

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

METALLURGICAL TEST - Robert G. Hunter, chairman of RESULTS REPORTED Continental Gold Corp. has reported recovery of 94.7% of the gold and 91.6% of the copper in the initial metallurgical tests using conventional cyanidation and flotation on ore from the Mt. Milligan property 45 miles west of McKenzie, B.C. Further metallurgical test work will start shortly as part of a full feasibility study to determine mill and mine design. On-going drilling is expanding on the contained reserves of 2,500,000 to 3,000,000 oz. gold and significant copper. The Mt. Milligan project is a Continental Gold 70%, BP Resources Canada Limited 30%, joint venture.

When the Mt. Milligan deposits are delineated by drilling possible mining and milling rates will be determined. Preliminary engineering of the current results suggests two possible operating scenarios which are summarized as follows:

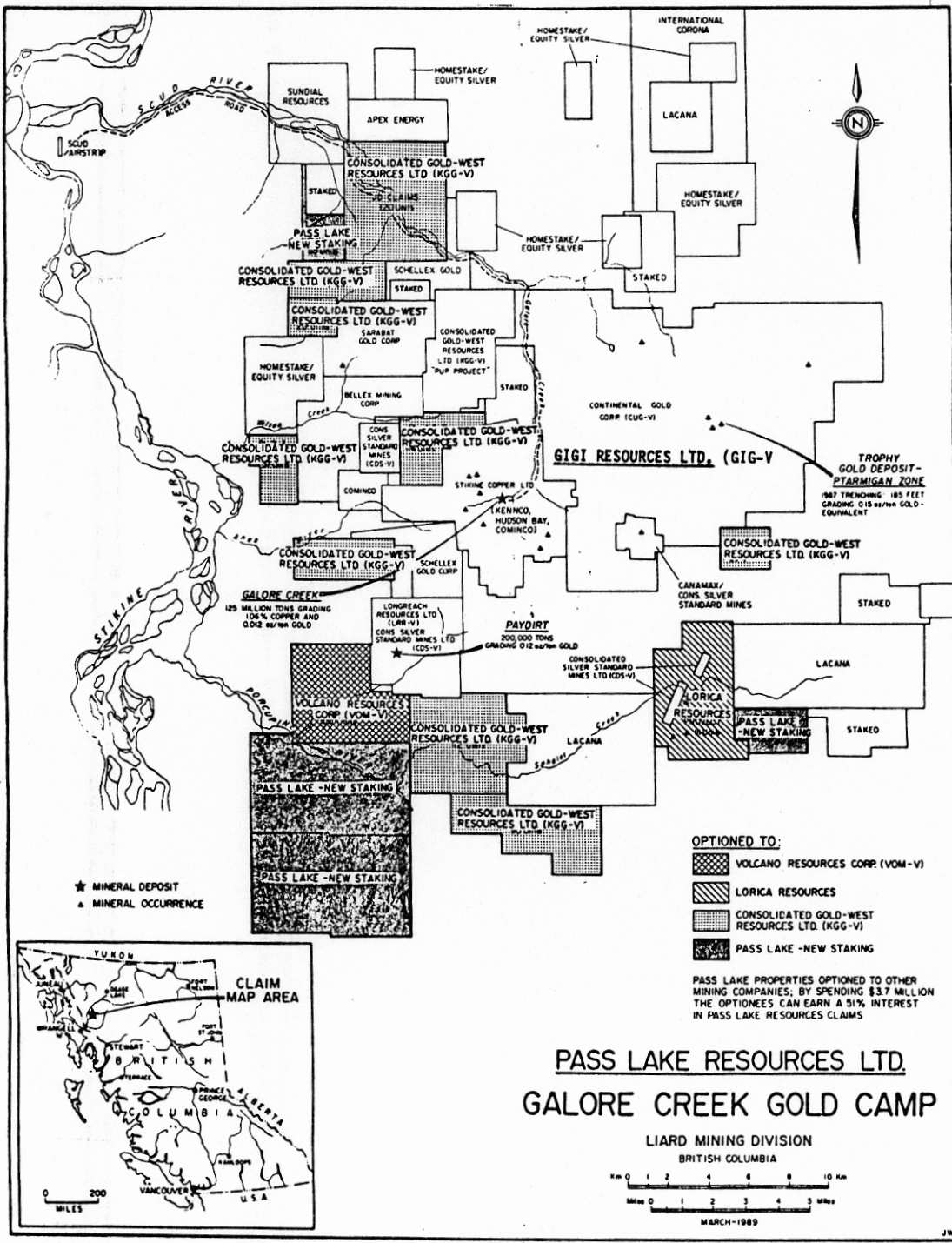
MILL RATE	GOLD	COPPER	% RECOVERY	ANNUAL PRODUCTION		
<u>TONS/DAY</u>	<u>OZ/T</u>	<u>%</u>	<u>GOLD</u>	<u>COPPER</u>	<u>OZ.GOLD</u>	<u>LBS.COPPER</u>
25,000	0.025	0.35	94.7	91.6	215,000	60,000,000
35,000	.025	.35	94.7	91.6	305,000	83,000,000

(SEE GCNL NO.60, P.2, March 29,1989 for assay results).

KELAN RESOURCES INC. (KLN-V) has acquired a property about 6 km north of the Calpine-Consolidated Stikine joint venture some 65 km north of Stewart, B.C. Terms were not reported. The claims lie in an area anomalous in gold and associated minerals. The resignations of Donald Shauer and Greg Basham as directors of the company have been accepted. Hans Patkau has resigned as secretary and accepted the position of vice president. The company has granted 193,000 employee stock options exercisable at 50¢ each by March 31, 1991.

PASS LAKE RESOURCES LTD. (PLJ-V)

MAP PRINTED OVERLEAF - The property location map printed overleaf shows the holdings of Pass Lake Resources Ltd. and its joint venture partners in the Iskut River area about 100 km north of Stewart, B.C. See GCNL No.59, p.1, 28Mar89 for full details).



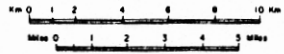
★ MINERAL DEPOSIT
▲ MINERAL OCCURRENCE

- OPTIONED TO:
- VOLCANO RESOURCES CORP. (VOM-V)
 - ▨ LORICA RESOURCES
 - ▤ CONSOLIDATED GOLD-WEST RESOURCES LTD. (KGG-V)
 - ▧ PASS LAKE - NEW STAKING

PASS LAKE PROPERTIES OPTIONED TO OTHER MINING COMPANIES. BY SPENDING \$3.7 MILLION THE OPTIONEES CAN EARN A 51% INTEREST IN PASS LAKE RESOURCES CLAIMS

PASS LAKE RESOURCES LTD. GALORE CREEK GOLD CAMP

LIARD MINING DIVISION
BRITISH COLUMBIA



MARCH-1989

JW