CONTINENTAL GOLD CORP.

Trophy Gold Project

A Spectacular Growth Opportunity

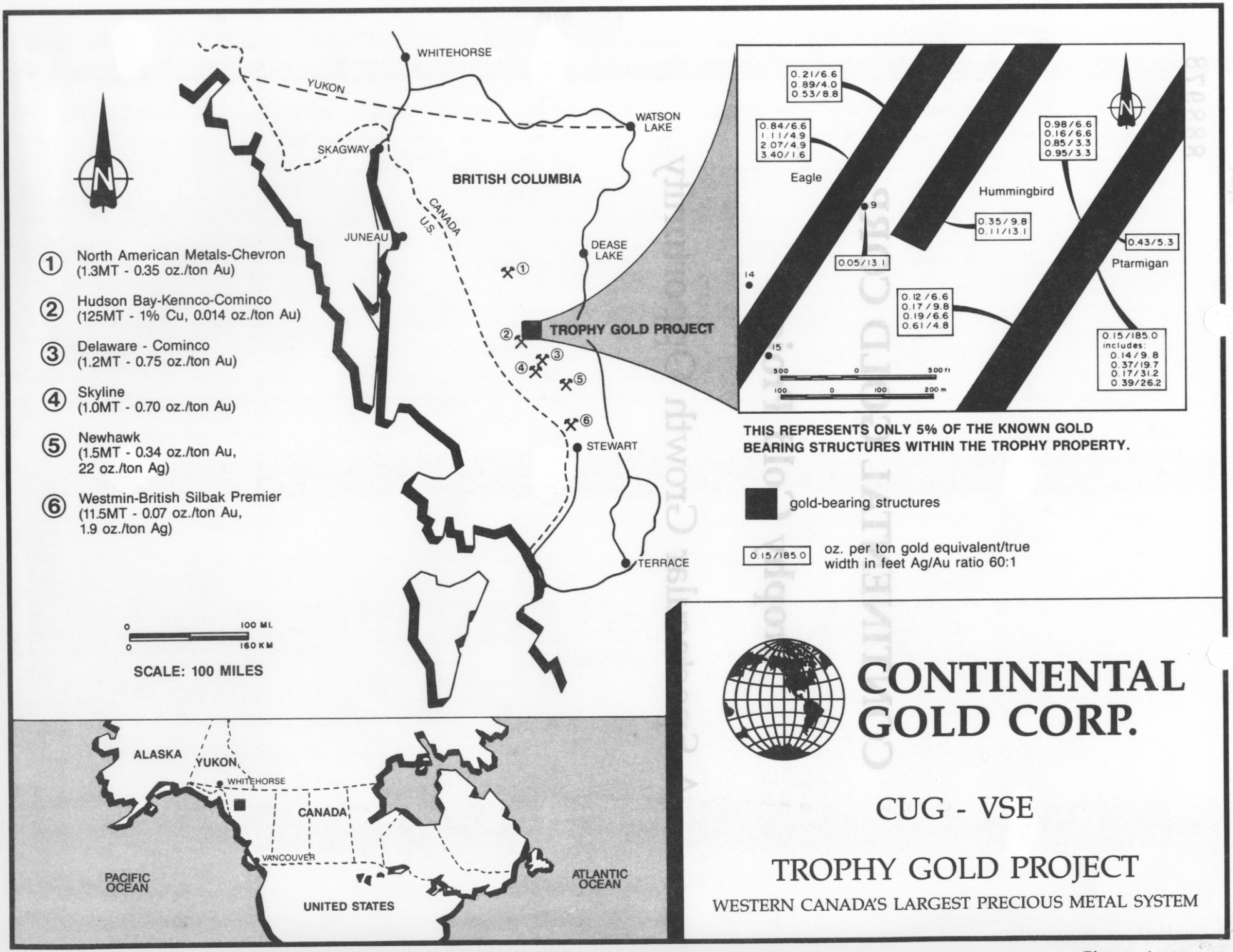

WHITEHORSE
YUKON
WATSON LAKE
SKAGWAY
BRITISH COLUMBIA
CANADA
U.S.
JUNEAU
DEASE LAKE
TROPHY GOLD PROJECT
STEWART
TERRACE
N
1 North American Metals-Chevron (1.3MT - 0.35 oz./ton Au)
2 Hudson Bay-Kennco-Cominco (125MT - 1% Cu, 0.014 oz./ton Au)
3 Delaware - Cominco (1.2MT - 0.75 oz./ton Au)
4 Skyline (1.0MT - 0.70 oz./ton Au)
5 Newhawk (1.5MT - 0.34 oz./ton Au, 22 oz./ton Ag)
6 Westmin-British Silbak Premier (11.5MT - 0.07 oz./ton Au, 1.9 oz./ton Ag)
0 100 MI.
0 160 KM
SCALE: 100 MILES
0.21/6.6
0.89/4.0
0.53/8.8
0.84/6.6
1.11/4.9
2.07/4.9
3.40/1.6
Eagle
0.98/6.6
0.16/6.6
0.85/3.3
0.95/3.3
Hummingbird
9
0.35/9.8
0.11/13.1
0.43/5.3
Ptarmigan
0.05/13.1
14
0.12/6.6
0.17/9.8
0.19/6.6
0.61/4.8
15
0.15/185.0
includes:
0.14/9.8
0.37/19.7
0.17/31.2
0.39/26.2
500 0 500 ft
100 0 100 200 m
THIS REPRESENTS ONLY 5% OF THE KNOWN GOLD BEARING STRUCTURES WITHIN THE TROPHY PROPERTY.
gold-bearing structures
0.15/185.0
oz. per ton gold equivalent/true width in feet Ag/Au ratio 60:1
ALASKA
YUKON
WHITEHORSE
CANADA
VANCOUVER
PACIFIC OCEAN
UNITED STATES
ATLANTIC OCEAN
CONTINENTAL GOLD CORP.
CUG - VSE
TROPHY GOLD PROJECT
WESTERN CANADA'S LARGEST PRECIOUS METAL SYSTEM

Figure 1

CONCLUSION

Continental Gold Corp's Trophy Gold Project is a new discovery in the heart of the premiere gold belt in western Canada. Major deposits in the belt are being developed by Newhawk Gold Mines Ltd./Granduc Mines Ltd., Skyline Resources Ltd., Delaware Resource Corp./Cominco Ltd., and North American Metals Corp./Chevron Minerals Ltd. Development work on the deposits is expanding on current combined reserves containing 5,000,000 ounces of gold.

Major deposits within the belt have similar geological characteristics. An important similarity is a spatial association with syenitic intrusive centres. These centres are coincident with the major precious metal systems.

The Trophy Gold Property owned by Continental Gold Corp covers the largest hydrothermal-precious metal system in the belt. Mineralized structural widths of 80 to 350 feet and lengths of 10 miles suggest that the development of a world class gold-silver deposit is probable.

Project Market Capitalization for deposits within the belt ranges from $80,000,000 to $275,000,000. With 100% control of the Trophy Gold Project and only 3,800,000 shares outstanding successful drill results should lead to spectacular corporate growth.

Continental Gold Corp plans to begin a major delineation drill program in July, 1988.

INTRODUCTION

Continental Gold Corp's Trophy Gold Project is a new discovery in the heart of a 150 mile long precious metals belt in northwestern British Columbia. The belt, which extends north from Westmin's Silbak Premier Mine to North American Metals' Golden Bear Mine, is emerging as a world class gold camp. Development work on five major deposits is expanding on announced reserves which contain in excess of 5,000,000 ounces of gold. Total reserves for the belt could prove to be in excess of 10,000,000 ounces. (See Figure 1).

This report reviews Project Comparisons, Geological Features and Market Performance for 4 major deposits within the belt that are being developed by junior mining companies: Newhawk Gold Mines Ltd., Skyline Resources Ltd., Delaware Resource Corp. and North American Metals Corp.

This review is useful in forming reasonable expectations for the Trophy Gold Project and Continental Gold Corp's related market performance.

DESCRIPTION OF TROPHY GOLD PROJECT

Continental Gold Corp's Trophy Gold Project is located 90 miles southwest of Dease Lake in northwestern British Columbia. The project area is underlain by Permian to Jurassic limestone, chert, conglomerate, volcanic flows, tuffs, breccias and syenitic to monzonitic plutons.

Major north and northeasterly trending faults and shear zones on the mineral claims have acted as conduits for gold and silver bearing hydrothermal fluids.

The first systematic mineral exploration in the project area was initiated by Kennicott Copper Ltd. in 1955. Their work led to the delineation of the Galore Creek porphyry copper deposit (187 MT grading 1.00% Cu and 0.015 oz gold/ton).

The Trophy Project adjoins, and partially covers a portion of the syenite plutons which host the Galore Creek copper deposit.

Trophy Property precious metals mineralization occurs as disseminations and fracture fillings of native gold, electrum pyrite, galena, sphalerite, chalcopyrite, tetrahedrite and arsenopyrite along shear contacts within silicified and brecciated volcanics and sediments. Wallrock alteration consists of quartz, iron carbonate, sericite, K-feldspar and calcite.

Preliminary geological mapping and sampling have identified 3 major gold-bearing shear zones in the project area with a combined overall strike length of over 25 miles. Named the Ptarmigan, Eagle and Hummingbird structures, they range in width from 80 to over 350 feet.

Surface channel sampling across these structures has returned outstanding gold-silver values (See Figure 1).

PROJECT COMPARISONS

Four major high-grade gold-silver deposits in the belt are being developed by Newhawk Gold Mines Ltd./Granduc Mines Ltd. Skyline Resources Ltd., Delaware Resource Corp./Cominco Ltd. and North American Metals Corp./Chevron Minerals Ltd.

Project statistics for the deposits are tabulated in Table 1.

TABLE I

PROJECT STATISTICS

	NEWHAWK	SKYLINE	DELAWARE	NORTH AMERICAN METALS	CONTINENTAL GOLD CORP.
OWNERS	Newhawk 60% Granduc 40%	Skyline 100%	Delaware 40% Cominco 60%	North American 50% Chevron 50%	Continental Gold Corp. 100%
STATUS	Feasibility	Production	Feasibility	Construction	Drilling
RESERVE ANNOUNCED (TONS)	1,500,000	1,000,000	1,300,000	1,800,000	-
GRADE - Gold OPT Silver OPT	0.51 20.0	0.70	0.74	0.32	-
CONTAINED OUNCES	1,200,000	700,000	1,000,000	600,000	-
POTENTIAL OUNCES	2,000,000+	1,500,000+	2,000,000+	1,000,000+	-
CAPITAL COST (CDN $)	30 million	30 million	35 million	36 million	-
MINE METHOD	Underground	Underground	Underground	Open Pit/ Underground	-
DEPOSIT WIDTHS (FEET)	10	6	17	30	-
PRODUCTION RATE (TPD)	500	200	750	400	-
ANNUAL PRODUCTION (OUNCES)	120,000	50,000	170,000	64,000	-
MILL START-UP	1989	1988	1989	1989	-
ACCESS ROAD LENGTH (MILES)	45	50	50	90	50

GEOLOGICAL FEATURES

The major, high grade gold-silver deposits within the belt exhibit many geological similarities. Geological features for these deposits are compared in Table 2.

TABLE 2

GEOLOGICAL COMPARISON OF GOLD CAMPS

	CONTINENTAL GOLD TROPHY GOLD CAMP	DELAWARE/SKYLINE ISKUT GOLD CAMP	NEWHAWK SULPHURETS GOLD CAMP	NORTH AMERICAN METALS GOLDEN BEAR GOLD CAMP
Age of Mineralization	Lower to mid-Jurassic	Lower to mid-Jurassic	Middle Jurassic	Middle Jurassic
Host Rock Age	Predominantly Triassic some Permian and Jurassic	Predominantly Jurassic and Triassic	Predominantly Jurassic and Triassic	Permian and Triassic
Metals	Polymetallic Au, Ag, Pb, Zn, Cu (Bi, Sb, As)	Polymetallic Au, Ag, Pb, Zn, Cu (Sb)	Polymetallic Au, Ag, (Pb, Zn)	Au (Ag, As, Hg)
Tonnage & Grade	1987 new discovery Drilling to begin	Skyline 1,000,000 MT at 0.70 opt. Au. and Pb, Zn, Cu and Ag. Delaware 1,300,000 T at 0.74 opt Au and Pb, Zn, Cu and Ag.	Newhawk 1,500,000 T at 0.5 opt Au. - 20 opt Ag.	1,798,500 tons at 0.32 opt Au all categories. 656,800 tons at 0.54 opt Au engineered to date.
Ore Mineralogy	Pyrite, galena, sphalerite, tetrahedrite, arsenopyrite pyrrhotite, chalcopyrite, native gold	Pyrite, Galena, Sphalerite, tetreahedrite, pyrargyrite, stephaite, arsenopyrite, chalcopyrite, electrum, native gold	Pyrite, sphalerite, galena, tetrehedrite, electrum, argentite, pyrargyrite, chalcopyrite, barite, molybdenite	Pyrite, marcasite, gold locked in sulphides
Ore Gangue Mineralogy	K-feldspar, quartz, iron carbonate, sericite, calcite	K-feldspar, quartz, calcite, sericite, biotite	K-feldspar, sericite, chlorite, quartz, carbonate	Quartz, muscovite, dolomite, clacite, illite, gypsum, limonite
Ore Host	Volcanic tuffs, agglomerates, cherts, conglomerate, limestone, syenite, porphyry, argillite	Volcanic tuffs, syenite porphyry, conglomerate, argillite, siltstone	Volcanic tuffs, diorite, syenite, siltstone, greywacke	Volcanic tuffs, dolomite
Ore Controls	NE & N trending fracture systems and shear zones	NE & N trending fracture systems and shear zones	NW & N trending fracture and shear zone	N & NW trending fault system
	Permeability is primary control on mineralization	Permeability is primary control on mineralization	Permeability is primary control on mineralization	Permeability is primary control on mineralization
Types of Deposits	Disseminated shear zone replacement Au, Ag, Pb, Zn veins. Porphyry Cu-Au deposits in area.	Shear zone replacement Au, Ag, Pb, Zn veins	Shear zone replacement Au, Ag, veins Porphyry Cu-Au-Mo deposits in area.	Fault zone replacement Au, Ag
Alteration	Hydrothermal, silicification, sericitization, pyritization, K-feldspar metasomatism, clay.	Hydrothermal, silicification, pyritization sericitization K-feldspar metasomatism	Hydrothermal, silicification, clay alteration, pyritization	Hydrothermal, silicifiction, clay alteration, pyritization
Genesis	Gold-silver mineralization related to the emplacement of Jurassic syenite plutons.	Gold-silver mineralization related to the emplacement of Jurassic syenite plutons.	Gold-silver mineralization related to emplacement of Middle Jurassic plutons.	Gold-silver mineralization related to emplacement of Middle Jurassic dykes
	Hydrothermal drive created by intrusions leached and localized Au-Ag base metal mineralization within structurally prepared zones characterized by high permeability	Hydrothermal drive created by intrusions leached and localized Au-Ag base metal mineralization within structurally prepared zones characterized by high permeability	Hydrothermal drive created by intrusions leached and localized Au-Ag mineralization within structurally prepared zones characterized by high permeability	Hydrothermal drive created by intrusions leached and localized Au-Ag mineralization within structurally prepared zones characterized by high permeability

One of the most striking similarities of the deposits is their spatial relationship to Jurassic syenite intrusions. Major centres of syenitic plutonism in northwestern B.C. are shown on Figure 2. These centres are coincident with the Continental Gold, Newhawk, Skyline and Delaware deposits.

The largest hydrothermal system in the belt is centred on Continental Gold's Trophy Property. Trophy Project claims cover 71 square miles, substantially the whole precious metals system. This system produced the world class, Galore Creek porphyry copper deposit located 6 miles southwest of the central Trophy claims. The Galore deposit's reserves are 187,000,000 tons grading 1% Cu and 0.015 ounces gold per ton (2,600,000+ ounces contained gold). The immense size of this system combined with the unusually wide structures (80-350 feet) on the Trophy Project provide the geological control to develop a world class gold-silver deposit.

MARKET PERFORMANCE

Major deposits in the gold belt are being developed by junior mining companies: Newhawk Gold Mines Ltd., Skyline Resources Ltd., Delaware Resource Corp. and North American Metals Corp.

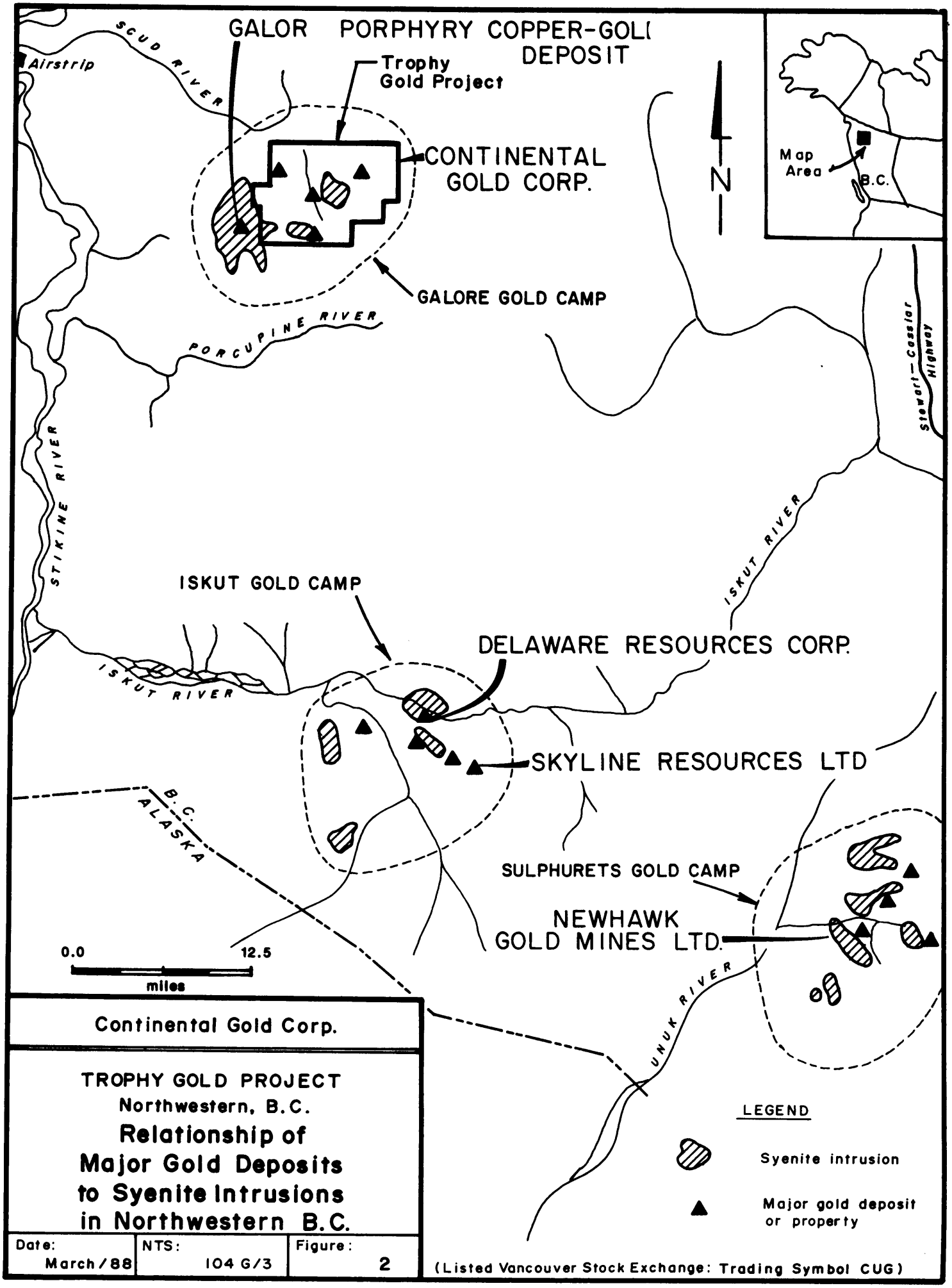
Market statistics for these companies are tabulated in Table 3.

TABLE 3

MARKET STATISTICS

	NEWHAWK	SKYLINE	DELAWARE	NORTH AMERICAN	CONTINENTAL GOLD
PROJECT INTEREST	60%	100%	40%	50%	100%
STATUS	Feasibility	Production	Feasibility	Construction	Drilling
PORTION OF CURRENT PROJECT RESERVE (ounces)	720,000	700,000	400,000	300,000	-
PORTION OF EST. ANNUAL PRODUCTION (ounces)	72,000	50,000	68,000	32,000	-
RECENT SHARE PRICE	$6.00	$12.00	$13.00	$5.00	$3.00
SHARES ISSUED FULLY DILUTED	11,000,000	9,600,000	8,500,000	8,000,000	3,800,000
COMPANY MARKET CAPITALIZATION	$66,000,000	$115,000,000	$110,000,000	$40,000,000	$11,000,000
TOTAL PROJECT MARKET CAPITALIZATION	$110,000,000	$115,000,000	$275,000,000	$80,000,000	$11,000,000
MARKET CAPITALIZATION PER OUNCE OF EST. ANNUAL PRODUCTION	$900	$2,300	$1,600	$1,250	-

Share price and trading volume charts for these companies are shown as Figure 3.



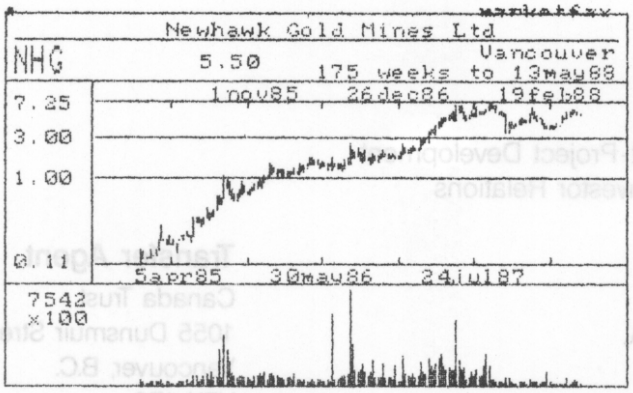
Continental Gold Corp.

TROPHY GOLD PROJECT
Northwestern, B.C.

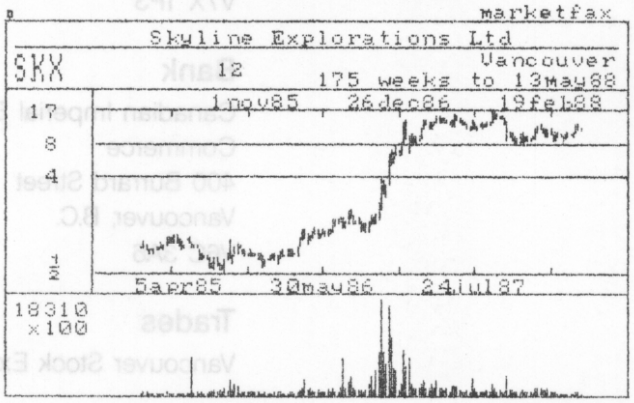
Relationship of Major Gold Deposits to Syenite Intrusions in Northwestern B.C.

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

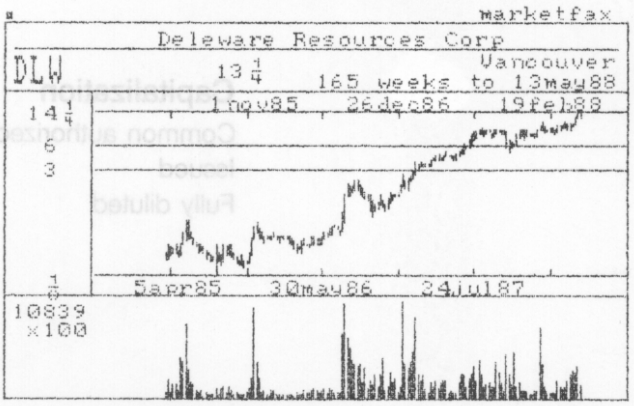
(Listed Vancouver Stock Exchange: Trading Symbol CUG)



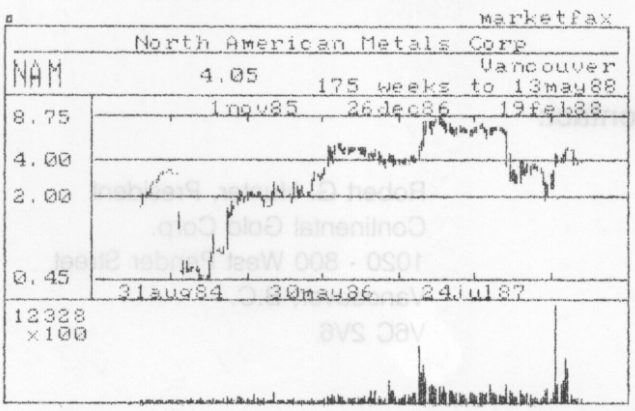
RECENT PRICE $6.00
SHARES OUT 11,000,000
CAPITALIZATION $66,000,000



RECENT PRICE $12.00
SHARES OUT 9,600,000
CAPITALIZATION $115,000,000



RECENT PRICE $13.00
SHARES OUT 8,500,000
CAPITALIZATION $110,000,000



RECENT PRICE $5.00
SHARES OUT 8,000,000
CAPITALIZATION $40,000,000

FIGURE 3

CORPORATE INFORMATION

Officers

Robert G. Hunter, President
Robert A. Dickinson, Secretary
Douglas B. Forster, Vice-President-Project Development
Terry R. Shirran, Vice-President-Investor Relations

Directors

Robert G. Hunter
Robert A. Dickinson, B.Sc., M.B.A.
Douglas B. Forster, M.Sc.
Barry D. McKnight, B.A., R.I.A.

Corporate Address

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Telephone (604) 684-6365
FAX (604) 684-8092

Solicitors

Sobolewski, Anfield
1600 - 609 Granville Street
Vancouver, B.C.
V7Y 1C3

Auditors

DeVisser & Co.
201 - 960 Richards Street
Vancouver, B.C.
V6B 3C1

Transfer Agent

Canada Trust
1055 Dunsmuir Street
Vancouver, B.C.
V7X 1P3

Bank

Canadian Imperial Bank of Commerce
400 Burrard Street
Vancouver, B.C.
V6C 3A6

Trades

Vancouver Stock Exchange (CUG:V)

Capitalization

Common authorized	20,000,000
Issued	2,223,146
Fully diluted	3,807,276

For Additional Information Contact:

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