

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

MAIN ZONE IN-FILL HOLES

<u>HOLE NO.</u>	<u>INTERCEPT</u>	<u>COPPER</u>	<u>OZ. GOLD/T</u>
89-314	413.3 ft.	0.30%	0.033
89-354	433.1	0.45	0.022
89-360	1265.7	0.27	0.016
89-368	1202.4	0.44	0.020
89-373	1069.2	0.21	0.036
89-380	846.5	0.37	0.014

SOUTHERN STAR ZONE

89-330	597.1	0.27	0.008
89-339	341.2	0.25	0.013
89-359	249.3	0.30	0.014
89-363	408.1	0.45	0.010
89-365	242.8	0.34	0.011
89-367	275.6	0.40	0.013
89-369	164.0	0.56	0.014
89-381	278.2	0.34	0.008
89-382	484.6	0.46	0.031
89-386	190.3	0.29	0.021

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IN-FILL & STEP OUT HOLES ADDED TO TONNAGE - R.G.Hunter, chairman has reported assay results from in-fill drill holes in the main Mt. Milligan zone and stepout holes in the recently drilled Southern Star zone. Continental Gold Corp. holds a 69.84% working interest in the property, is operator with B.P.Canada Ltd. holding a 30.16% working interest. The property is located 30 miles west of Mackenzie, central B.C.

To date, 310,000 feet have been drilled in 406 holes. Drilling will resume after the Christmas season. The in-fill holes in the Mt. Milligan zone returned results as shown in the table above. These holes have confirmed good continuity and grade within the zone. The blanket shaped Mt. Milligan deposit measures 4,500 feet long, 3,100 feet wide and to 880 feet thick.

At least seven high grade gold veins radiate from the Mt. Milligan disseminated gold copper deposit. The average gold vein intercept is 15.6 feet with an average grade of 0.3 oz. gold/t. Further drilling of gold veins is required to assess their extent. A recent vein intercept encountered in Hole 89 - 341 assayed 0.283 oz. gold/ton over 59.1 feet.

The 100-meter spaced drilling has begun to outline the disseminated gold-copper Southern Star zone, which currently measures 3,800 feet long and 1,600 feet wide. This zone has a mineral reserve estimated at 100,000,000 tons. Recent drill hole results are shown in the table above.

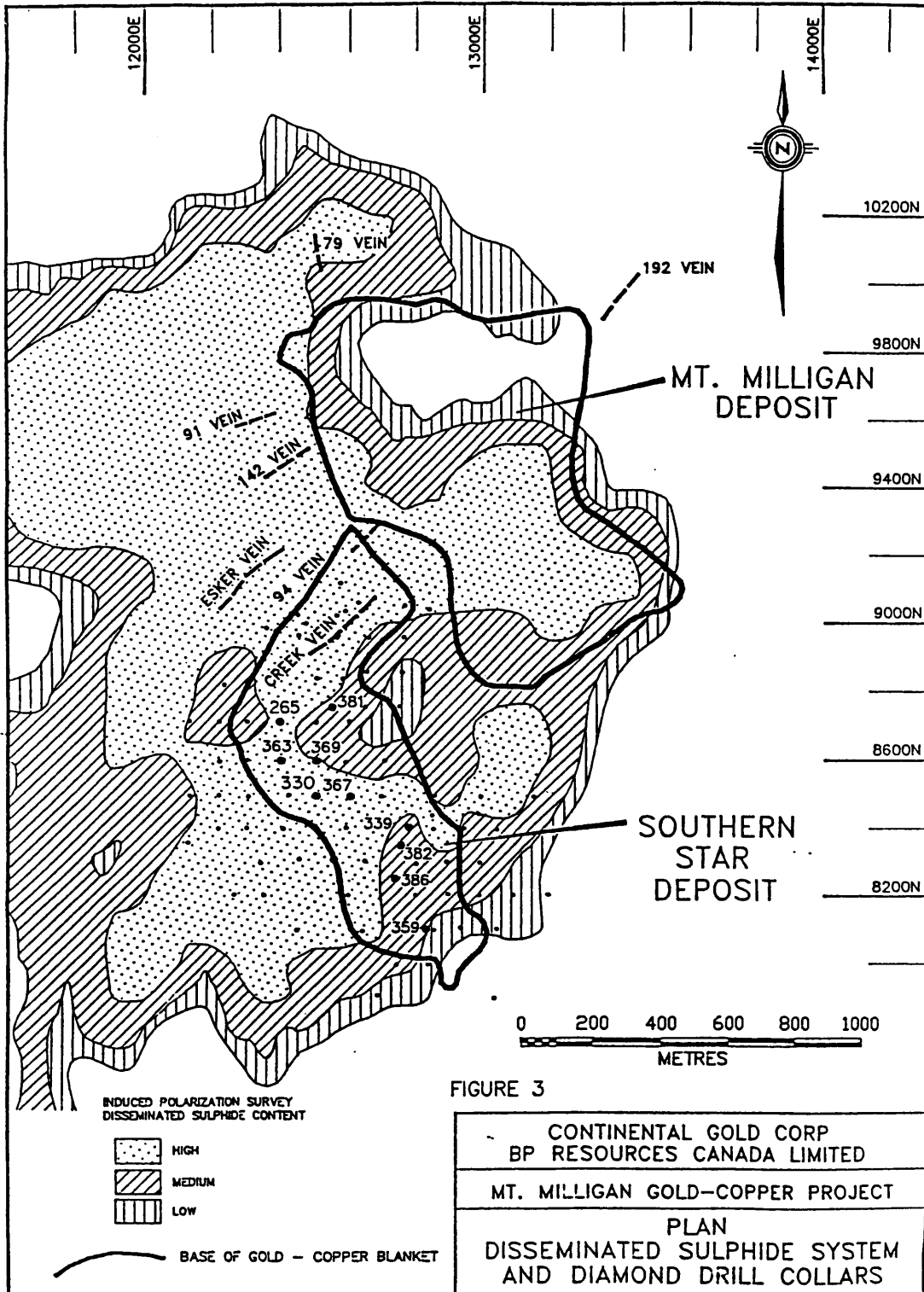
Continental Gold is attempting to move the BP Resources Canada Limited's law suit through the court process. (SEE GCNL NO.229, NOVEMBER 29,1989 FOR MUCH DETAIL.)

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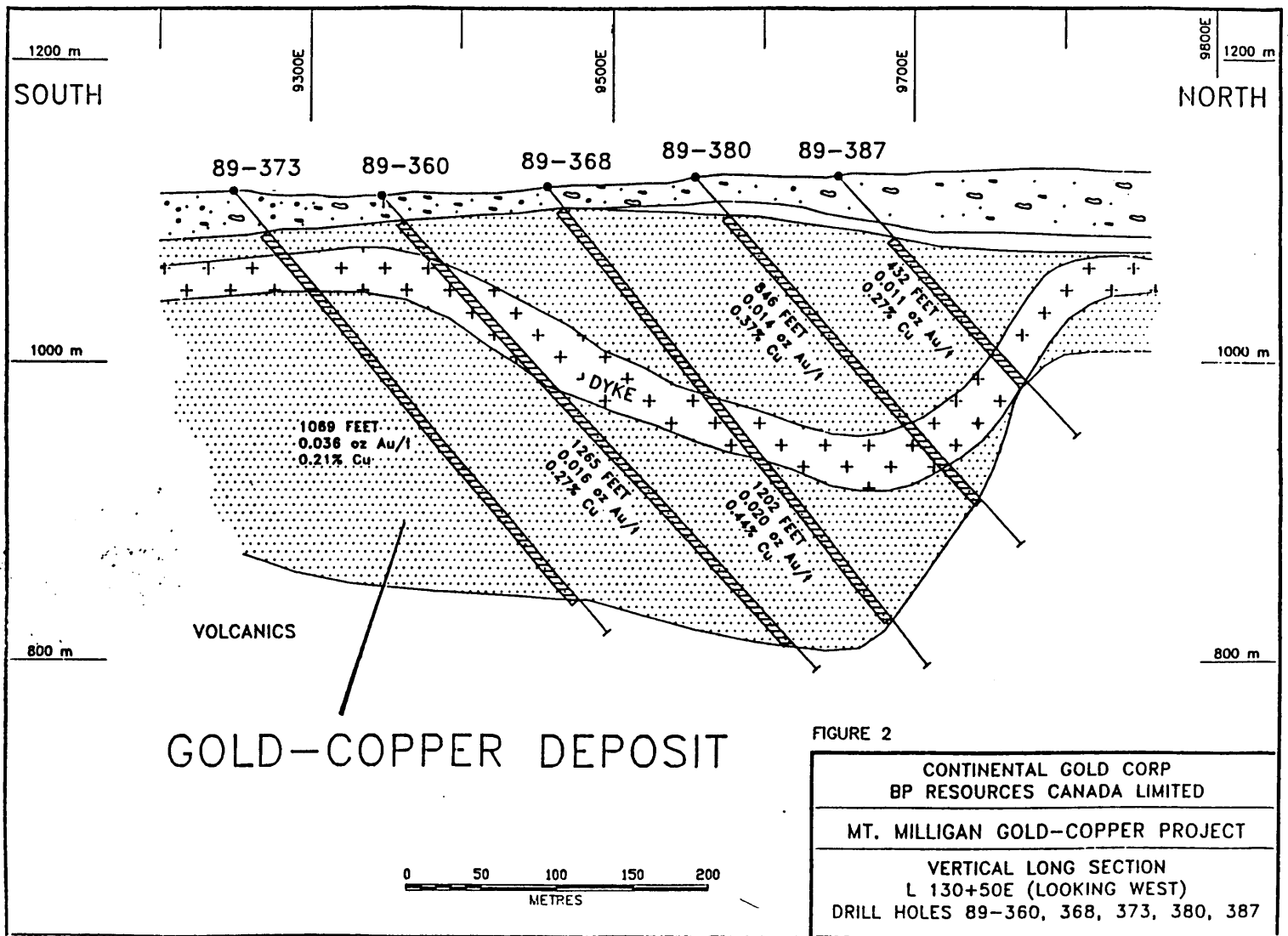


FIGURE 2

CONTINENTAL GOLD CORP BP RESOURCES CANADA LIMITED
MT. MILLIGAN GOLD-COPPER PROJECT
VERTICAL LONG SECTION L 130+50E (LOOKING WEST) DRILL HOLES 89-360, 368, 373, 380, 387

NO. 246 (1989)  
DECEMBER 22, 1989

George Cross  
WESTERN CANADIA

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