

93N 194

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MT. MILLIGAN: An Assessment

- Outstanding features of deposit are size of mineralized zones, degree of gold enrichment for an alkali-porphyry system and potential for expansion and new discoveries.
- Published reserves are more than 180 Mt grading 0.3 to 0.5% Cu and 0.3 to 1.7 g/t Au. (grade varies with zone).
- Most published long intersections are 'carried' by shorter, higher grade assays - i.e. there is a secondary control of mineralization, particularly the gold.
- Realistic recoveries are in the 80% range, not 90% range claimed by Continental Gold.
- Overall grade is not quite high enough to be able to ignore internal grade variations.
- Core has been logged by at least 16 geologists, and quality of logging varies greatly. Geostatistical calculations of ore reserves will be of questionable reliability.
- Majors who have access to full data are aware of these potential problems, which may explain why there is no bidding war on the property.
- Property remains a very attractive take-over target for Majors.
- Legal dispute between Continental Gold and BP may be a ploy by BP to keep other majors out of bidding?
- Continental has not released assay results for 15km of exploratory drilling - assessment could change completely.
- Bottom Line: this property will make a mine, the only major questions are the final size and ownership.

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SKETCH: MT. MILLIGAN PROPERTY

