

## Continental Gold Corp Drill Program For Trophy Project

A grass roots exploration program in northwestern British Columbia which resulted in the discovery of "significant gold-silver mineralization" has since evolved into the cornerstone project for Continental Gold Corp.

According to company president Robert Hunter, an aggressive exploration program is planned for 1988 on the Trophy Gold Project near Dease Lake.

The program will include diamond drilling and is slated to begin in June.

The Trophy Gold Project area is situated in a relatively unexplored portion of a 150 mile long belt of structurally controlled gold deposits stretching from Westmin's Premier-Big Missouri Mines in the south to North American Metal's Golden Bear deposit in the north.

Within this belt, large gold deposits discovered to date contain proven reserves totalling over 6,000,000 ounces of contained gold.

The Trophy Gold Project consists of 60 square miles of mineral claims located 70 miles southwest of Dease Lake in northwestern B.C. During 1987, a grass roots precious metal exploration program initiated by the property vendors resulted in the discovery of significant gold-silver mineralization in the Galore Creek area.

Within this project area, major north-south and northeasterly trending faults and shear zones have acted as conduits for gold and silver bearing hydrothermal fluids.

Precious metal mineralization occurs as disseminations and fracture filling of native gold, electrum, pyrite, galena, sphalerite, tetrahedrite and arsenopyrite, along shear contacts within silicified, and brecciated volcanics and sediments.

The company reports that so far, surface geological and structural mapping has

identified three major gold-bearing shear structures in the project area with a combined overall strike length of over 20 miles. They are identified as the Ptarmigan, Eagle and Hummingbird structures and range in width from 80 to over 350 feet.

Detailed channel sampling has returned gold values of 0.15 oz/ton gold equivalent over a true width of 185 feet, utilizing a 60:1 Ag/Au ratio based on dollar value. Within this zone samples have assayed 0.37 oz/ton gold equivalent over 19.7 feet, 0.39 oz/ton gold equivalent over 26.1 feet and 0.69 oz/ton gold equivalent over 10.0 feet. Numerous assays of greater than one ounce per ton gold have been obtained elsewhere on the property.

Mineralization in the Trophy Gold Project area is genetically related to syenite plutons, and is similar in many respects to the Delaware/Cominco, Skyline and Newhawk gold deposits located 40 miles south of the project area in the Iskut River and Sulphurets Creek Gold Camps.

The Trophy Project adjoins, and partially covers a portion of the syenite pluton which hosts the Galore Creek Cu/Au deposit (over 2 million ounces of contained gold).

Prospecting to date has focused on only about 5% of the known gold bearing structure in the claim region, the company says.

According to Bob Dickinson of Continental Gold, the relationships of major gold deposits in northwestern B.C. to syenite intrusions bodes well for the Trophy Project and is a key factor in the company's optimism as to the potential of this promising prospect.

Continental Gold Corp. trades on the Vancouver Stock Exchange; trading symbol CUG.

## Alotta Resources Intersects Significant Massive Sulphides

Alotta Resources Ltd. says it has intersected "significant" massive sulphides on its Gagne-Duchesne Option in northwestern Quebec.

Three discovery holes were completed:

- Hole GD-88-1 intersected a massive to disseminated sulphide zone over 9.0 feet from 67 to 76 feet.

- Hole GD-88-2 intersected a massive to disseminated sulphide zone over 13.0 feet from 66 to 79 feet.

- Hole GD-88-3 intersected a massive to disseminated sulphide zone over 115 feet from 82 to 197 feet.

The company reports that all three holes confirmed the presence of pyrrhotite, pyrite and chalcopyrite mineralization. True widths of the mineralized zones are not known at this time.

Partial assays have been received from Hole GD-88-1 and results include: 9.0 feet averaging 1.78% Cu and 2.50% Ni and 15.0 feet averaging 1.35% Cu and 1.61% Ni.

The company says the zone lies along the contact of a gabbro horizon which can be traced on surface for 2000 feet. A Max-Min EM survey has outlined the zone for 600 feet and the zone was checked with IP on two lines spaced 200 feet apart. Addi-

tional geophysical survey work is in progress.

According to company president Albert Applegath, the zone was picked up following the discovery of a copper-nickel float in 1987 which averaged up to 1.6% copper and 2.3% nickel per ton. The float was traced back some 700 feet to a copper showing which averaged 11.60% copper, .07% nickel, 0.32 oz/ton silver and .02 oz/ton palladium.

The Gagne-Duchesne Property was tioned by Alotta Resources Ltd. for a cash consideration, 100,000 shares of stock and a 3% net smelter royalty.

Alotta Resources Ltd. trades on the Vancouver Stock Exchange. Tundra Gold Mines Limited owns 1,050,000 shares of Alotta Resources.

Tundra Gold Mines Limited is involved with Teck Corporation on the Lamaque Joint Venture in Val d'Or, Quebec with a view to find sufficient reserves to justify the reopening of the Lamaque mine and mill complex. At present 4 underground drills are working on the project: two are tracing the No. 35 Vein from the 3200 foot level and the other two are developing the South Zone vein system between the 3000 and 3300 foot levels. A surface drilling is testing the No. 4 Plug for continuity of veins and gold values in an easterly direction prior to the dewatering of the No. 3 shaft and the underground diamond drill program on the No. 4 plug.

## Reserve Estimate On Chester Project

An interim estimate of reserves has been prepared by Chesbar Resources Inc. for the joint ventured Chester Township gold project located 67 miles south of Timmins, Ontario in which Murgold Resources Inc. has a 40% interest. The companies report that based on extensive diamond

Murgold and Chesbar are sufficiently encouraged by the underground results to date that they have authorized an independent engineering study of the design and cost of a proposed on-site test milling facility for bulk sampling. If approved by the joint venture, the companies plan to build

# Trophy Project Cornerstone for Continental Gold Corp.

By Vivian Danielson

When a Vancouver junior mining company says it is "developing Western Canada's largest precious metals system", ears perk right up. That's not a statement heard too often, even in mine-jaded Vancouver.

In this case the junior mining company was Continental Gold Corp., and because the company's management was well known for its successful track record in financing and developing the Golden Bear Mine being readied for production in northwestern B.C., people listened with both ears. Robert Hunter, who holds key positions with North American Metals, Breakwater Resources and Granges Exploration, is company president.

Continental Gold was listed on the Vancouver Stock Exchange in January of this year and the company has already geared up for a major delineation drilling program this summer on its large, 71 square mile Trophy Gold Project in northwestern British Columbia. The project area is

located 70 miles southwest of Dease Lake, and south of the Golden Bear Mine. The Stewart-Cassiar Highway is located 40 miles to the east of the property.

Continental Gold sees this project as located in the heart of a 150 mile long precious metals belt that extends from Westmin's Silbak Premier Mine in the south, to North American Metals' Golden Bear Mine in the north. Other major deposits within the belt are the Skyline Stonehouse Deposit, the Cominco/Delaware Snip Deposit and the Newhawk/Granduc Sulphurets Project.

Ongoing development work on these deposits is expanding on announced reserves which contain in excess of 5 million ounces of gold. To Continental Gold and just everybody else keeping a close watch, that means the emergence of a world class gold camp.

According to geologist Bob Dickinson, a director of Continental Gold and a founding director of North American Metals, the major deposits within the belt have similar geological characteristics and are

there for a specific reason.

An important similarity, Dickinson says, is a spatial association with syenitic intrusives - plugs that set up a hydrothermal system - which are coincident with the major precious metals systems.

"Where you have syenitic intrusives and also good, wide structures, you have a high probability of getting gold and silver mineralization in very substantial veins."

Dickinson says the Trophy Gold Project owned by Continental Gold covers the largest hydrothermal-precious metal system in the belt. According to Dickinson, preliminary geological mapping and sampling have identified three major gold-bearing shear zones - the Ptarmigan, Eagle and Hummingbird - with a combined overall strike length of over 25 miles. The three structures range in width from 80 to over 350 feet.

Initial work has examined only 5% of the known gold-bearing structures and has identified disseminations and fracture fillings of gold and electrum in the 80 to 350 ft. wide zones. Surface channel sampling across these structures has returned "impressive" gold and silver values, the company says, with many assaying greater than one ounce per ton.

"This project has the potential to be well over a hundred thousand ounce producer, and because we own this project 100

percent, it would be a good cornerstone upon which to build a very substantial company," says Dickinson. "And that's what we are trying to do."

The first systematic mineral exploration in the project area was initiated by Kennecott Copper in 1955 and their work led to the discovery of the Galore Creek porphyry copper deposit of 187 million tons grading 1% copper and 0.015 opt gold/ton.

The Trophy Project adjoins, and partially covers a portion of the syenite plutons that host the Galore Creek copper deposit which has contained in it over two and a half million ounces of gold.

The Trophy project came about as a result of a grassroots exploration effort based on a geological theory by Dickinson and Continental Gold director and geologist Doug Forster.

"We saw an area in the Galore Creek region that had been overlooked for precious metals," Dickinson said. "We went in because it was mapped as having these intrusives, and low and behold when we started banging on the structures everyone of them had gold and silver."

The ground covering the precious metals system was staked in late 1987, and was later acquired 100% by Continental Gold.

An initial \$2 million program is now underway that will consist of extensive diamond drilling, trench sampling and mapping. Metallurgical, environmental and conceptual engineering studies will also be initiated.

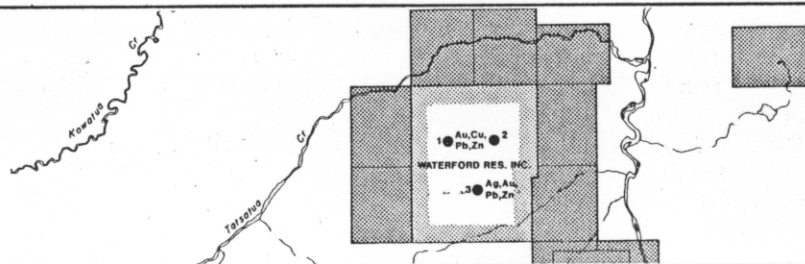
Dickinson said that because the structures are so wide, he expects the company will be able to put tonnage together very rapidly.

"We intend to push forward as quickly as we can."

Continental Gold recently announced an agreement with NIM and Company Limited Partnership to finance \$2 million of exploration work on the Trophy Project. Homestake Mining, which now has a controlling interest in North American Metals, has also made a recent private placement in Continental Gold.

Continental Gold Corp. trades on the VSE; trading symbol CUG.

## Claims for Option — Joint Venture



**TATSAMENIE  
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