



CONTINENTAL
GOLD
CORP.

Need to include
Mustard's Report!
(Shoshonites!)

TBS
(Feb 15/90)

885743
mt. Milligan

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Ask Mark about:
① minor supergene enrichment? of cuprite?
② Presence (trace) of moly?, ZnS, tetra...

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LOG NO: FEB 12 1990 VAN
ACTION: TBS
FILE NO: mt Milligan

FACSIMILE TRANSMISSION

From: MARK REBAGLIATI

Date: FEB 12/90 Time: _____

To: TOM SCHROETER

Attn: SENIOR DISTRICT GEOLOGIST MINISTRY OF MINES

Facsimile Number: 660-2653

Comment: MT MILLIGAN SUMMARY

Number of Pages (excluding this one): 3

NOTE:
IF THIS TRANSMISSION IS NOT FULLY OR LEGIBLY RECEIVED, PLEASE
TELEPHONE THE OPERATOR AT THE ABOVE NUMBER.

TOM
SCHROETER
660-2653

central volcanic core

February 4, 1990

3.0 Geology and Mineralization

3.1 Regional Geological Setting

The Mt. Milligan property lies within the 1200m long, northwest trending early Mesozoic Quesnel Belt in central British Columbia which includes rocks of the Upper Triassic - Lower Jurassic Takla Group. In the Mt. Milligan district, the Takla Group is dominated by subaqueous alkalic volcanic strata comprised of flows and fragmentals of andesite, latite and trachyte. Intruding the Takla volcanics are numerous, alkalic stocks and dykes. The alkalic stocks commonly form porphyry copper deposits which are increasingly being recognized as an important source of gold. Several plutons on the Mt. Milligan property display geological characteristics similar to other plutons associated with gold - rich porphyry copper deposits elsewhere in the Quesnel Belt.

pyroxene porphyritic
with subordinate intercalated tuffs and argillites.
comagmatic(?) granite monzonite

3.2 Property Geology and Mineralization

The Mt. Milligan property is centred on a hydrothermal sulphide system hosting gold and copper mineralization. This system developed around a cluster of monzonite porphyry stocks and dykes. Within this sulphide system, two large porphyry type bulk tonnage gold-copper deposits known as the Mt. Milligan and Southern Star deposits have been discovered. Relative to other porphyry copper deposits in the Quesnel Belt these deposits are gold rich.

Both deposits encompass monzonite porphyry stocks and the adjacent volcanic strata. The Mt. Milligan deposit measures 1200m by 800m and is up to 400m deep. The adjacent Southern Star deposit

*Mt. Milligan
Deposit
Dimensions*

Southern Star
Dimensions

is 1300m by 400m and extends to a depth of 300m or more.

Both stocks and the 100m to 500m of enclosing volcanics are extensively potassium metasomatized. This potassic alteration zone, comprised of secondary biotite and potassium feldspar, hosts extensive stockwork veins and disseminated grains of chalcopyrite, pyrite and minor bornite. All carry appreciable concentrations of gold. Within the potassic zone, concentrations of chalcopyrite and pyrite are highest adjacent to the monzonite stock; decrease inwards to the core of the stock, and decrease outwards to the limits of the potassic alteration. Within the potassic zone, pyroxene phenocrysts, which comprise 20-40% by volume of the latite, the most prevalent volcanic lithology, are extensively replaced by carbonate.

The potassic alteration zone is enclosed by an extensive asymmetric propylitic alteration assemblage comprised of epidote, pyrite, chlorite, and carbonate which extends up to 3km from the MBX and Southern Star stocks. The irregular boundary between the potassic alteration and the outer enclosing zone of propylitic alteration is marked by an increase in the pyrite content and a proportionately larger increase in secondary carbonate. At the southeast end of the Mt. Milligan deposit a zone of strong gold mineralization with only minor copper occurs at the transition between the two alteration assemblages. To the northwest, this zone of gold mineralization becomes progressively copper rich and is indistinguishable from the gold-copper mineralization in the main part of the deposit.

Potassic
Alt'n.



Alt'n.
Zoning

'66 Zone

West Breccia
Zone

Steep faults flank the west and north sides of the Mt. Milligan deposit. An east dipping, low angle fault trends northerly along the southeastern corner of the deposit. These faults are located adjacent to the deposit and are not anticipated to impact significantly on overall pit design.

3.3 Mineral Inventory

Ultimate reserves for the two large gold-copper deposits are dependant upon production costs, metallurgical recovery rates and commodity prices. Diamond drill results from greater than 100,000 metres of core drilling from over 400 drill holes indicate combined reserves for the Mt. Milligan and Southern Star deposits in the order of 350 million metric tonnes grading the equivalent to 0.8% copper. Gold contributes approximately 70% of the value.

The grade and tonnage of the Mt. Milligan property deposits compare favourably to other producing porphyry copper (-gold) mines in British Columbia and elsewhere in the world.

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