



**CONTINENTAL GOLD CORP.
TROPHY GOLD PROJECT**

Continental Gold Corp's Trophy gold project is located 80 km southwest of Telegraph Creek in the Galore Creek area of northwestern British Columbia (Figure 1). Except for the Galore Creek deposit (125 mT, 1.1% Cu, 400 ppb Au) the area represents a relatively unexplored portion of a 150 mile long belt of structurally controlled gold deposits, which stretches from Westmin's Premier - Big Missouri Mines in the south to North America Metals Golden Bear deposit in the north (Figure 1).

Research into the area surrounding the Galore Creek syenite, sparked by the relationship between gold deposits and similar alkali intrusions in the Iskut and Sulphurets regions (Figure 2), lead to the staking of the Trophy 1-4 claims in May of 1987.

Surface exploration during the summer of 1987 was successful in identifying 3 gold bearing structures on the Trophy 1-4 property, the Ptarmigan and Eagle shear zones, and the Hummingbird skarn. Detailed chip sampling returned values up to 0.39 oz/T Au equivalent (60:1, Ag: Au) over 8.0 m on the Ptarmigan structure and 0.35 oz/T Au over 3.0 m on the Hummingbird skarn.

Regional prospecting and silt sampling the region around the Trophy 1-4 claims discovered numerous areas of significant precious metal mineralization and lead to the staking of several more claims in the surrounding area. The project now comprises 48 claims encompassing an area of 190 square kilometers (Figure 3).

1988 EXPLORATION

The remarkable success of the 1987 exploration program prompted Continental Gold Corp. to plan an aggressive two phase exploration program for the 1988 field season. The first phase involved a mapping and prospecting program on the 44 claims surrounding the Trophy 1-4 group. The purpose of this phase was to do follow-up work on the precious metal mineralization discovered in 1987 and to discover new targets for more detailed work and diamond drilling in the 1989 season. The second phase involved a concurrent diamond drilling program on the Trophy 1 to 4 claims, focussing primarily on the Ptarmigan zone mineralization.

The regional program succeeded in locating numerous areas of precious and base metal mineralization, 13 of which are considered to warrant immediate follow-up work (Figure 4). These include magnetite-chalcopyrite skarns, which return very good copper and gold values, and shear controlled vein and breccia systems, which show excellent gold and silver potential. Sampling of these 13 targets returned assay values up to 2.63 oz/T Au, 15.57 oz/T Ag and 17.5% Cu.

The drilling program on the Trophy 1-4 claims successfully drill tested the Ptarmigan zone mineralization while surface work returned excellent gold mineralization from the Hummingbird skarn (Figure 5). The Ptarmigan zone is a hydrothermal heterolithic breccia that occurs at the intersection of the northeast trending Ptarmigan shear zone and the northwest trending fault contact between the Hickman batholith and Triassic volcanics (Figure 5 and 6). The breccia is elliptical in form and appears to measure about 400 - 250 m. However, the southern extent of the breccia is obscured by a small glacier. Clasts in the breccia, which represent all rock types on the property, are angular around the boundaries of the unit and grade to very rounded in the centre.

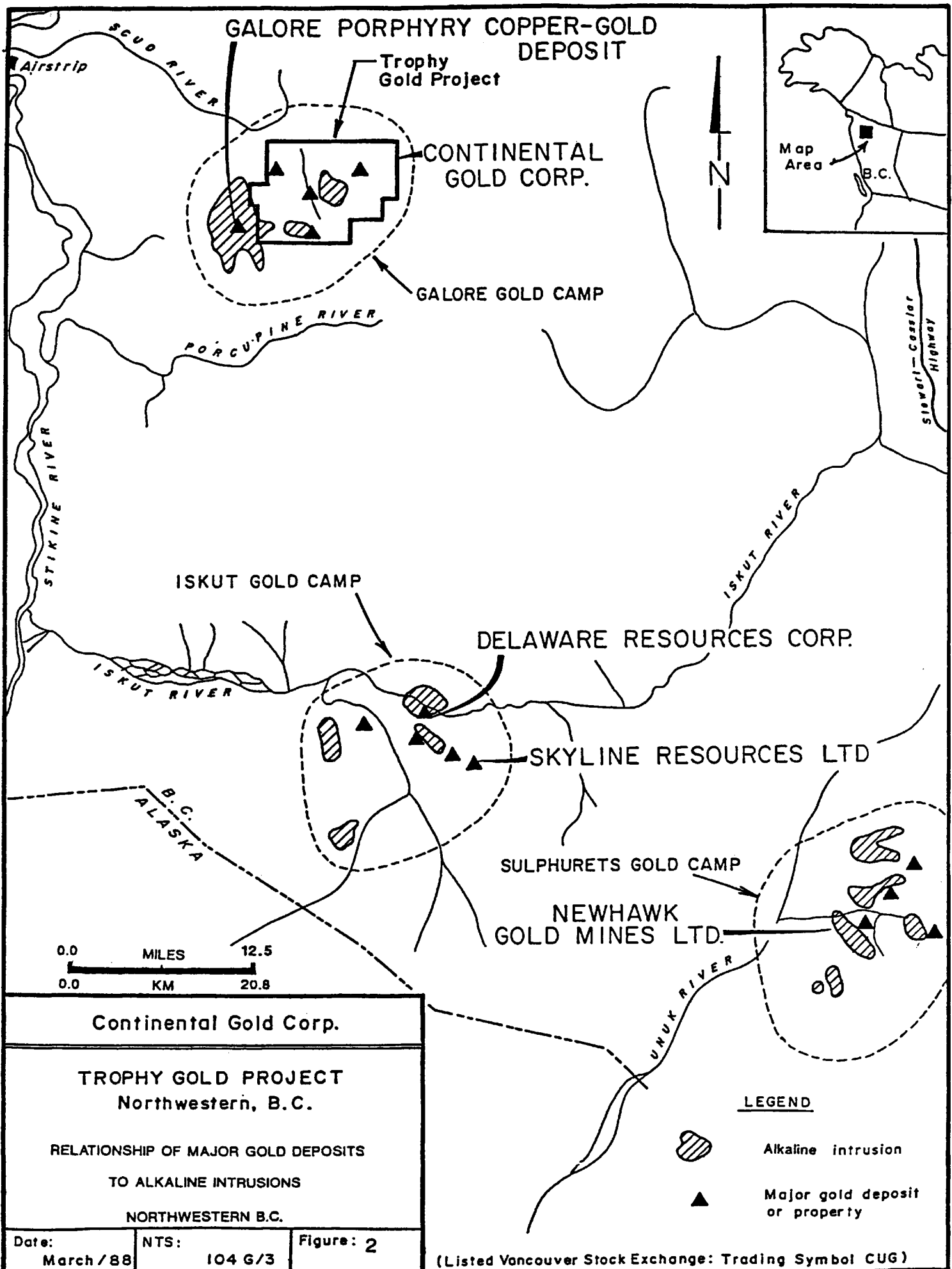
Hydrothermal alteration is characterized by the assemblage of quartz + sericite + calcite + iron carbonate + K-feldspar. Alteration is so intense in the center of the breccia that the origin of the clasts cannot be distinguished.

Two styles of precious metal mineralization are recognized in the Ptarmigan breccia. The first, associated with the strongest sericite alteration, is a stockwork type of mineralization where the entire matrix of the breccia consists of pyrite, sphalerite, galena, chalcopryrite, minor sulfo-salts, electrum and native gold. An intersection of this type of mineralization in TR 88-4, the deepest hole drilled to date, graded 0.22 oz/T Au, 1.43 oz/T Ag and 1.26% Zn over 3.4 m (11.1 ft.). Later stage veins sets host the second style of mineralization in the Ptarmigan breccia. The veins contain galena, sphalerite, pyrite tetrahedrite, native gold and electrum with a gangue of quartz and sparry calcite. Vein width varies between 2 to 8 cm but they occur in parallel sets that yield grades up to 0.229 oz/T Au and 20.79 oz/T Ag over 5.0 m (16.4 ft.).

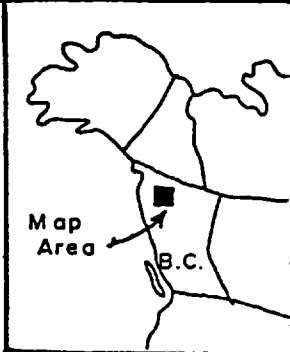
Secondary targets on the Trophy 1-4 claims include the Hummingbird and Bear Pass (Eagle) Zones. Massive sulfide mineralization at the Hummingbird Zone occurs between skarnified limestones and altered volcanics. Sulfide mineralization consists of pyrrhotite, pyrite, chalcopryrite and galena. Grab samples of theses sulfides return values up to 0.674 oz/T Au while chip samples return values up to 0.24 oz/T over 3.0 m.

Precious metal mineralization at the Bear Pass Zone is hosted in quartz-carbonate veins containing galena, arsenopyrite, tetrahedrite, pyrite, pyrrhotite, sphalerite, chalcopryrite and ruby silver. Grab samples from these veins have returned values up to 0.723 oz/T Au and 65.3 oz/T Ag. Limited chip sampling has returned values up to 0.21 oz/T Au over 2.0 m.

A program of further diamond drilling on the Ptarmigan, Hummingbird, and Bear Pass Zones, as well as trenching and diamond drilling of the newly discovered gold zones, is planned for the 1989 field season.



GALORE PORPHYRY COPPER-GOLD DEPOSIT



0.0 MILES 12.5
0.0 KM 20.8

Continental Gold Corp.

TROPHY GOLD PROJECT
Northwestern, B.C.

RELATIONSHIP OF MAJOR GOLD DEPOSITS
TO ALKALINE INTRUSIONS
NORTHWESTERN B.C.

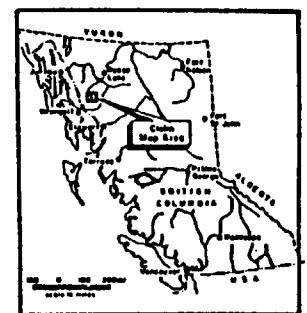
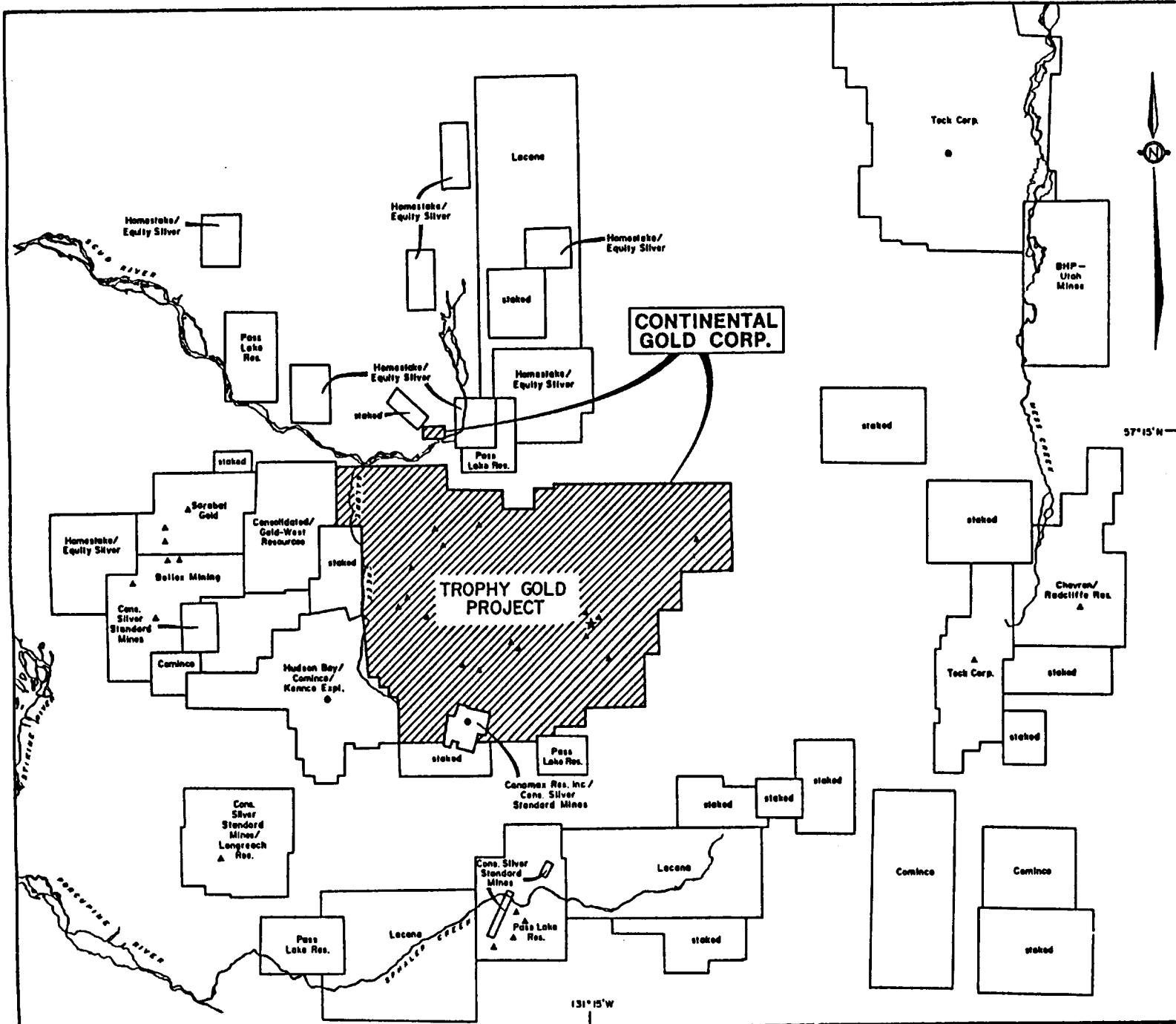
LEGEND

Alkaline intrusion

Major gold deposit or property

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

(Listed Vancouver Stock Exchange: Trading Symbol CUG)



LEGEND

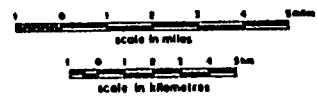
- Copper-Gold Deposit
- ▲ Gold occurrence
- ★ CONTINENTAL GOLD CORP. - 1988 diamond drilling location

EXPLORATION COMPANIES WITH CLAIMS IN THE MAP AREA

Continental Gold Corp.	Keneca Explorations (Canada) Limited
Cominco Ltd.	Consolidated Silver Standard Mines Limited
Tech Corp.	Solias Mining Corp.
Chevron Canada Resources Ltd.	Consolidated Goldwood Resources Ltd.
BHP-Utah Mines Ltd.	Pass Lake Resources Ltd.
Lacena Mining Corporation	Redcliffe Resources Ltd.
Homestake Mineral Development Company	Langreath Resources Ltd.
Equity Silver Mines Limited	Sorabel Gold Corp.
Hudson Bay Mining and Smelting Co.	Cominco Resources Inc.

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

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

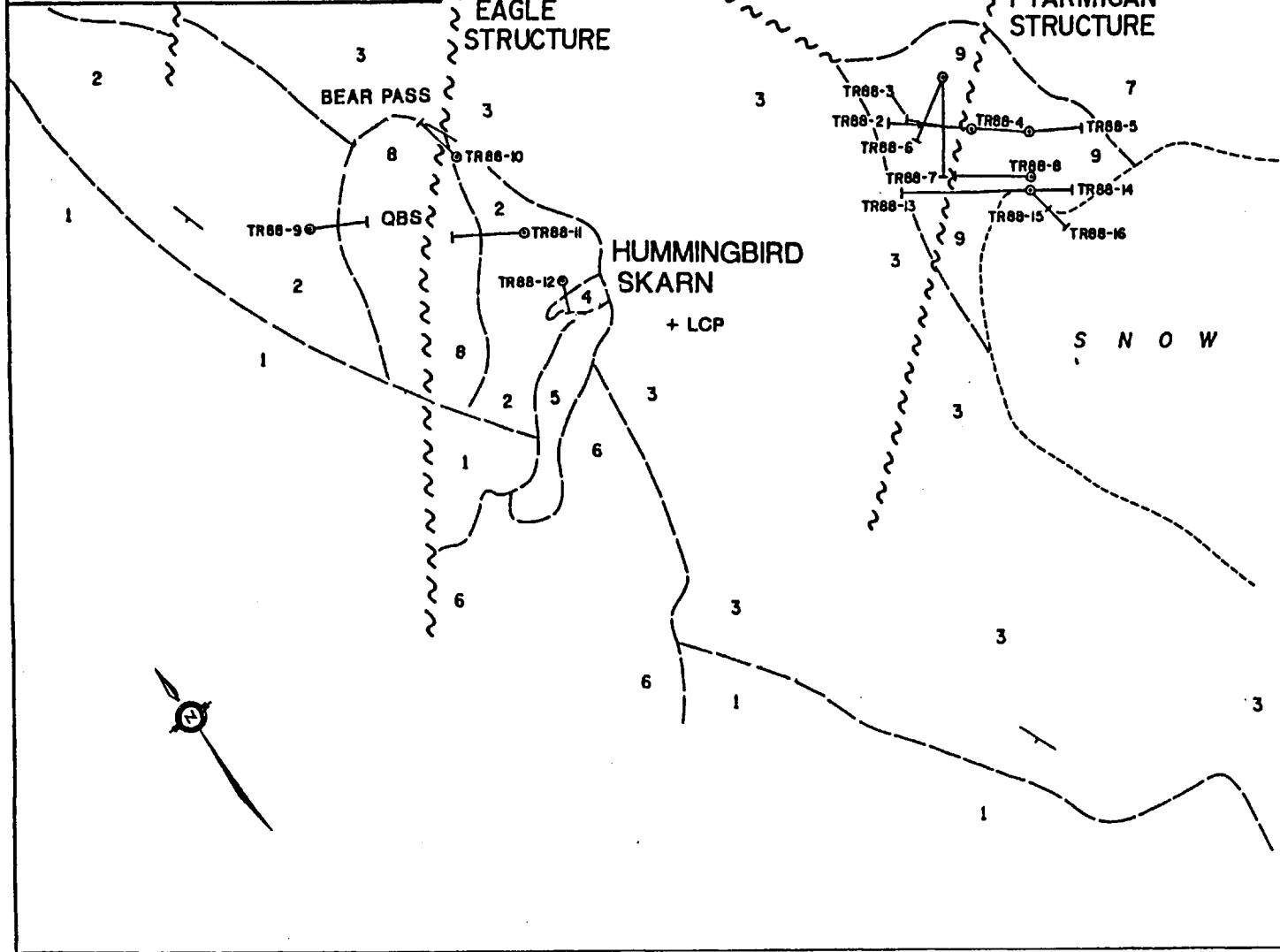
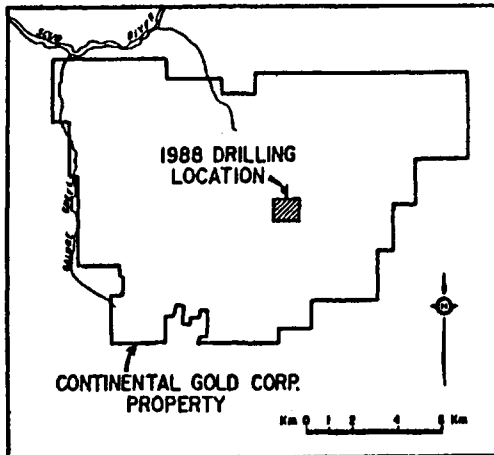


CONTINENTAL GOLD CORP.

TROPHY GOLD PROJECT
NORTHEASTERN BRITISH COLUMBIA

TROPHY GOLD PROJECT AREA
CLAIM HOLDINGS

Liard Mining Division



LEGEND

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

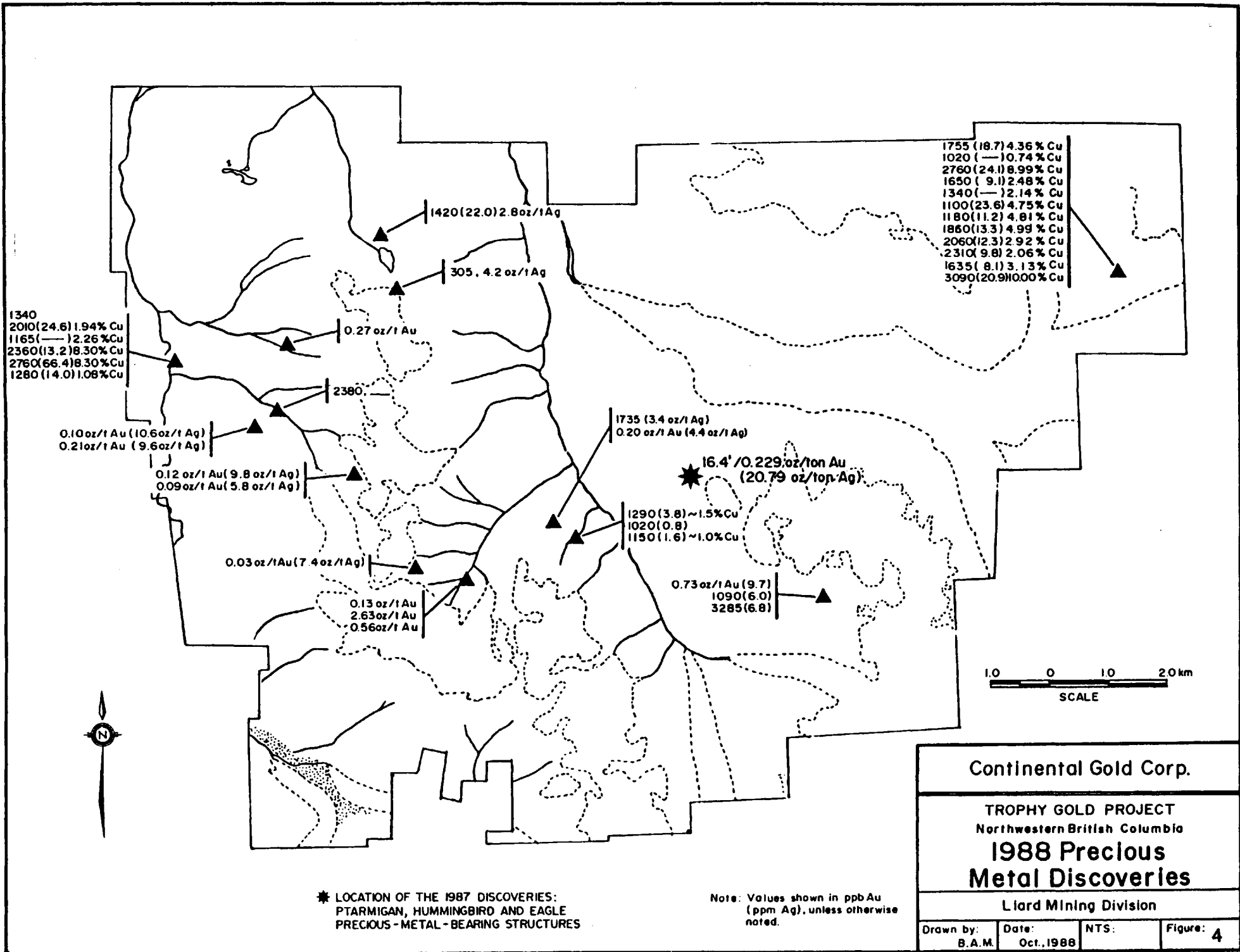


CONTINENTAL GOLD CORP.

TROPHY GOLD PROJECT
NORTHWESTERN BRITISH COLUMBIA

1988 DIAMOND DRILL HOLE
LOCATION MAP

LIARD MINING DIVISION



Continental Gold Corp.

TROPHY GOLD PROJECT
Northwestern British Columbia
**1988 Precious
Metal Discoveries**

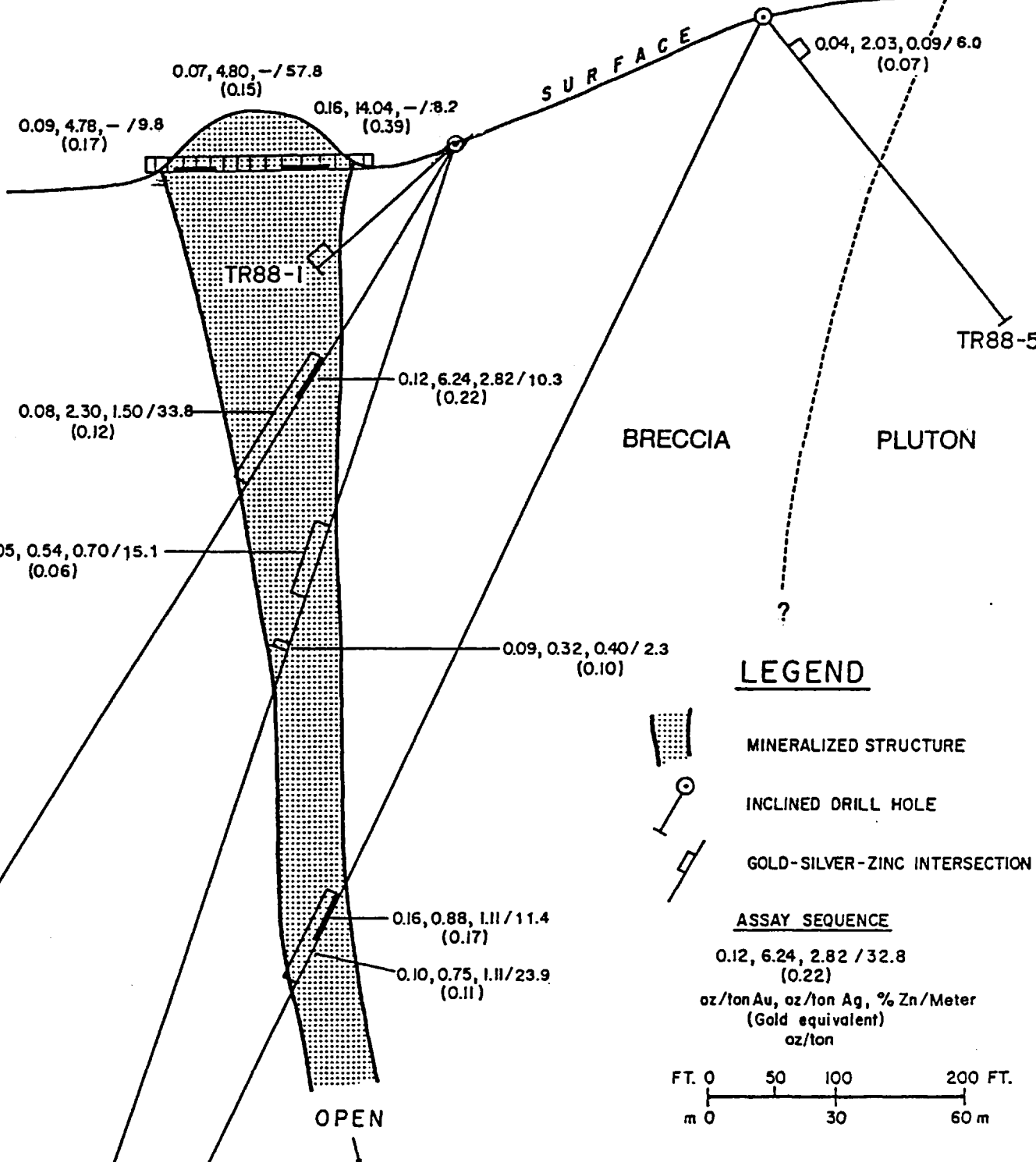
L'ard Mining Division

Drawn by: B.A.M.	Date: Oct., 1988	NTS:	Figure: 4
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NORTHWEST

SOUTHEAST

SURFACE



BRECCIA

BRECCIA

PLUTON

LEGEND



MINERALIZED STRUCTURE



INCLINED DRILL HOLE

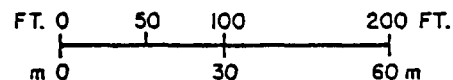


GOLD-SILVER-ZINC INTERSECTION

ASSAY SEQUENCE

0.12, 6.24, 2.82 / 32.8
(0.22)

oz/ton Au, oz/ton Ag, % Zn/Meter
(Gold equivalent)
oz/ton



CONTINENTAL GOLD CORP.

TROPHY GOLD PROJECT
PTARMIGAN STRUCTURE

DIAMOND DRILL SECTION
DDH'S TR88-1,2,3,4,5

SECTION LOOKING NORTHEAST

Date.
Oct. 1988.

NTS.
1046/3

Figure.
6

1988 Diamond Drill Results
Summary of Pertinent Au, Ag, Zn, Pb Assays
Diamond Drill Holes TR 88-1 to TR 88-16

Hole No.	Azimuth (degr.)	Dip (degr.)	Length (m)	Interval (m)	Width (m)	Au oz/t	Ag oz/t	Zn %	Pb %	Remarks	Target
TR88-1 includes	310	-45	42.7	37.6 - 42.6	10.3	0.02	1.29	0.51	-	Hole lost Short of target	Ptarmigan
				39.6 - 42.6	3.0	0.03	1.85	0.69	-		
TR88-2 includes	310	-60	219.8	56.0 - 88.9	32.9	0.08	2.30	1.50	-		
				58.9 - 68.9	10.0	0.12	6.24	2.82	-		
				72.9 - 77.9	5.0	0.14	1.27	1.82	-		
				58.9 - 61.9	3.0	0.16	9.46	4.25	-		
TR88-3	310	-75	288.7	90.0 - 104.7	14.7	0.05	0.54	0.70	-	Poor Recovery	Ptarmigan
				114.4 - 119.3	4.9	0.09	0.32	0.40	-		
				231.1 - 231.6	0.5	0.19	0.11	0.11	-		
TR88-4 includes includes	310	-65	340.5	207.5 - 208.5	1.0	0.43	0.44	-	-		Ptarmigan
				213.2 - 236.5	23.3	0.10	0.75	1.11	-		
				213.2 - 224.3	11.1	0.16	0.88	1.11	-		
				213.2 - 216.6	3.4	0.22	1.43	1.26	-		
TR88-5	120	-50	99.4	8.9 - 11.5	2.6	0.02	5.63	0.35	-	Geological hole	Ptarmigan
				14.2 - 20.1	5.9	0.04	2.03	-	-		
TR88-6	240	-75	307.6	106.4 - 107.6	1.2	0.06	0.32	0.63	-	Geological hole	Ptarmigan
				124.5 - 126.3	1.8	0.06	0.32	0.63	-		
TR88-7	215	-50	192.9	72.0 - 76.0	4.0	0.08	1.90	0.66	-		Ptarmigan
				98.8 - 100.1	1.3	0.11	0.21	0.18	-		
				98.8 - 105.4	1.1	0.11	0.26	-	-		
				120.7 - 125.2	4.5	0.07	1.00	1.11	-		
				127.2 - 128.3	1.1	0.12	3.10	2.15	-		
TR88-8 includes	305	-57	175.9	53.8 - 60.5	6.7	0.06	1.12	0.10	-	Hole lost Short of target	Ptarmigan
				53.8 - 56.8	3.0	0.10	1.87	0.16	-		

1988 Diamond Drill Results (Continued)

Hole No.	Azimuth (degr.)	Dip (degr.)	Length (m)	Interval (m)	Width (m)	Au oz/t	Ag oz/t	Zn %	Pb %	Remarks	Target
TR88-9	125	-55	142.7	Hole lost							Eagle
TR88-10	355	-60	122.2	3.3 - 11.3	8.0	0.02	-	-	-		Eagle
				17.4 - 20.4	3.0	0.03	-	-	-		
				24.4 - 32.4	8.0	0.02	-	-	-		
				49.8 - 51.8	2.0	0.09	0.53	-	-		
				76.8 - 77.4	0.6	0.03	1.85	-	-		
TR88-11	305	-57	158.2	4.3 - 45.0	40.7	0.02	-	-	-		Eagle
TR88-12	212	-50	64.0	Hole lost							Hummingbird
TR88-13 includes	300	-60	331.9	31.6 - 35.9	4.3	0.04	0.50	-	-		Ptarmigan
				32.9 - 34.2	1.3	0.10	0.18	-	-		
				38.3 - 40.3	2.0	0.04	0.66	-	-		
TR88-14	120	-60	117.7	11.2 - 13.9	2.7	0.08	2.50	-	-		Ptarmigan
				68.1 - 70.1	2.0	0.12	3.98	2.90	-		
				77.9 - 81.2	3.3	0.05	0.20	-	-		
				87.2 - 90.2	3.0	0.06	0.20	-	-		
				116.0 - 117.5	1.5	0.04	2.28	-	-		
TR88-15	165	-60	57.1	16.1 - 18.1	2.0	0.05	2.62	-	-	Hole lost Short of target	Ptarmigan
				20.1 - 21.2	1.1	0.11	0.63	-	-		
				29.2 - 30.2	1.0	0.03	5.73	4.08	0.91		
				43.9 - 45.1	1.2	0.05	4.83	1.32	1.89		
TR88-16	165	-75	172.8	15.0 - 17.0	2.0	0.06	1.01	-	-		Ptarmigan
				19.8 - 23.5	3.7	0.03	1.66	-	-		
				29.5 - 31.5	2.0	0.07	1.93	0.81	-		
				50.0 - 51.1	1.1	0.11	0.43	-	-		
				62.0 - 64.0	2.0	0.10	6.20	0.90	0.92		
				71.0 - 102.5	31.5	0.10	11.01	0.54	2.85		
				106.9 - 108.0	1.1	0.03	3.21	0.45	1.25		
				110.8 - 112.0	1.2	0.04	3.38	0.93	1.26		
				113.5 - 114.5	1.0	0.05	7.19	1.40	1.90		
				125.5 - 127.5	2.0	0.06	8.92	2.31	3.61		