

UNITED GOLD CORP. (UGC-V)

YEAR END REVIEW - Gerald Harper, president of United Gold Corp. reported a loss of \$166,407 or 2¢ per share, including an extraordinary tax recovery of \$20,700. In 1987, United Gold reported a loss of \$2,521,833 or 36¢ per share. Losses in both years were due to the write-off of mineral properties and related deferred costs. At Dec. 31, 1988, United Gold had about \$8,000,000 in working capital.

The company's principle asset is its 100% interest in the Clie property in Tuolumne county, California. Past work has traced the main Mother Lode gold zone over a strike length of 1,200 feet and to a depth of 700 feet, and identified two high grade shoots. One shoot contained a drill intersection of 0.154 oz. gold/ton over an apparent true width of 73 feet.

In February 1989, United Gold reported that it was drilling two holes totalling 3,000 ft. to investigate these shoots and examine the possibility of mining the deposit from underground. The target area is 1800 feet below surface and 1000 feet below the deepest intersection. The first drill hole was slowed by technical problems and is now expected to intersect the target area by mid-April.

United Gold intends to use its financial resources to expand its mineral interests. It is searching for new projects with some reserves indicated where the company can use its financial and technical resources to accelerate development towards production. United Gold has purchased 333,333 shares of **NINTEK RESOURCES LIMITED (NTK-V)**, which is exploring a gold property in Esmeraldas county, Nevada. Recently, United Gold received shares and warrants in exchange for loaning \$200,000 to **CANADIAN RESOURCES LTD. (CA-V)** to finance expansion of its Ash Peak mine in Arizona, which produces silica flux with by-product precious metals.

United Gold is 60% owned by AMB Gold Corp., part of the Northgate group of companies.

CONTINENTAL GOLD CORP. (CNT-V; CNTVF-NASDAQ)

HOLE	LENGTH	INTERVAL, FT	INTERCEPT	COPPER	OZ. GOLD/T	
89-115	1086.7 ft	280.0-1004.7	724.7 ft.	0.325	0.019	
Incl.		280.0-	553.7	273.7	.33	.020
and		686.5-1004.7	319.2		.38	.014

TELEGRAPH CREEK PROPERTY - Robert A. Dickenson, president **OPTIONED TO COMINCO LTD.** reported that hole 89-115 is in the MEX zone and shows this zone is open to the west on the Mt. Milligan project 45 miles west of McKenzie, B.C. The project is joint venture between Continental Gold 70% and BP Canada Limited 30%. (SEE GCNL NO. 68, p. 2, 10Apr89 for previous assay results).

COMINCO LTD. (CLT-V, T, M) has been granted an option to earn a 100% interest in Continental Gold's Rush 5-6, 17-20 and 23-24 claims by paying \$10,000 and spending \$620,000 on the claims by 1992. Continental Gold retains a 1.5% net smelter royalty. The claims are located 50 miles southwest of Telegraph Creek in northwestern B.C., and have potential for hosting quartz-vein and massive sulphide gold, silver, copper, lead, zinc mineralization.

VERONEX RESOURCES LTD. (VEO-V; VEOXF-NASDAQ)

WATERFLOOD SYSTEM INSTALLED ON SECOND ENIM OIL FIELD
Sandra Milligan, vice president of Veronex Resources Ltd. reported the successful installation of a waterflood system on the second oil field of the Enim oil project, on shore, South Sumatra, Indonesia. This second waterflood system has repressurized several wells, two of which produced oil at flow rates of about 1,200 barrels per day. These production wells are expected to flow at lower levels and are awaiting further equipment. The total water injection is now 13,000 barrels per day in the first two fields, Kampong Minyak and Suban Jerigi.

Triton Energy Corp. (OIL-NYSE) acquired a 60% participating interest in the project by investing

\$24,000,000 and became the operator on Oct. 1, 1988.

Production revenues during the payout period is divided 65% to repay capital costs and 22.75% to Pertamina, the Indonesian state oil company, 7.5% to Triton, 5% to Veronex. After payout, revenues will be divided 65% to Pertamina, 14% to Veronex and 21% to Triton. Veronex has invested \$21,000,000 in capital costs on the Enim oil project that are part of the capital repayment. (SEE also GCNL No. 233, p. 2, 5Dec88).

Veronex is currently in a positive cash flow position from Enim oil sales with \$6,000,000 cash in the bank and no debt.

WEBB & KNAPP (CANADA) LIMITED (W&K-V, M)

PRIVATIZATION AND NEW - On 12Apr89 Webb & Knapp **FINANCING ALMOST COMPLETE** (Canada) Limited completed a

private placement of 12,384,248 class A common shares at \$2¢ each with Jefferson Properties Inc. The proceeds of the private placement of approximately \$11,500,000 were used to repay the corporation's bank indebtedness of approximately \$10,100,000, with the balance being added to the corporation's working capital.

Shareholders on 10Apr89 approved the private placement as well as amendments to the articles to allow redemption of issued common shares at a price of 25¢ per share. On 12Apr89 the directors resolved, to redeem all common shares on 18Apr89. The full amount of the redemption price of approximately \$730,000 will be deposited with National Trust Company to be paid out to common Shareholders upon presentation and surrender of share certificates. The common shares of Webb & Knapp will be de-listed from the Vancouver and Montreal Stock Exchanges on 18Apr89.

KOOKABURRA GOLD CORP. (KOG-V)

NEW COMPANY EXPLORING B.C. PORPHYRY COPPER-GOLD PROSPECT

John Nebocat, director, reported that Kookaburra Gold Corp. recently completed its initial public offering of 500,000 shares at 45¢ each through Union Securities Ltd. The net proceeds of this offering combined with working capital of \$140,000 totals \$348,000.

Xenolith Gold Ltd. and Kookaburra Exploration Pty. Ltd. together own about 73% of Kookaburra Gold. Xenolith Gold is a public company trading on the Australian Stock Exchange and Kookaburra Exploration Pty. is a private Australian company whose major shareholders are Xenolith and Hunting Geology & Geophysics (Aus.) Pty. Ltd.

Kookaburra Gold has under option the Col group of claims, a porphyry copper-gold prospect about 108 km north of Fort St. James, B.C. and 45 km west of Continental Gold Corp.'s Mt. Milligan deposit. The company can earn 100% interest in the Col, subject to a 3% net smelter royalty, by making cash payments totalling \$140,000 and filing 10 years of assessment work on the claims.

After Kookaburra optioned the property in 1988, a grid was established and soil sampled. A 1200 meter by 500 meter area contains gold anomalies up to 800 meters long. A 6.5 access road was constructed in late summer.

The Col property was previously explored for copper by Falconbridge between 1970 and 1972, who performed soil geochemistry, magnetic, VLF and induced polarization surveys, and 7,741 feet of diamond drilling. The A zone contains 2,000,000 tons of 0.6% copper. Many soil and IP anomalies obtained by Falconbridge remain untested. Sampling of some core and trenches in 1984 yielded highly anomalous gold values. A 12 ft. sample assayed 0.065 oz. gold/ton and 3.15% copper; a select sample assayed about 0.5 oz. gold/t. The mineralization is hosted by altered monzonite and syenite of the Hogen Batholith near its contact with the Table Group volcanics.

The company is planning an airborne magnetic and VLF electromagnetic survey in May followed by trenching of gold-copper soil anomalies, an induced polarization survey and diamond drilling.