

Trophy

NWMA
Dec. '88

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**CONTINENTAL GOLD CORP.
EXECUTIVE SUMMARY
TELEGRAPH CREEK GOLD PROJECT**

N.T.S. 104F 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.

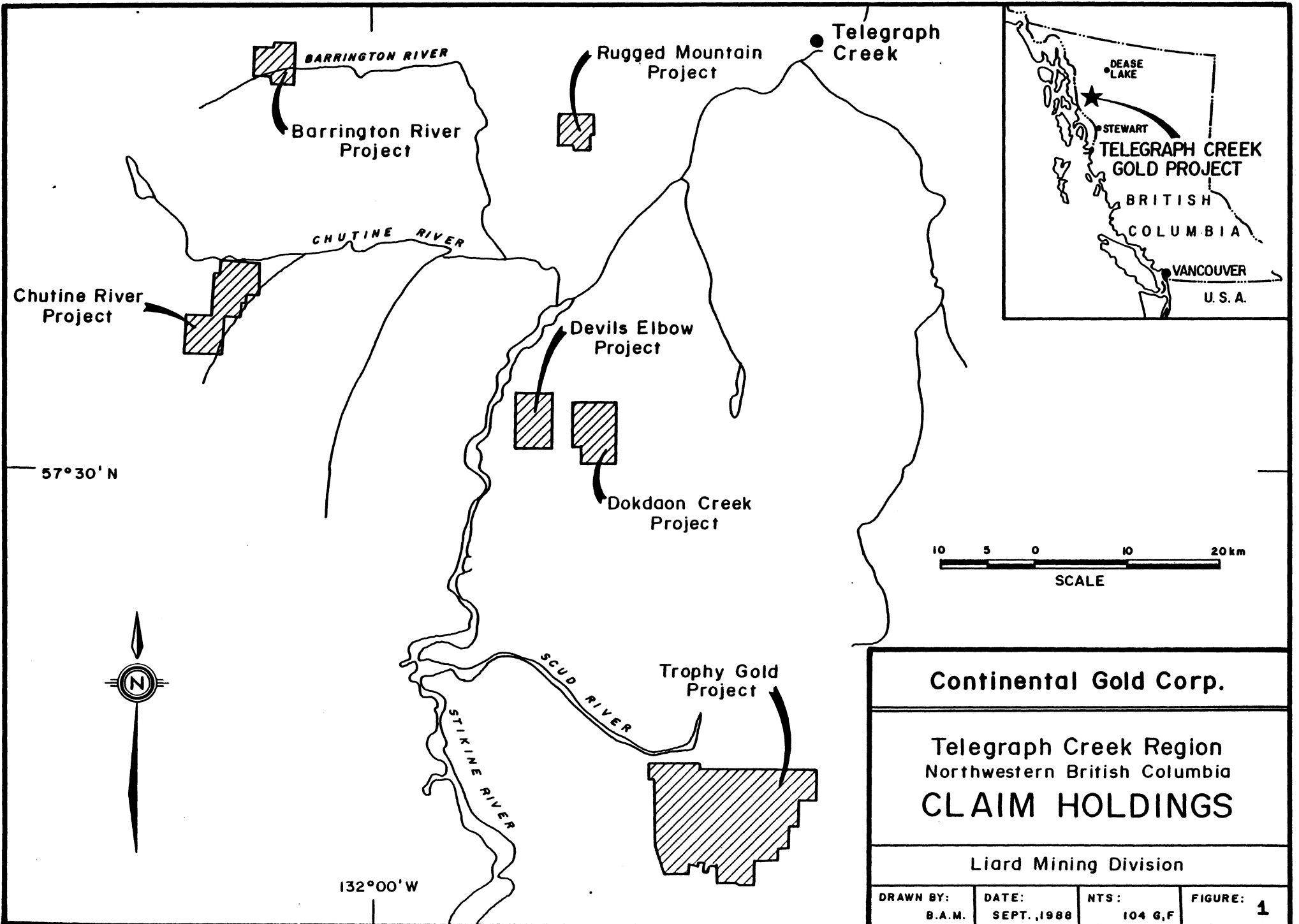
October 15, 1988

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

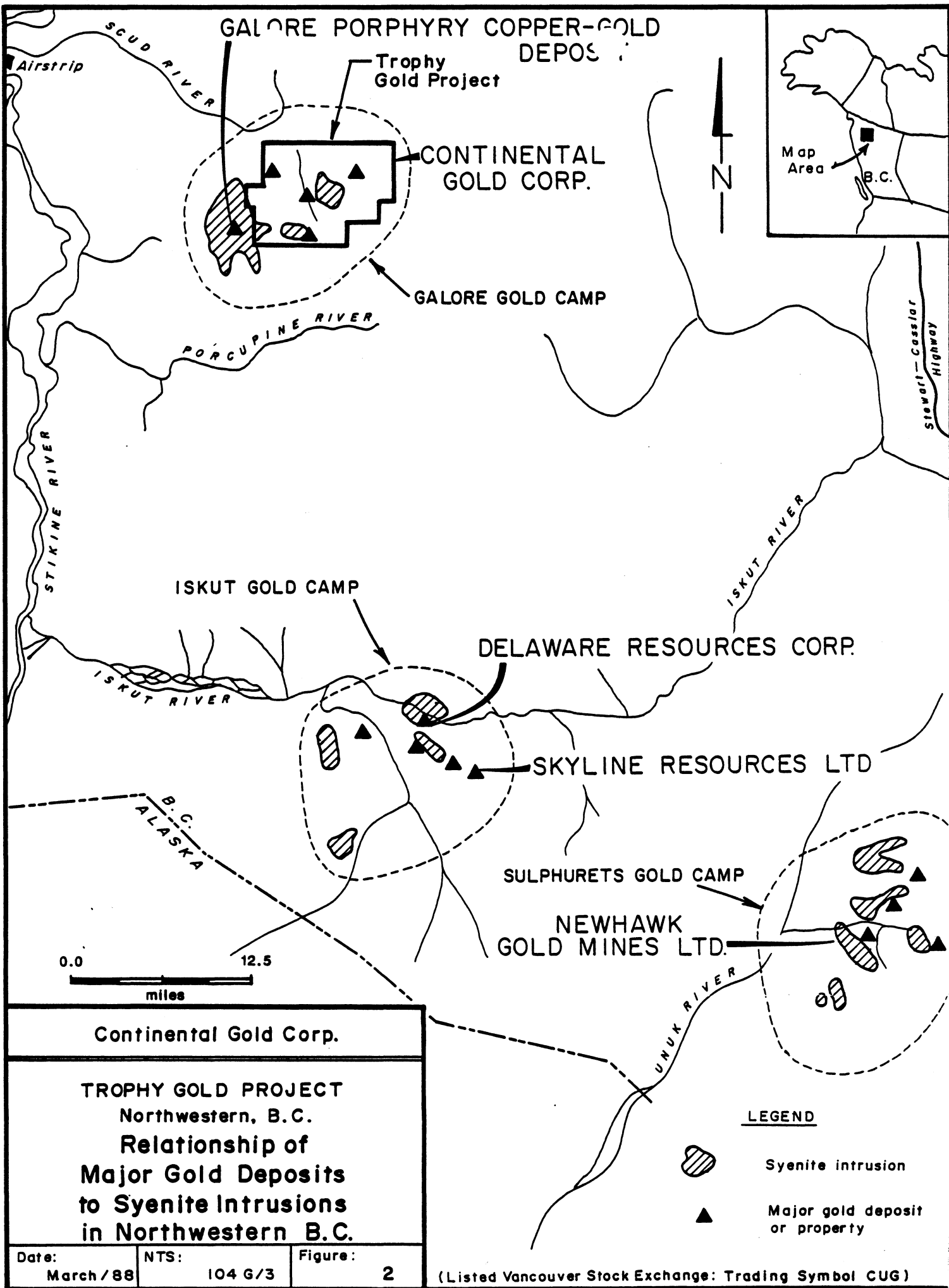


Continental Gold Corp. during 1987.

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 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.



GALORE PORPHYRY COPPER-GOLD DEPOSITS

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.

0.0 12.5
miles

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: March / 88	NTS: 104 G/3	Figure: 2
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(Listed Vancouver Stock Exchange: Trading Symbol CUG)

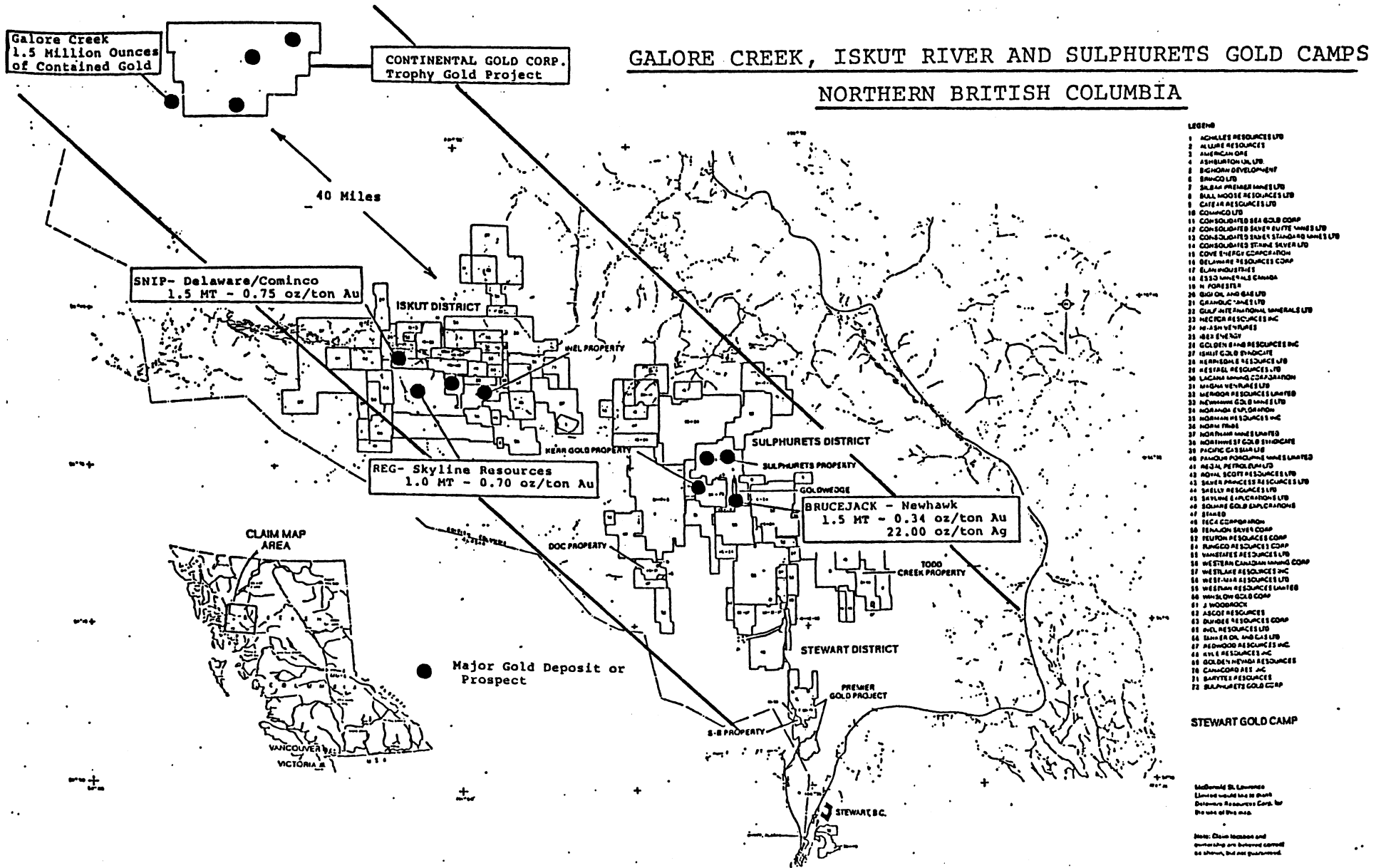
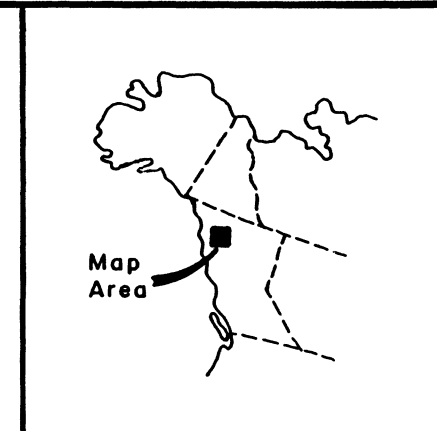
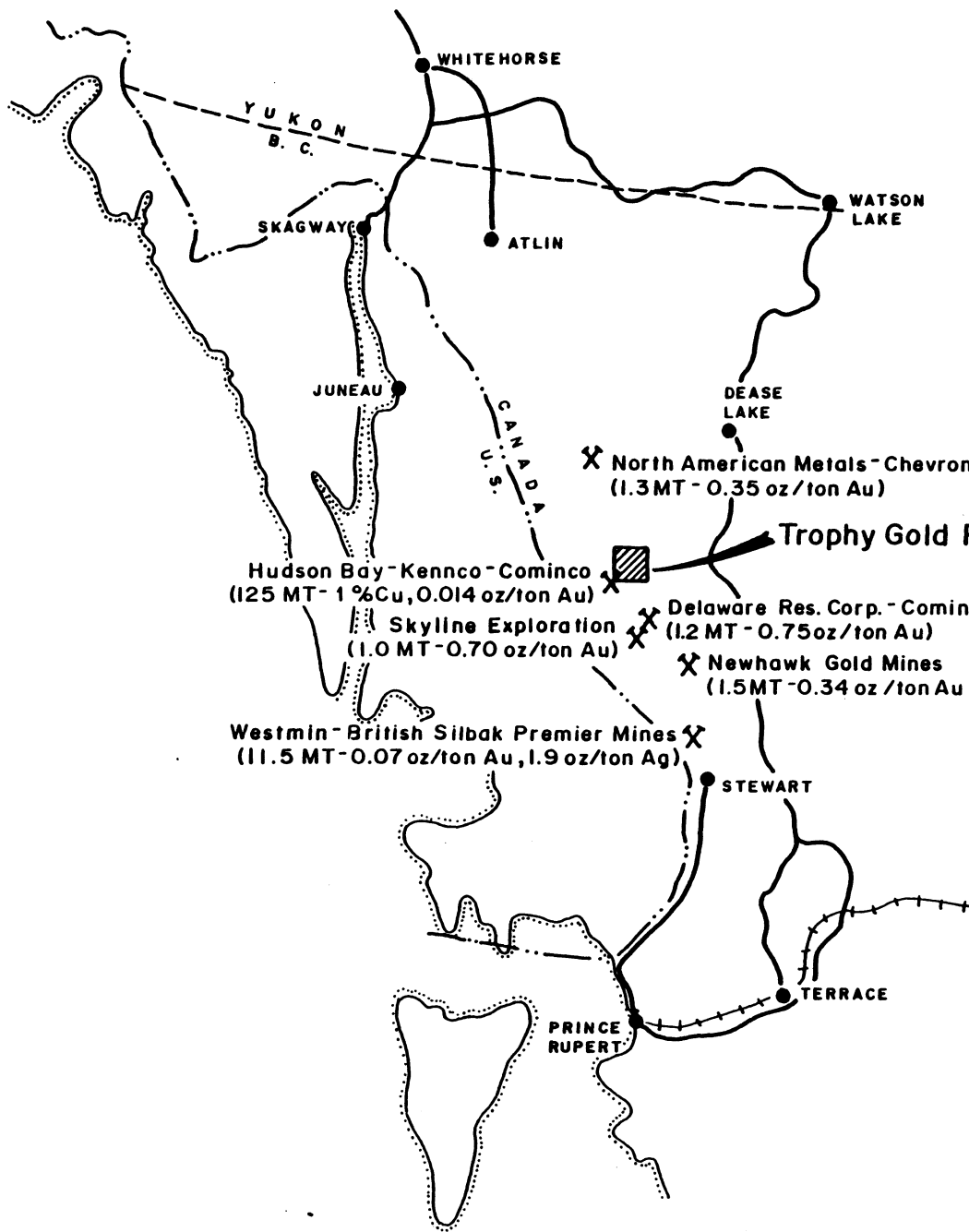
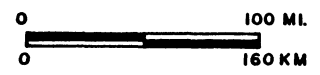


Figure 3: Galore Creek, Iskut River and Sulphurets Gold Camps



LEGEND

- X Potential gold producers
- Railway
- Road



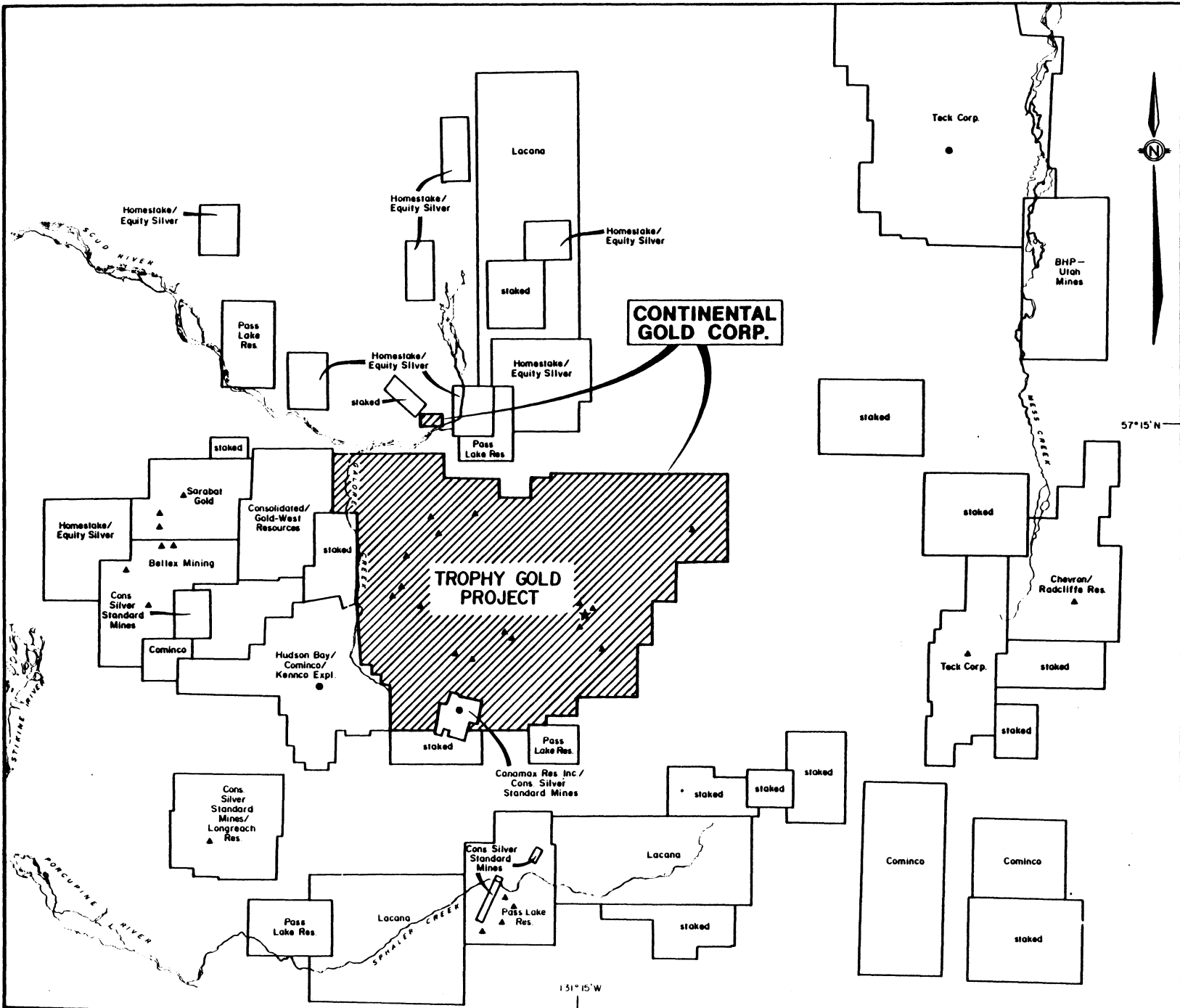
Continental Gold Corp.		
TROPHY GOLD PROJECT		
Potential Gold Producers		
Northwestern B.C.		
Date: March/88	NTS: 104G/3	Figure: 4

(Listed Vancouver Stock Exchange: Trading Symbol CUG)

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.

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.

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



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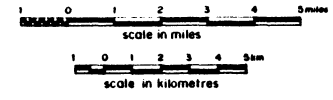
- Copper-Gold Deposit
- ▲ Gold occurrence
- ★ CONTINENTAL GOLD CORP. - 1988 diamond drilling location

EXPLORATION COMPANIES WITH CLAIMS IN THE MAP AREA

Continental Gold Corp	Keneco Explorations (Canada) Limited
Cominco Ltd	Consolidated Silver Standard Mines Limited
Teck Corp	Bellex Mining Corp
Chevron Canada Resources Ltd	Consolidated Goldwest Resources Ltd
BHP-Utah Mines Ltd	Pass Lake Resources Ltd
Lacana Mining Corporation	Rodcliffe Resources Ltd
Homestake Mineral Development Company	Longreach Resources Ltd
Equity Silver Mines Limited	Sarabat 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

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.

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.