        | .94     | .04     | .11    | 1        | 11         |
| BH-00-7527 | 3         | 257       | 13        | 44        | .3        | 28        | 29        | 443       | 4.84    | 2         | 5        | WD        | 1         | 22        | 1         | 2         | 2         | 119      | 1.47    | .059   | 3         | 34        | 1.70    | 94        | .18     | 5        | 2.16    | .25     | .72    | 1        | 1          |
| BH-00-7528 | 2         | 129       | 15        | 48        | .2        | 16        | 17        | 466       | 3.54    | 10        | 5        | WD        | 1         | 32        | 1         | 2         | 2         | 77       | 1.43    | .048   | 2         | 16        | 1.16    | 43        | .12     | 5        | 1.86    | .22     | .18    | 1        | 36         |
| BH-00-7529 | 1         | 282       | 6         | 48        | .4        | 39        | 23        | 397       | 6.31    | 6         | 5        | WD        | 1         | 36        | 1         | 2         | 2         | 133      | .65     | .202   | 8         | 56        | 1.65    | 51        | .38     | 5        | 2.05    | .09     | 1.88   | 1        | 1          |
| BH-00-7530 | 10        | 126       | 10        | 10        | .1        | 22        | 10        | 184       | 1.62    | 4         | 5        | WD        | 1         | 13        | 1         | 2         | 2         | 29       | .67     | .109   | 7         | 6         | .13     | 4         | .21     | 2        | .27     | .04     | .01    | 1        | 8          |
| BH-00-7531 | 33        | 219       | 9         | 16        | .1        | 45        | 18        | 195       | 3.43    | 53        | 5        | WD        | 3         | 14        | 1         | 2         | 2         | 60       | .54     | .096   | 15        | 22        | .27     | 15        | .22     | 2        | .44     | .05     | .09    | 1        | 2          |
| BH-00-7532 | 21        | 216       | 7         | 19        | .1        | 20        | 15        | 238       | 4.51    | 17        | 5        | WD        | 1         | 31        | 1         | 2         | 2         | 100      | .68     | .088   | 8         | 20        | .86     | 91        | .20     | 2        | 1.43    | .11     | .91    | 1        | 1          |
| BH-00-7533 | 6         | 111       | 13        | 18        | .1        | 9         | 9         | 237       | 3.36    | 2         | 5        | WD        | 1         | 10        | 1         | 2         | 2         | 65       | .62     | .132   | 8         | 11        | .46     | 39        | .27     | 2        | .75     | .05     | .20    | 1        | 2          |
| BH-00-7534 | 15        | 144       | 5         | 12        | .1        | 9         | 10        | 134       | 1.93    | 8         | 5        | WD        | 2         | 11        | 1         | 2         | 2         | 39       | .75     | .147   | 8         | 5         | .20     | 12        | .24     | 3        | .42     | .05     | .05    | 1        | 1          |
| BH-00-7535 | 10        | 196       | 11        | 22        | .1        | 21        | 15        | 218       | 3.53    | 9         | 5        | WD        | 3         | 15        | 1         | 2         | 2         | 76       | .67     | .132   | 9         | 14        | .55     | 47        | .23     | 6        | .83     | .06     | .26    | 1        | 1          |
| BH-00-7536 | 2         | 149       | 10        | 15        | .1        | 14        | 12        | 182       | 2.43    | 4         | 5        | WD        | 1         | 18        | 1         | 2         | 2         | 50       | .52     | .052   | 3         | 9         | .18     | 3         | .26     | 2        | .36     | .05     | .02    | 1        | 2          |
| BH-00-7537 | 6         | 191       | 4         | 20        | .1        | 11        | 9         | 256       | 3.29    | 5         | 5        | WD        | 2         | 24        | 1         | 2         | 2         | 63       | .92     | .112   | 8         | 12        | .47     | 11        | .18     | 2        | .80     | .07     | .03    | 1        | 9          |
| BH-00-7538 | 3         | 337       | 10        | 15        | .4        | 21        | 23        | 136       | 3.58    | 22        | 5        | WD        | 2         | 11        | 1         | 2         | 2         | 44       | .69     | .115   | 22        | 17        | .29     | 1         | .18     | 2        | .34     | .04     | .01    | 1        | 1          |
| BH-00-7539 | 4         | 130       | 36        | 125       | .4        | 12        | 17        | 1931      | 5.37    | 31        | 5        | WD        | 1         | 254       | 9         | 2         | 2         | 70       | 15.48   | .022   | 5         | 20        | 1.26    | 42        | .01     | 2        | 1.52    | .01     | .05    | 1        | 7          |
| BH-00-7540 | 2         | 185       | 2         | 56        | .2        | 19        | 30        | 616       | 6.80    | 55        | 5        | WD        | 1         | 30        | 1         | 2         | 2         | 148      | 1.88    | .070   | 6         | 21        | 1.21    | 10        | .22     | 2        | 1.51    | .04     | .03    | 1        | 1          |
| BH-00-7543 | 8         | 92        | 3         | 19        | .1        | 22        | 13        | 465       | 3.57    | 8         | 5        | WD        | 1         | 37        | 1         | 2         | 2         | 55       | 3.43    | .899   | 9         | 20        | .40     | 12        | .11     | 2        | 1.21    | .04     | .01    | 1        | 1          |
| BH-00-7544 | 4         | 386       | 9         | 91        | .1        | 7         | 17        | 1802      | 4.81    | 2         | 5        | WD        | 8         | 88        | 1         | 2         | 2         | 60       | 3.37    | .152   | 8         | 7         | 1.26    | 39        | .08     | 2        | 1.22    | .02     | .31    | 1        | 62         |
| BH-00-7545 | 1         | 2385      | 21284     | 23671     | 142.9     | 22        | 22        | 665       | 7.50    | 892       | 5        | WD        | 1         | 44        | 714       | 20        | 155       | 8        | 1.74    | .008   | 2         | 34        | .75     | 10        | .01     | 2        | 1.15    | .01     | .05    | 1        | 975        |
| BH-00-7546 | 22        | 147       | 3706      | 3685      | 17.8      | 17        | 9         | 890       | 3.14    | 620       | 5        | WD        | 1         | 60        | 182       | 2         | 24        | 4        | 2.98    | .003   | 2         | 10        | .52     | 15        | .01     | 2        | .05     | .01     | .02    | 1        | 275        |
| BH-00-7547 | 13        | 385       | 5805      | 3515      | 28.7      | 8         | 5         | 1052      | 3.61    | 131       | 5        | WD        | 1         | 97        | 116       | 2         | 32        | 8        | 5.98    | .002   | 8         | 10        | 1.58    | 5         | .01     | 2        | .84     | .01     | .01    | 1        | 211        |
| BH-00-7548 | 8         | 273       | 13237     | 1317      | 31.4      | 10        | 2         | 236       | 2.24    | 259       | 5        | WD        | 1         | 1         | 27        | 19        | 7         | 6        | .03     | .002   | 2         | 5         | .01     | 2         | .01     | 2        | .02     | .01     | .01    | 1        | 485        |
| BH-00-7549 | 68        | 232       | 26984     | 1180      | 127.4     | 9         | 1         | 59        | 4.18    | 215       | 5        | WD        | 1         | 3         | 21        | 24        | 299       | 1        | .05     | .004   | 2         | 1         | .01     | 13        | .01     | 2        | .02     | .01     | .02    | 919      | 1430       |
| BH-00-7550 | 4         | 641       | 304       | 20231     | 8.7       | 12        | 12        | 932       | 7.88    | 14        | 5        | WD        | 1         | 14        | 659       | 3         | 2         | 17       | 1.57    | .027   | 2         | 8         | .29     | 29        | .01     | 6        | .19     | .01     | .09    | 1        | 6          |
| PB-00-6405 | 53        | 186       | 3449      | 3196      | 8.8       | 4         | 9         | 1139      | 8.81    | 34        | 5        | WD        | 8         | 25        | 50        | 51        | 2         | 19       | 1.85    | .156   | 21        | 6         | .36     | 71        | .01     | 4        | .41     | .01     | .17    | 4        | 32         |
| PB-00-6406 | 2         | 104       | 224       | 67        | 1.7       | 9         | 11        | 327       | 4.61    | 11        | 5        | WD        | 3         | 19        | 1         | 2         | 2         | 111      | .47     | .156   | 12        | 12        | .99     | 21        | .16     | 2        | .79     | .04     | .04    | 7        | 68         |
| STD C/AU-R | 18        | 57        | 39        | 132       | 6.6       | 67        | 29        | 1041      | 3.82    | 41        | 20       | 8         | 27        | 47        | 18        | 18        | 11        | 58       | .46     | .893   | 39        | 55        | .84     | 175       | .06     | 11       | 1.77    | .06     | .14    | 12       | 495        |

Berrington

Berrington

- ASSAY REQUIRED FOR CORRECT RESULT  
 Zn  
 for Pb > 10,000 ppm  
 Ag > 35 ppm

**APPENDIX II**

**STATEMENT OF QUALIFICATIONS**

## STATEMENT OF QUALIFICATIONS

I, Douglas B. Forster of #313-1350 Comox Street of the City of Vancouver, British Columbia, do hereby certify that:

1. I am currently employed as Vice-President - Project Development of Continental Gold Corp. with offices at 1020 - 800 West Pender Street, Vancouver, B.C.
2. I graduated from the University of British Columbia in geology, having obtained my Bachelor of Science in 1981 and my Master of Science in 1984.
3. I have worked in the field of mineral exploration in B.C., Manitoba, Saskatchewan and the Yukon Territories since 1977.
4. I am an Associate of the Geological Association of Canada.
5. I am a Director of Continental Gold Corp., and hold securities of the aforementioned.
6. This report is based in part on my personal observations on the property, and a review of all pertinent data.

Vancouver, B.C.



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Douglas B. Forster, Msc.  
Vice-President - Project Development  
Continental Gold Corp.